

The Estimates Committee convened at 8.30 am.

**Mr CHAIRMAN:** Good morning, everyone. As Chair of the Estimates Committee 2011, I formally declare open this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory and I extend a welcome to everyone present – a warm welcome on a cold day.

This is the 10<sup>th</sup> year of the Estimates Committee process and procedures adopted throughout the previous sittings have become accepted practice. There are, however, a number of areas regarding the conduct of these public hearings that I intend to place on record.

The role of the committee is to examine and report on the estimates of proposed expenditure contained in the Appropriation Bill 2011-12. Membership of the Estimates Committee is the same as that of the Public Accounts Committee. However, the terms of reference allow for other members of the Assembly to participate in the public hearings provided that the composition of the committee never exceeds seven members. The members participating shall not exceed three government members, three opposition members, and one Independent member.

To assist Hansard, I will advise members 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 Estimates Committee, the member for Nhulunbuy, Ms Lynne Walker, was appointed as Deputy Chair of the committee.

As has been the practice in past years, the Assembly's resolution provides that ministers shall restrict their opening remarks to a maximum of five minutes. Members will be able to question the minister on issues that have been 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.

For each agency of multiple outputs, I will invite four sets of questions:

1. Questions on the minister's statement.
2. Agency-related whole-of-government questions on budget and fiscal strategies.
3. Questions on each output.
4. Conclude with non-output-specific budget questions.

However, for business lines, single-output agencies or outputs considered apart from their agencies, I will only invite questions once after the statement by the minister.

I believe it is important to clarify any issues that could be considered as contentious and 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 the Senate Standing Committee on Procedure 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.*

Representatives of the media are present during the hearings and are able to report and rebroadcast proceedings of the Estimates Committee process, having obtained written permission from the Speaker in accordance with paragraph 32 of the Terms of Reference.

A total of 56 hours has been scheduled for ministers and agency officers to appear before the Estimates Committee. I take this opportunity to remind all members that it is incumbent on them to efficiently utilise their time over the five days so they are able to adequately examine all agencies. The order of outputs is set out in the schedule of ministers' appearance which has been provided to all members. Over the five days of public hearings, we will work through this document as the agenda for the committee.

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

Where a minister will be available for questioning on outputs 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 Estimates Committee hearings. I propose to invite shadow ministers to ask their questions first, followed by opposition members, government, and Independent members of the committee. 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 where government and Independent committee members may join with a line of questioning pursued by a shadow minister rather than wait for the end of the output to be considered by the shadow.

All questions shall be asked orally so as to appear in the *Hansard* record. Procedures for dealing with questions on notice are contained in the Estimates Committee Information Manual 2011, copies of which are available at the back of this room.

I take this opportunity to reinforce the importance of the process I will be adopting when a question is taken on notice. When a minister or the speaker indicates that they are unable to answer a particular question during the committee process, or that they will provide an answer at a later time, I will immediately request the member who raised the matter to clearly and concisely restate the question. This will allow agency officers who are present to note salient points of the topic at the same time as the question is being relayed to the minister. This process will also assist *Hansard* and the committee secretariat staff when they come to processing the formal question for the Chair's signature.

I will then ask the minister if he or she accepts the question taken on notice. If it is accepted, I will immediately allocate a portfolio specific number which will clearly identify that particular question. Agency officers and ministerial staff should take note of the question number and ensure it is clearly identified in any response tabled by the minister during the public hearing process or at some later date.

The schedule of questioning will be strictly adhered to. In the event that questioning of a portfolio concludes before the allocated time, the next minister will not commence before their scheduled time. There are many agency officers involved in these hearings and the last thing the committee wants is to be responsible for a feeling of uncertainty as to when officers may be called to assist their minister during the questioning process.

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

Meal breaks over the five-day public hearings will be from 12 pm to 1 pm for lunch, except today when lunch will be from 1 pm until 2 pm. Dinner will be 7 pm to 7.30 pm on the nights when the committee will sit until 11 pm.

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

## **MINISTER LAWRIE'S PORTFOLIOS**

### **TREASURY**

**Mr CHAIRMAN:** The committee will now proceed with the consideration of estimates and proposed expenditure in accordance with the Schedule of Ministerial Appearance by Output.

Welcome, Treasurer. Please introduce the people with you. If you have an opening statement, please make it.

**Ms LAWRIE:** Thank you, Mr Chairman.

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

I have with me the Under Treasurer of the Northern Territory, Mrs Jennifer Prince, and other senior Treasury staff. Witnesses include Under Treasurers, Mr Tony Stubbin and Ms Jodie Kirkman; and Assistant Under Treasurers, Ms Anne Tan, Mr Bruce Michael, and Mr David Braines-Mead. Assistant Under Treasurer, John Montague, and Senior Director Economic, Mr Craig Graham, will join us later. As we progress, I will introduce other Treasury witnesses who may be required with individual output areas.

As Treasurer, I will address a number of issues from a whole-of-government perspective. This includes financial and accounting policy issues applying to the 2011-12 Budget; requirements of the *Fiscal Integrity and Transparency Act*, including financial statements for the general government and non-financial public sectors in this fiscal strategy; whole-of-government financial issues including relevant parameters; debt and liabilities revenue, including taxes; royalties; and GST; revenue measures in the 2011-12 Budget, and community services obligations and dividends, and the current state of the Northern Territory economy.

I will also address any issues in relation to the overall cash and program position of the infrastructure budget. Details on individual projects are to be addressed by ministers responsible for those portfolios.

As shareholding minister for Power and Water, I will address issues in the budget that 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.

Mr Chairman, I am happy to answer any questions from the committee relating to the responsibility for the appropriation bills and budget papers, and for the Northern Territory Treasury, the Central Holding Authority, and the Northern Territory Treasury Corporation.

**Mr CHAIRMAN:** Are there any questions to the opening statement?

**Mr WESTRA van HOLTHE:** Not particularly on the opening statement. But, Treasurer, I notice in the *Hansard* of these proceedings from last year you allowed a broad range of discussion across the Treasury portfolio rather than having stick to specific output groups. Are you happy to go down that same path this year?

**Ms LAWRIE:** What we usually do, shadow Treasurer, at this stage is take a high-level, big picture debate. We do not go into output specific at this stage. So, if you want to go into the high-level debate at this stage, I am more than happy to. But, we tend not to drill down into output specific - that being said.

**Mr WESTRA van HOLTHE:** All right. I guess we can be pulled up if it gets a little too specific, but I suppose to flag a few things that could come up in this time is some stuff around Territory bonds, the BuildBonus and BuildStart programs. So, if you are happy with that, I will commence.

**Ms LAWRIE:** Yes.

**Mr WESTRA van HOLTHE:** Treasurer, how much does the cattle industry contribute to the economy of the Northern Territory?

**Ms LAWRIE:** In the overall economy, in the big picture, it is fairly small. Obviously, it is an important regional industry. Certainly, what I am advised, is that the - well if you want to go straight to the impact or you want to talk more broadly about the industry, I am happy to take guidance.

**Mr WESTRA van HOLTHE:** I have quite a number of questions here that relate, Treasurer, so perhaps if we stick to the question itself, without ranging too far, I would be happy with that.

**Mr CHAIRMAN:** Member for Katherine, you are welcome to ask a question and then the minister is welcome to answer it. Estimates Committee proceedings are, by and large, conversational in nature and sometimes these do range a little bit. I think we will keep going with the flow and see what happens.

**Mr WESTRA van HOLTHE:** Yes, sure.

**Mr WOOD:** Can I get clarification? If we are talking on a particular subject, do I have to wait until the broad ranging subjects are all completed or can I tack onto the back of the subject?

**Mr CHAIRMAN:** We have agreed that where there is a line of questioning being pursued by the shadow minister, rather than moving on from that, you can come in at the end and ask your question.

**Ms LAWRIE:** To put that in context the industry proportion of GSP sits within what we call the agriculture, fisheries, and forestry section. That is about 2.5% of the Territory economy. That puts it in context if you want to compare it with say mining, which is 25% of the Territory economy. I do not have a breakdown within the agriculture, forestry, and fisheries to say what percentage of that 2.5% is cattle. We have that high-level figure within the category of 2.5% of industry proportion of GSP.

What you are probably looking at is more the impact on the regional setting of the sector in relation to the current ban on live export. LiveCorp and Meat and Livestock Australia, with the Centre for International Economics, this year undertook a study of the impact of a ban on live exports. It considered the nett impact of the ban taking into consideration the sale of cattle into alternative markets in the eastern states, particularly Queensland. They estimated \$128m nationally, with \$79m attributed to the live export region of Northern Australia. As the report did not estimate the impact on the individual states that make up northern Australia, that is, Northern Territory, Queensland, and Western Australia, an estimate for the Territory has been extrapolated from the total northern Australian value. This is based on the Territory's 40% share of the total north Australian export trade and is estimated at \$32m per annum.

Recapping, it is sitting within that agriculture, forestry, and fisheries output within the Territory's GSP, which is 2.5% of GSP, compared to 25% which is mining, and within the LiveCorp, Meat and Livestock, and Centre for International Economics - their own study this year. If you extrapolate down from those figures you are looking at about \$32m per annum is what it generates in the Territory.

**Mr WESTRA van HOLTHE:** Thank you, Treasurer. I understand it is accepted across the industry, and a figure that is often touted is that the industry is worth around \$300m to the Territory, which is 10 times the figure you have given us today. How do we move forward from that? That is the accepted figure: \$300m.

**Ms LAWRIE:** I am going to a study that talks about the impact of a ban on live exports. Obviously, in relation to the broader industry, it is not just a live export industry. I am talking about specific dollar costs the industry itself assessed would flow out of any ban on live exports.

**Mr WESTRA van HOLTHE:** I hear what you are saying and accept that is the advice you have been provided.

**Ms LAWRIE:** No, that is actually the information that has come out of LiveCorp, Meat and Livestock Australia, and the Centre for International Economics.

**Mr WESTRA van HOLTHE:** I still contend the industry is probably worth \$300m per annum to the Territory.

**Ms LAWRIE:** Sure, but you have to look at – much of the industry is going to feeding the southern markets - abattoirs down south. What we are talking about here, specifically, is the impact of the ban on live exports.

**Mr WOOD:** Can I follow up on that question?

**Mr CHAIRMAN:** Still continuing with cattle?

**Mr WOOD:** On the same issue. The Northern Territory Economy book ...

**Ms LAWRIE:** Sorry, I am seeking clarification, are we going to be jumping around completely or do we extinguish with the shadow.

**Mr WOOD:** No, still following ...

**Ms LAWRIE:** Is he still asking me about cattle?

**Mr WOOD:** Yes.

**Mr CHAIRMAN:** Member for Nelson, we are suggesting when the shadow gets to the end of his questioning on cattle, you come in, rather than in the middle of it.

**Mr WOOD:** That is why I asked him permission ...

**Mr CHAIRMAN:** I know. Then I asked him, as Chair, if he was still pursuing cattle and he indicated he was.

**Mr WOOD:** The point the shadow minister raised is important - the effect. The Northern Territory Economy Book states that the agriculture, forestry, and fisheries production of the Northern Territory was worth \$423m.

**Mr CHAIRMAN:** So, the intention, member for Nelson, is where there is a line of questioning, and at this stage there is a line of questioning from the shadow around cattle, that you be given the opportunity to ask your questions at that point. However, he is still, as shadow, continuing, and that is the order of questioning. You will definitely get a chance soon, I suggest; however, the intention is for the shadow to conclude their line of questioning first, and then ...

**Mr WESTRA van HOLTHE:** I am not completely bound up by the minutiae of this, so I am happy if the member for Nelson wants to lead with a specific question that relates to a question. But, then again ...

**Ms LAWRIE:** It generally bounces back to you; that is all I am saying. I am very conscious. Okay? I do not want to be difficult here, I am just very conscious that I am the first minister up. What I allow in deviation from standing orders then occurs for the next two weeks. So, I am actually fairly well bound to follow the procedure here. The procedure is that we exhaust the shadow Treasurer's questions on a topic, then we move to the Independent because the government members are most unlikely to ask me. I do not want to be pedantic, but I am also very conscious that, as the first government minister appearing, if I deviate from procedure I really set a precedent for two weeks.

**Mr GUNNER:** And this is a flexibility under the strict interpretation of standing orders. The member for Nelson cannot come in until you have concluded all your questions, not just cattle questions. This is flexibility ...

**Ms LAWRIE:** I do not want to be difficult, but there is a procedure I should follow.

**Mr WOOD:** Yes. Well, the problem with allowing broad discussion over a whole-of-Treasury questions is you could cover 10 topics.

**Mr CHAIRMAN:** But you will come in at the end of each topic, not at the end of all 10. That is okay?

**Mr WOOD:** Okay.

**Mr CHAIRMAN:** We made that clear at the start that we will allow that flexibility for you to come in on each topic, not after all 10, to use a ...

**Mr WOOD:** It is not so much for me, it is also for the Treasurer, as she might have forgotten what she said 10 subjects ago.

**Mr CHAIRMAN:** Exactly. No, no, it is a good point. So ...

**A member** interjecting.

**Ms LAWRIE:** If you do not want me to take general, I am okay with that.

**Mr WOOD:** No, just take that lighthearted.

**Ms LAWRIE:** No, seriously, I do not want to muck around with procedure too much because I am very conscious it sets a precedent for the fortnight.

**Mr CHAIRMAN:** We are being quite ...

**Ms LAWRIE:** I just take it, as Treasurer, I should allow the broad economic picture debate before we go into the specific. I believe that is a reasonable thing to do; that is the process I have followed for three

years now. I am happy to continue that. I have to say if I then allow a cut from members of the committee different to what is normally the case, that is even further deviation from procedure.

**Mr CHAIRMAN:** We are going to hand back to the shadow minister now to continuing questioning, but before I do, I want to guarantee, member for Nelson, that you will be asking your cattle questions at the end of the member for Katherine's cattle questions, and not at the end of all his questions. Does that make sense? So, you will get the opportunity ...

**Ms LAWRIE:** We will stick to cattle first.

**Mr WESTRA van HOLTHE:** All right. Let us march on. I will kick off from the interjection or the question from the member for Nelson about agriculture, fisheries, and forestry being worth \$423m. I am going to let him come back to that.

Treasurer, how many jobs are directly linked to the cattle industry in the Northern Territory?

**Ms LAWRIE:** All right. On the advice I have been provided, there are between 1600 to 1900 employees in the industry.

**Mr WESTRA van HOLTHE:** Thank you, and how many of those would be Indigenous jobs?

**Ms LAWRIE:** I do not have that breakdown. You should ask the minister for Primary Industries.

**Mr WESTRA van HOLTHE:** There is, obviously, a multiplier effect from any industry, especially a big one like the cattle industry. Are you able to say how many jobs are linked indirectly to the cattle sector?

**Ms LAWRIE:** That is not a Treasury question; that is a Primary Industries question.

**Mr WESTRA van HOLTHE:** I guess I am thinking if the multiplier is three or four times, then we are probably looking at three or four times that number again.

**Ms LAWRIE:** One thing that Treasury does not do is speculate.

**Mr WESTRA van HOLTHE:** No, no, that is quite right. However, you certainly do other things that can bring about information you can infer from.

All right, Treasurer, how much payroll tax comes to government coffers from the pastoral sector in the NT?

**Ms LAWRIE:** Yes, I am advised we would not release an industry breakdown because of confidentiality.

**Ms WESTRA van HOLTHE:** Okay. I am not asking for a breakdown of each company, but I would have thought you would be able to identify the quantum of payroll tax that comes to the Territory from a particular sector in the economy?

**Ms LAWRIE:** Yes, it starts to become complicated because of the \$1.5m threshold in terms of when you kick in and start paying payroll tax. Given the size of the industry, you start to do some calculations about who is paying what. Therefore, I am advised, in keeping with the confidentiality of taxation, that is not a figure we would release.

**Mr WESTRA van HOLTHE:** Treasurer, of course, we are talking about the live export ban. Jobs will be lost as a result of it and, in fact, people have already started to be put off. Has Treasury done any modelling to predict how much payroll tax will be lost to the Territory as a result of the ban?

**Ms LAWRIE:** Obviously there are still some questions in terms of how long the ban is. There is a stated time frame out there, but there is also a stated ambition by the federal government to work very closely with industry to see how quickly they can resume. Until those certainties are locked in place, the modelling would only be speculative.

**Mr WESTRA van HOLTHE:** Even though any such modelling would be speculative, would it not be sensible to be providing that type of information to the federal government so they can make some informed decisions about the impact this might have on the Territory?

**Ms LAWRIE:** I believe the value of cattle production and the industry is quite important. The federal government is not going to be swayed on a small proportion of payroll tax the Territory may or may not have to be out of pocket on, quite frankly. I would like to believe that, in Canberra, they are very concerned about how much I am receiving in payroll tax, but the reality is they are not.

**Mr WESTRA van HOLTHE:** Yes, I get that. I fully understand ...

**Ms LAWRIE:** But we are in there fighting with the arguments that ought be put forward.

**Mr WESTRA van HOLTHE:** Yes, and I guess the payroll tax issue is just a small part of the whole because, obviously, there will be greater impacts on the Territory economy than just in terms of payroll tax.

Have you any idea how many businesses derive income from the cattle sector in the Territory?

**Ms LAWRIE:** I want to point out, so you do not actually take the wrong information out, the live cattle movements are not, of course, the whole of the cattle industry here, as you would be very well aware, being the member for Katherine. What I am advised is, there are approximately two million head of cattle in the Territory across some 220 pastoral properties. As of 2009-10, the value of cattle production was \$251m. I am advised, of that two million head of cattle, 291 000 were exported.

**Mr WESTRA van HOLTHE:** So you do not know how many businesses derive some of their income from the cattle sector? The reason I ask that, I know you have pointed out the ban only relates to the live export part of our sector; however, there will be a knock-on effect from the ban ...

**Ms LAWRIE:** The logistics chain, of course ...

**Mr WESTRA van HOLTHE:** ... For example, cattle sales right across the Territory will probably drop, and certainly the prices of cattle, when our cattle start to flood southern markets, will also drop. This will affect the entire industry, that is why I am asking you the question: Territory-wide, about how many businesses draw some income from the cattle sector?

**Ms LAWRIE:** I do not have the figure of how many businesses draw their income from the cattle sector, but I will take you back to that initial study which was done by the LiveCorp, Meat and Livestock Australia, with the Centre for International Economics. Obviously, what they did was look at the chain of logistics as well within their study, because you have your transport businesses and the like. What they said was, if there was a ban, which, of course, has turned out to be the case, the NT's 40% share of the Northern Australian export trade is estimated at \$32m per annum, so that would capture those businesses in the livestock export industry.

**Mr WESTRA van HOLTHE:** I was going to ask how many businesses rely solely on income from the cattle sector, but you probably do not have that information either.

**Ms LAWRIE:** No, I do not have that data with me.

**Mr WESTRA van HOLTHE:** Okay. I was going to ask you about contractors as well, but you probably do not have that information.

**Ms LAWRIE:** They are very good questions for the minister for Primary Industry. I believe, to get an understanding of Treasury, you have to understand that we operate at a very high level across our industry drivers. For diving down into detailed industry; whether it is mining, or whether it is cattle, or whether it is fisheries, you ask the relevant portfolio minister.

**Mr WESTRA van HOLTHE:** I understand that, and I appreciate that. However, given the dire circumstances we are facing in the Northern Territory with this live export ban, I hoped or expected that the department of primary industry would have briefed Treasury on some of the finer details that relate to this.

**Ms LAWRIE:** Again, Willem, that was not a question; that was a statement, and I will respond to that statement. The reality is you allow portfolio ministers to answer in their portfolio areas. So, if you were to extrapolate that, there would be no point in having any other minister appear before Estimates. I would sit here and answer absolutely every detail across every portfolio as the Treasurer. That would be patently ridiculous.

**Mr WESTRA van HOLTHE:** That is fine, no problem. You may not have the breakdown, but I will ask the question anyway, Treasurer. Do you know what proportion of the Katherine, Tennant Creek, and Alice Springs' economies are dependent on the cattle sector or the live export sector?

**Ms LAWRIE:** Again, it is not at the Treasury high level, but Primary Industries I am advised is the appropriate portfolio to ask that.

**Mr WESTRA van HOLTHE:** You said the study identified that it was \$32m, that was going to be costing the Territory.

**Ms LAWRIE:** Yes, that is the nett effect of selling at lower prices because they are not selling over to Indonesia; they are selling back into the Australian domestic market.

**Mr WESTRA van HOLTHE:** We can say the question is, what is this costing the Territory, and I guess that's the answer; \$32m according to the study.

**Ms LAWRIE:** No, there is what is costing the industry in the Territory, according to this study.

**Mr WESTRA van HOLTHE:** Are you able to table that document, Treasurer?

**Ms LAWRIE:** I do not have the study with me. I can refer to it again, so you can look it up if you want. It is the LiveCorp and Meat and Livestock Australia, with the Centre for International Economics, and it undertook that study in 2011. It is a study of the impact of a ban on live exports.

**Mr WESTRA van HOLTHE:** So Treasurer, did I hear you right before that the Treasury has done no modelling to predict the impact of the live export ban on the Territory. You are relying solely on the document you just referred to.

**Ms LAWRIE:** Treasury usually does go to expert sources for its own information. For example, much of the Treasury data is based on ABS modelling and data information. They have gone to the most expert source in the short time frame since the ban came into place. It would take quite a while to model up, and you would be modelling on a variety of scenarios, because it is not yet a certainty as to how long it will be before exports recommence. The government is working closely with the federal government to ensure it is as soon as possible.

We recognise that the temporary suspension was necessary to prevent animal cruelty, and to provide long-term confidence in the industry. That is vitally important and we are working extremely closely with the Cattlemen's Association of the Northern Territory. We strongly support a sustainable live cattle export industry, but that has to be built on the ability of those safeguards of the welfare of animals. The temporary suspension has already proved effective, as the Indonesian President has ordered an investigation into his country's abattoirs. This simply would not have happened if there had not been that temporary suspension.

We strongly support the resumption of the live exports, as soon as those animal welfare issues have been resolved. There is a task force in place that includes the Federal, State and Territory Ministers and industry, and it has been established to work towards re-establishing trade within Indonesia, when sufficient safeguards are in place. Our government has always been concerned that the live cattle export industry was too dependent on one market - a potentially unreliable market for reasons which have now been borne out. Our government will continue to work with the Northern Territory Cattlemen's Association on developing and promoting alternative international and domestic markets for our industry. We are aware the NT Cattlemen's Association has asked the government and the opposition not to politicise this issue. Whilst our government has agreed to abide by this request we are concerned, obviously, that it may become a political football this week, and we urge the opposition to consider very strongly what it does.

This is an important industry, and there are Territorians who need us to work together and the Chief Minister and our minister for Primary Industries have been very actively involved in this. My role as Treasurer has been to work with my Treasury to pull out and secure all the available data sources to provide information and advice to the government. Those data sources, of course, I am providing information and advice to Estimates.

**Mr WESTRA van HOLTHE:** Clearly, Treasury officials would not have spoken to the Cattlemen's Association, nor would you have spoken to pastoralists.

**Ms LAWRIE:** I have spoken to Cattlemen's.



**Mr WESTRA van HOLTHE:** Have you? Okay. Employers and the Chamber of Commerce to get some background information on how you might model the impacts of this because there is not just a financial impact, there is a human impact as well. You would probably, I suggest, leave that coalface consultation to the department of Primary Industries?

**Ms LAWRIE:** Primary Industry engages with the industry, yes.

**Mr WESTRA van HOLTHE:** Has the Primary Industry department provided Treasury with any information that will help you model the impact of the live export ban? The reason I am pressing this, Treasurer, is when the sheep export trade was stopped some years ago, it was two years and four months before it was resumed, and the concern is this live export ban will not end within days or weeks, it will be more likely months.

If it takes six months to end this ban, cattlemen in the Northern Territory can kiss a whole season goodbye and will not be able to get any cattle out until next year, which will have ...

**Mr Wood:** Might be broke by then.

**Mr WESTRA van HOLTHE:** Yes, that is right. It will have a catastrophic effect on the Cattlemen's Association.

**Ms LAWRIE:** In response to your question, there is an interagency working group that includes Primary Industries, the Department of Business and Employment, and Treasury – they are the three key agencies at the moment on the interagency working group.

**Mr WESTRA van HOLTHE:** Okay.

**Ms LAWRIE:** At the officials' level of government, as well as the elected members of government level, this is being given a significant priority. There have been regular phone hook-ups between our Primary Industries minister and the federal minister. I attended a ministerial council with Minister Vatskalis on Friday - a Resources and Energy Ministerial Council. He left that council part way through to be on yet another phone hook-up with Minister Ludwig. The Chief Minister, of course, has been actively involved.

We are very aware of the impact this is having on Territorians in the industry and we want to ensure we are doing everything we can to secure the long-term sustainability of this live cattle trade. That being said, the federal government decision to suspend the live export trade was, we recognise, one that was important to securing the long-term viability of this industry. We recognise that as time goes by the impacts on the industry deepen - we absolutely recognise that and do want to see a swift resolution to this matter.

**Mr WESTRA van HOLTHE:** Okay, thank you. That is, I guess, looking into the future. You have this taskforce now that will be able to provide some advice at a later time, but did the Commonwealth ...

**Ms LAWRIE:** No, they advise now.

**Mr WESTRA van HOLTHE:** Right.

**Ms LAWRIE:** Okay.

**Mr WESTRA van HOLTHE:** Before the ban was imposed by the federal government, was Treasury approached by the federal government for any advice or projections on the impact on the Territory economy this might have?

**Ms LAWRIE:** No, and I am sure the federal minister was just as aware of that study as we were. Any advice the federal Treasurer would have sought on the economic impact rests within the study the industry did.

**Mr WESTRA van HOLTHE:** So, they imposed this ban without consulting with the Northern Territory government?

**Ms LAWRIE:** That is right.

**Mr WESTRA van HOLTHE:** Treasurer, as the person in charge ...

**Ms LAWRIE:** When you say without consulting, clearly, obviously, we were aware they were considering it, and not a day went by during that period where one member of the Territory government was not conversing with the federal government. It is their decision, though, ultimately. So, in the strict sense of consultation, they could argue they were because there was daily communication occurring ...

**Mr WESTRA van HOLTHE:** So, they ...

**Ms LAWRIE:** If you go back to that time as well, the cattlemen themselves have come out in support of the ban. This is the difficulty you get into if you want to create a political football with this, member for Katherine. I urge again that you seriously consider where you go with that. This is about securing the future of the live export trade. Creating a political football is not in the interest of the industry. Okay? So, if you want to accuse the federal government of a particular type of behaviour, ask yourself whether or not that is serving the actual interests of the industry.

The ban is in place; it is beholden of all of us in our respective positions to work constructively and swiftly for the benefit of the industry. That is what the Territory government is doing at every level, at agency and officer level, as well as elected members of government level. That is the best thing we can do for the industry. Creating a political football would work adversely, and the industry does not want that.

**Mr WESTRA van HOLTHE:** Treasurer, I have very carefully considered how I approach this topic. In fact, I am probably being fairly kind at the moment because this is an issue that is very easy to get passionate about. Katherine - my electorate, my town - is at the hub of the live export trade in the Northern Territory ...

**Ms LAWRIE:** Absolutely.

**Mr WESTRA van HOLTHE:** There is virtually not a road train full of cattle that does not pass through my town. There is not a business in my town that is or will not be effected by this live export ban. I have carefully considered what I am asking and how I deal with this but, at the same time, I do not think there are enough people out there who understand what the real impact of this ban will be across the Territory. So, it is very important to get those points out there.

**Ms LAWRIE:** Yes, I do not know when you say 'enough people' whether you are talking about the broader public. I believe the broader public, for the first time in a long time, has become tuned in and aware of this particular aspect of our cattle industry in the Territory. Before this ban was in place, were they that aware of how much livestock export was occurring? You would have to question that. Have members of government been acutely aware? Of course we have; we have all worked very closely with the cattlemen over many years. Being a former Infrastructure minister, I am very aware of what is occurring in livestock trade and port activity.

Is this something we would want to better inform and make our public aware of? Well, that is occurring, but we all have to be aware of what has prompted this ban in the first place. That was the disgusting and very disturbing pictures of animal cruelty occurring in Indonesia. The federal government moved in response to an enormous public outcry. When you are getting a public outcry of that extent, you actually threaten the long-term viability of the industry. That was the risk the industry was facing.

That is why we have worked very constructively with the federal government to ensure we do whatever we can to support the long-term viability of this live trade industry. We have participation in that task force. We have our own inter-agency working group. Not a day has gone by when this government has not been in close contact with representatives of that industry.

I was Acting Chief Minister prior to the ban, and I had a meeting and a discussion with Luke Bowen from the Cattlemen's Association. We are all very concerned, and working proactively and constructively to support the industry. They are Territorians who, quite rightly, as you point out - many people - are going to be affected in a real sense in the Katherine region particularly.

**Mr WESTRA van HOLTHE:** They certainly will. No one could possibly have seen the *Four Corners* program and not thought that was the most abhorrent thing they had ever seen in their lives, most likely.

**Ms LAWRIE:** I do not know, Senator Scullion did not seem to be too perturbed about it.

**Mr Elferink:** Nor did Senator Ludwig.

**Mr WESTRA van HOLTHE:** Anyway, we move on. To sum up, prior to the ban being imposed, the Commonwealth government did not seek any projections from NT Treasury and you did not provide any projections to them?

**Ms LAWRIE:** I did not need to. As I said, pointing out that there was already a study which had occurred into any economic impact of a ban, that was the study with the Centre for International Economics. It was a current study, as at 2011, so why would the federal government go to the Territory government when there was an authoritative study they could look at in terms of the actual specifics down into the impact of a ban on that live trade? And that is what governments do, you go to an authoritative study, rather than repeating or reinventing the wheel.

**Mr WESTRA van HOLTHE:** Given that that particular study talked about the live export trade across the top of Australia and did not specifically drill down into the Northern Territory, I would have thought maybe it is reasonable for the federal government to have approached the Northern Territory government to say, well, what is the impact in the Northern Territory?

**Ms LAWRIE:** They are just as capable of extrapolating out the 40% as we did. Seriously, they are.

**Mr WESTRA van HOLTHE:** We might just differ on that, I do not believe that is good enough.

**Ms LAWRIE:** Well, I have had a fair experience in dealing with the federal Treasury. They are very capable.

**Mr ELFERINK:** You said the Centre for International Economics? I am sorry, I misheard you.

**Mr WESTRA van HOLTHE:** The Centre for International Economics, was it, Treasurer?

**Ms LAWRIE:** Yes, that is the one.

**Mr ELFERINK:** We do not have that publication on our website; are you able to table that publication?

**Ms LAWRIE:** I do not have the publication with me; I advised that earlier.

**Mr ELFERINK:** Could someone put their hands on it for us?

**Ms LAWRIE:** We do not have it with us.

**Mr ELFERINK:** Oh, okay.

**Mr CHAIRMAN:** Do you have a question on cattle at this stage?

**Mr ELFERINK:** No, I am sorry; I am just getting the willies with this.

**Mr WESTRA van HOLTHE:** Obviously, Treasurer, you would take a significant interest; I mean, you are the person in charge of the direction of the economy in the Northern Territory, I guess, and you would take a significant interest in how this ban will affect the Northern Territory. Is that a fair statement?

**Ms LAWRIE:** Of course, I am watching it very actively and I have been participating in discussions with my ministers.

**Mr WESTRA van HOLTHE:** It was reported to me last week that you said in the media that this live export ban was a matter for the Commonwealth.

**Ms LAWRIE:** That was in regard to compensation.

**Mr WESTRA van HOLTHE:** Okay. Is that not an abrogation?

**Ms LAWRIE:** No, it is not the responsibility of the Northern Territory government to step in the pathway of a debate around compensation. In fact, I would be aberrant in my task as Treasurer if I did. It would be exactly the wrong thing for the Treasurer of the Northern Territory to do. The compensation debate is between the industry and the federal government. The federal government has already turned around, quite appropriately so, and asked Meat and Livestock Australia to come forth with a compensation package.

**Mr WESTRA van HOLTHE:** It is probably a good time to ask then whether the Northern Territory government intends to assist cattlemen in any financial way while this crisis is under way.

**Ms LAWRIE:** The Territory government will not be making any compensation payments in terms of a federal government decision.

**Mr WESTRA van HOLTHE:** So, that is specifically about compensation, but, in the top part of Australia, there are 12 000 or so head in export yards, and I cannot remember the proportion in the Northern Territory, it may be 8000 or 9000. They are costing exporters, owners, agents, money every day ...

**Ms LAWRIE:** That would be part of the compensation argument between the industry and the federal government. The federal government has already indicated to Meat and Livestock Australia that they need to come forward with a compensation package. That will be part of the compensation argument.

What the Northern Territory government's role is, and you will have to ask the minister for Primary Industry for specifics on this, they are working very closely on the ground where the cattle are being held to ensure they are in good condition, and to facilitate, with the industry, the movement of those cattle.

**Mr WESTRA van HOLTHE:** Of course, but I am worried about how long it might take to get compensation for the owners of these cattle, the people who are looking after them. It is going to be some time before they have cash flow, and whether the Northern Territory Government would consider some sort of financial assistance to people who need to care, maintain, feed and water, and look after the stock, perhaps assist with transport costs to relocate them. They have already paid once.

**Ms LAWRIE:** Financial assistance is compensation, member for Katherine. Surely, as a shadow Treasurer, you understand that.

**Mr WESTRA van HOLTHE:** I certainly do, but I just want to ...

**Ms LAWRIE:** Okay, so I have ruled out compensation.

**Mr WESTRA van HOLTHE:** Right, you have ruled out any form of assistance to the cattlemen.

**Ms LAWRIE:** I have ruled out compensation, as it is a federal government decision impacting on a section of our industry. Clearly, there is live and current debate around compensation between the federal government and the industry. The federal government, the minister, has asked Meat and Livestock Australia to come forward with a compensation package, and he has said that he would be willing to use his powers to make sure that compensation package is created. So, will there be compensation. At this stage, given the comments of the federal minister, I am quietly confident of that, but that is currently a matter between the federal government and the industry.

No state or territory Treasurer worth their salt would wade into a compensation debate between an industry and the federal government.

**Mr WESTRA van HOLTHE:** Okay, I do not necessarily call it compensation, but perhaps it might be a good use of some dollars out of the Treasurer's advance.

**Ms LAWRIE:** But that is what it is, because you do not get it back.

**Mr WESTRA van HOLTHE:** It might be worthwhile to save our industry.

**Ms LAWRIE:** And that is clearly the argument that is occurring between the federal government and the industry. The federal government has indicated it requires Meat and Livestock Australia to come forward with a compensation package.

**Mr WESTRA van HOLTHE:** Thank you. The entire industry, Treasurer, is facing a crisis. People on cattle stations now have significant problems with cash flow. They will have to cut down their calving rates, for example, to reduce the stock on their properties because of the fear of over grazing, which will impact them out into the future. They will have fewer cattle to sell now, or cannot sell any at the moment, and fewer cattle to sell in the future. There are agents who are out of pocket, because they have cattle sitting in live export yards and cannot shift them. What comfort can you, as the Treasurer, give those people in terms of their future in the Northern Territory as productive parts of our society?

**Ms LAWRIE:** Clearly, the Northern Territory government is working constructively and actively with the Commonwealth government on the task force with industry to get to a point where there can be a secured, humane treatment of cattle in Indonesia. That is a body of work that is occurring to ensure the long-term viability and sustainability of this live cattle trade industry. That is crucially important, and we are putting every effort into securing the long-term viability and sustainability of this industry. We understand that a swifter resolution to this is in the interests of the industry, so every effort is being made to get to a resolution as quickly as possible, and we are providing every resource available to the federal government and to the task force. We have an interagency working group. We are working daily to try and see this matter resolved. It is a matter of critical importance to our government.

**Mr WESTRA van HOLTHE:** It is always good to have a long-term plan, Treasurer, but many people are dealing with the here and now. In Katherine, there is medium-sized business called Northern Feed and Cube. Those guys - 95% of their product goes on the live export boats. As soon as this ban was announced, every single order was wiped off their board. They employ 12 Territorians. They turn over \$5m a year. They spend \$3m of that on local hay growers. That is an enormous amount of money to be plucked out of a small economy like Katherine, and those people could very well face the unemployment queue within the next two weeks. To those people, what do you say, Treasurer? What are you doing to help those people?

**Ms LAWRIE:** We are working actively, every single day, with the federal government through the taskforce to find a swift resolution to this matter.

**Mr WESTRA van HOLTHE:** Probably not much comfort for them I guess. Treasurer, are you aware ...

**Ms LAWRIE:** We will not jeopardise the long-term viability and sustainability of the industry by playing pure politics with this.

**Mr WESTRA van HOLTHE:** I am not playing politics with this.

**Ms LAWRIE:** I think you are.

**Mr WESTRA van HOLTHE:** I am trying to point out there is a human face to this.

**Ms LAWRIE:** We are very aware of that and have officers of our departments working at the coalface with people affected. We are very aware of that.

**Mr WESTRA van HOLTHE:** Treasurer, what is your time frame for a swift resolution to this?

**Ms LAWRIE:** I am not going to speculate.

**Mr WESTRA van HOLTHE:** Is it a week, a month, six months?

**Ms LAWRIE:** I know the member for Port Darwin is whispering to you; however, I am not going to speculate.

**Mr WESTRA van HOLTHE:** Treasurer, does the sale of pastoral leases attract stamp duty?

**Ms LAWRIE:** Yes.

**Mr WESTRA van HOLTHE:** Are you aware of any pastoral sales which have fallen through as a result of this live export ban?

**Ms LAWRIE:** The advice from my Commissioner for Taxation is we are not aware of any that have fallen through. There may have been one or two that have not been listed for sale.

**Mr WESTRA van HOLTHE:** In the last week two properties have been withdrawn from sale ...

**Ms LAWRIE:** Not listed for sale, which is what I said.

**Mr WESTRA van HOLTHE:** ... they were due to go to auction, and another one that did not sell at auction recently. Two buyers were negotiating for the purchase of it and both buyers have now walked away from the table. In light of that, how is this ban going to affect the value of pastoral properties in the Northern Territory and, consequently, stamp duty receipts and everything else that goes with it.

**Ms LAWRIE:** That would be pure speculation because at this stage there is no definitive time for the length of the ban.

**Mr WESTRA van HOLTHE:** Will you be doing some modelling for a ban that lasts three months or six months or 12 months? Will that be part of some Treasury modelling you will provide to the federal government for its information so it can make some fairly informed decisions?

**Ms LAWRIE:** My advice is there has never been an even flow in the sale of these properties so it would be modelling with a great deal of variables to it.

**Mr WESTRA van HOLTHE:** Would that be a no?

**Ms LAWRIE:** Not required at this stage. If we take the view that this drags on we may well do some modelling; however, at this stage we are working constructively and actively to see a swift resolution to this.

**Mr WESTRA van HOLTHE:** Treasurer, what sort of impact do you think this ban will have on the broader investment community in the Northern Territory? Obviously, there will be people who may or may not now buy pastoral properties, but there would be people who may or may not buy businesses that are reliant on the cattle sector for income. Can you see that impacting on businesses in the Territory that way?

**Ms LAWRIE:** I am advised this is highly speculative because you do not know the length of time involved in the ban. At this stage it is considered to be a very marginal impact.

**Mr WESTRA van HOLTHE:** Marginal? Okay. Treasurer, has anyone from Treasury met with representatives from any of the banks or financial institutions that finance the pastoral sector in the Territory?

**Ms LAWRIE:** Why?

**Mr WESTRA van HOLTHE:** I am, of course, worried that the banks - given the global financial crisis and the shockwave that went through the financial system then related largely back to loan-to-value ratios of properties - may take a view they need to revalue the pastoral sector and pastoral properties, which could, of course, then impact on loan-to-value ratios and the loans that are taken out against these properties. I would like to think, perhaps, Treasury has sought some assurances from banks and financial institutions that they are willing to support the pastoral sector in the Territory.

**Ms LAWRIE:** My experience with the banks and their support of the pastoral sector has been a positive one. Until there is certainty around the duration, the time frame, it is highly unlikely the banks will be doing any changes in the values.

**Mr WESTRA van HOLTHE:** What is the time frame for knowing the time frame? Do you know that? When will we know how long this ban is going to be?

**Ms LAWRIE:** Well, there will, obviously, be updates as time goes on. There has been a period of time set on the ban, suspension of trade, and people are working constructively. I am very aware of the view of the task force to try to get this resolved as swiftly as possible.

**Mr WESTRA van HOLTHE:** I have no more questions on that.

**Mr CHAIRMAN:** Member for Nelson.

**Mr WOOD:** Thank you ...

**Mr ELFERINK:** Is that the order?

**Mr CHAIRMAN:** Regarding flexibility, we allow the member for Nelson to come in at this stage in this line of questioning. I am happy to allow a question or two from you, John, but not to take over the questioning, if that makes sense.

**Mr ELFERINK:** Well, I only have a handful of questions. I thought the order was shadow minister, other opposition members, then Independent.

**Mr CHAIRMAN:** In the strict terms of reference, but for flexibility, we allow the member for Nelson now, then you, and then back to shadow.

**Mr ELFERINK:** All right.

**Mr WOOD:** Treasurer, I spoke to a long-standing cattleman from Douglas Daly last night. He said he has never seen a disaster of this proportion ever to the cattle industry in the Northern Territory. I know you made a statement about not getting into politics, but the politics is between us, as members of the Northern Territory parliament, and the federal government. The reason I say that, minister, is because you had made a statement.

I watched the *7.30 Report* last night and Mr Ludlam, The Green Senator, Nick Xenophon, the Independent Senator - and also, in previous times, Andrew Wilkie, the Independent from Tasmania - made statements which, obviously, are about getting rid of the live cattle export industry totally. I would have thought that what this line of questioning today is about is asking the Northern Territory government how much pressure you are not only putting on the federal government to overturn this ban immediately and to send cattle to at least 10 abattoirs we know pass the standards required, but to be telling Australian people the truth about some of the inaccuracies some of these ministers have spoken about.

One of the great things that is not being pushed enough at the present time is we cannot send frozen meat to Indonesia. There is a wet meat market out there. I would like to know whether the Northern Territory government is part of a push to tell the truth about what is happening in relation to live exports; not only the effect on our industries - and I will quote some figures that may vary from what you say out of your own economy book ...

**Ms LAWRIE:** I will be able to explain what that is. There is a nett figure versus, obviously, what is there.

**Mr WOOD:** Yes, but also the effect on our neighbours. This is an issue of trade with our neighbours. It also has social implications which people have not looked at carefully enough.

I am interested to know what pressure, or what emphasis, is our government putting on telling the truth about what our live cattle exports are in relation to our relationship with Indonesia, why we cannot send frozen beef to Indonesia, and what effect this will have? It might be 2.5% of the economy, but the Territory is so reliant on the Commonwealth, that that 2.5% is extremely valuable in standing up one day as a state. If we lose this, we will now just increase the amount of money required to keep the Territory going from the Commonwealth, so what is the Territory government doing publicly to make sure this industry gets going quickly?

**Ms LAWRIE:** Member for Nelson, this is a critical industry to us. We are putting every effort in, from the Chief Minister to the relevant minister for Primary Industry, in constant dialogue with the industry and the federal government, all the stakeholders, to ensure that we are working on the long-term, viable sustainability of this industry. We, of course, are aware of the emotive and misleading comments being bandied around our nation around this industry, weighing into that in a public manner at this stage may not be in the best interests of the industry. We want to do everything that is in the best interests of the industry, so we are working in constant communication with the industry. We are obviously talking to them about what is in their interests in terms of what we are saying and what we are doing. We are working in a tight and close effort with the industry to ensure there is nothing that our government does that works against them. That is how critical it is.

We are not going to jeopardise the industry by having a public war of words with some members of the federal parliament, who have a view - it is not a view we share but they have a view. What we are doing instead is working proactively and constructively with the federal government which makes the decision, particularly minister Ludwig, but also his colleagues, obviously the Prime Minister, but across that Cabinet table. We have to work constructively for the interests of the industry.

If you have any suggestions of what else should or could happen, feel free to have those discussions with our Chief Minister.

**Mr WOOD:** I am happy to do that, but ...

**Ms LAWRIE:** I am very conscious of what I will say here at this Estimates, so that I do not, in any way, adversely affect the industry.

**Mr WOOD:** I understand that, and I know the delicate balance between, you might say, getting into party politics versus getting into politics, because this is about politics. That is what we are about. We are parliamentarians, we are politicians. I believe this issue needs to be cranked up by the Northern Territory government, not so much to pick a fight with your friends in Canberra, but to put the facts out before the public. This is all based on a *Four Corners* report and, to be honest with you, I think there should be an investigation into that.

**Ms LAWRIE:** In relation to that suggestion, member for Nelson, clearly, our government is very open to recalling parliament to debate a motion in parliament in support of the industry and in support of the live cattle trade. That is parliament and that is a pure politics response.

**Mr WOOD:** That is right. I understand we are debating it tomorrow night. What I think is missing is that there is not enough leadership at the moment from the point of view of telling the rest of Australia the importance of this industry to the Northern Territory, to putting the facts out there – that is all. You do not have to have a debate. Put the facts out there for Senator Ludwig, who does not want live cattle; Senator Xenophon, I just do not believe a bloke from South Australia who is worried about primary industry said the same thing; and Mr Wilkie, well, he can live in the Tasmanian Utopia, but I do not think he understands the reality of what is going on.

Why is our government not out there at the forefront, putting those issues out there? For instance, why isn't the government saying that 800 possible Indigenous jobs will be lost, and those people will go back to welfare and that will cost taxpayers more money? What I am asking, this is important ...

**Ms LAWRIE:** We have been putting those forward at task force level.

**Mr WOOD:** That is fine, the public do not read task force, they watch the *7.30 Report*, they read the news headlines that do not always tell the truth. I wonder if the government will be a little more proactive in saying to the Australian public - who do not really care too much about what happens to our cattlemen, our Indigenous workers, our truck drivers. I have an ex-son-in-law who is a truck driver for one of the companies at the present time. I know the shadow minister said how it affects Katherine, and Hamptons would be one of the biggest holding yards in the Territory. There are many local people in my area who will be affected. People in Sydney and Melbourne could not care two hoots, and someone has to realise and get out there and say this is hurting real Australian jobs.

What I am asking is: can the government step up its rhetoric in a reasoned way to offset some of the poorly advised debate some people are putting forward, who do not understand the terrible effect it will have on the Northern Territory, and that it could be permanent?

**Ms LAWRIE:** As I said, we will do everything we can to support the long-term sustainability and viability of this industry. If there is a way in which we can ensure in the public domain and debate, a more tempered view of the reality of this, putting a human face on the impact, then I am sure that will be under active consideration.

**Mr WOOD:** Can I just ask some specific questions on the effect?

**Ms LAWRIE:** Sure.

**Mr WOOD:** Minister, I did read the budget book, *Northern Territory Economy*. In relation to cattle production, it said the value of cattle production in the Northern Territory is around \$251.1m and three-fifths of that is exported to international markets, mainly Indonesia. So, if you do your three-fifths into 251, you get the figure of about 150. Now, where does the figure of \$32m come from in relation to that?

**Ms LAWRIE:** If you look at page 128 under cattle exports, where it refers to the 2009-10 value at \$165.5m of live cattle exported, what the \$32m in the study represents is the nett effect of loss Australia incurs. So, for example, not being able to export to Indonesian markets, having to source back into the domestic market, so it is that loss in terms of the profit in the industry that is extrapolated out to \$32m. So, obviously, the cattle have still got a value. There will be markets that will take that value, but there will be a loss incurred because they are not selling at that price, at that time, into the Indonesian market.

**Mr WOOD:** But if there is a – I think Bob Katter used this argument – if our cattle are to go back inside Australia to abattoirs that are 2500 km away, the cost of transport will make some of those cattle uneconomic, especially if the value of meat drops because there is a glut on the market. That \$32m is purely a figure based on what they probably could get at the market, but what is the effect of the glut, what



is the effect of pastoralists deciding it is uneconomical to send their cattle. There surely must be ongoing effects. A reduction in calving rates, the possibility of overgrazing cattle stations, the difficulty of people paying bills, the difficulty in paying their pastoral lease. I do not know whether the government has considered putting a moratorium on pastoral lease payments if this ban is going to cause people to get into diabolical economic stress.

I think the other thing, minister, is the government also going to look at the human effect. Many of us are concerned that it was a moderate year last year and cattle industry numbers dropped. We had a long Wet season. I have been visiting cattle stations in the past couple of weeks. Most cattle stations are out mustering now, expecting to get money back. Is the government looking at helping those individual cattlemen who may be concerned about their own physical future? We know in Australia, primary industry – Bob Katter said it many times – primary industry has got one of the highest suicide rates because of bankruptcies, because of stress. Is the government doing something to make sure this does not occur because of this ban?

**Ms LAWRIE:** I will start with the last point first. It is a very important point you make. We have seen in other areas, particularly the drought-stricken areas, where our farmers have had significant stress and that has had mental health consequences, so I will ensure that, within the interagency working group, the issue is taken into account. What we do in these circumstances is work closely with the Department of Health and make information available and work with the industry body, the Cattlemen's Association, for example, in terms of the best way of putting people in touch with the help, emotional assistance, and mental assistance they need in times of stress.

You are quite right; we have seen in drought-stricken areas elsewhere in the nation some pretty sad consequences of the toll it takes on a person's life. I take that on board, and we will feed that into the interagency working group to see what work can occur through the Department of Health with the men and women on the land.

In relation to the other financial issues you have raised, they are all relevant arguments that would go into the argument around the compensation package without a doubt. That is not a space the Territory government will go into. We will advocate at every layer and level, and you have seen our Primary Industries' minister out there advocating on behalf of the cattlemen and the affected businesses. That is why the interagency working group includes the Department of Business and Employment; to understand the modelling down to the smaller medium-size enterprise level, because it is not just the pastoral properties, it is the whole logistics chain.

At this stage we are not considering any changes or any moratoriums on pastoral leases. It is still relatively early days in the ban. The federal government has announced it will have an assessment of what is occurring within six weeks. We are, at this stage, actively and constructively working to get the logistics chain of a humane export trade back up and happening. We still hold out, positively and constructively, for that.

**Mr WOOD:** One last question, minister. If we had a natural disaster like a cyclone, tsunami, or whatever, we would expect the Commonwealth and the Territory to pitch in and help those affected people. Surely, this is equivalent to a natural disaster. It is man made, it is politically made, and it is media made. People have a strong feeling about what they saw in the *Four Corners* report. It has been driven by the inhumane treatment of animals in some abattoirs in Indonesia. Why is it not possible to compare this, because it has the potential to be a natural disaster for the Territory? It could simply wipe out an industry, if the ban goes too long, except for the big cattle companies.

They can say they are okay. There are many small cattle people in the Northern Territory; people at Mt Riddock, people at Elkedra, people at Douglas Daly, some on the Sturt Plateau, and at Killarney. They cannot stand this. ACO and Consolidated Cattle have shareholders and plenty of finance to back them up. Small cattle producers in the Northern Territory are likely, if this continues much longer, to go out of business totally and their property will probably be picked up by the big cattle companies and we will lose the family industries we rely on so much in the Territory. Why can this not be classified as a natural disaster?

**Ms LAWRIE:** The federal minister who has put the suspension in place has called on Meat and Livestock Australia to stand up a compensation fund now for those small and medium-sized enterprises. They have reserves of something like \$50m - \$60m. They have been told by the federal minister they are the industry representative body who have levied their industry, they have the reserves, they have been

told, stand up the compensation package now. That is the appropriate mechanism and pathway for compensation to provide financial support now for those Territorians affected.

**Mr WOOD:** Will that cover the truck drivers, small shops in Katherine, stockfeed people and fuel suppliers? Will there only be compensation for the ...

**Ms LAWRIE:** The logistics chain obviously is part of the discussions occurring at the task force level.

**Mr WOOD:** Would you say the priority should not be looking at compensation right at the moment, but getting this industry up and going straightaway.

**Ms LAWRIE:** I have said that all morning, Gerry. I have said our priority is to have trade resumed swiftly. That is why we are working actively every single day with the federal government and the industry. The most important constructive work we can do is get this trade back as swiftly as possible and ensure the long-term sustainability and viability of the industry. Also, there are the logistical issues of hardship and compensation which the task force is dealing with. We already have the federal minister, who has made the order to Meat and Livestock Australia for the compensation package. The Trucking Association, Chambers of Commerce, and others, will weigh in regarding the financial impacts on their membership, and those discussions will continue regarding the logistics chain. But the most constructive, active work we must be involved in every single day is to work as swiftly as possible to get this trade resumed.

**Mr WOOD:** Thanks, Mr Chairman.

**Mr CHAIRMAN:** Member for Port Darwin, now for a few questions, Treasurer, then we are going to take a break.

**Mr ELFERINK:** Thank you, Mr Chairman. Treasurer, if the ban was made permanent, what would be your government's response to that?

**Ms LAWRIE:** I am not going to speculate on a ban being made permanent. We are very strong in ensuring a resumption of trade.

**Mr ELFERINK:** Yes, I know. But, if the ban was made permanent, what would your response be to that? Surely, you have thought about that?

**Ms LAWRIE:** I will not speculate. We are working to get ...

**Mr ELFERINK:** Surely, you have thought about it? Surely, part of your planning process would have contemplated this?

**Ms LAWRIE:** We are working to get the trade resumed.

**Mr ELFERINK:** Okay. So, you are not at all worried about a permanent ban then?

**Ms LAWRIE:** I believe everyone involved has been worried, obviously - the industry and everyone. It does not help the industry one iota for you to pursue this. It does not help the industry at all for you to be out there playing a political football ...

**Mr ELFERINK:** I want to know what your position is going to be if this plan is made permanent.

**Ms LAWRIE:** Well, we have been very strong on the public record saying we want a sustainable live cattle export industry that is built on the ability to safeguard the welfare of animals. We are persistent in ensuring a resumption of trade.

**Mr ELFERINK:** Right. I just heard you mention a figure of about - I will take it as read, by the way, at the starting point that you have not turned your mind to the impact of a permanent ban because you do not have a position on it ...

**Ms LAWRIE:** Well, no, they are your words.

**Mr ELFERINK:** Well, you have not been able to give us your position, and you are the one in the driver's seat ...

**Ms LAWRIE:** I am not going to speculate because I will not say anything this morning that is not in the best interests of the industry.

**Mr ELFERINK:** Well, this figure of six weeks that you just referred to about 10 minutes ago, and you have said we are in relatively early days of this ban, that within six weeks we will be going through this process. Where did that figure come from?

**Ms LAWRIE:** Yes, there is an indication from the Commonwealth that they are working on a time frame of six weeks for a preliminary report.

**Mr ELFERINK:** So, why did you not say that before? Why did you not say that when you were telling us you had no idea what the time frame of this particular issue was?

**Ms LAWRIE:** I did not say I had no idea of the time frames. They are your words, not mine.

**Mr ELFERINK:** Yes, but why did you not tell us that? When you were asked those questions before why did you not offer that information up - that there was at least a six week hiatus in place?

**Ms LAWRIE:** No, they are your words.

**Mr ELFERINK:** Is there a six week hiatus in place or not? Are we going to see a result, potentially, before six weeks?

**Ms LAWRIE:** There is a task force in place and they are working actively and constructively.

**Mr ELFERINK:** Not a very useful answer. I will ask you the question again ...

**Ms LAWRIE:** Useful or not, member for Port Darwin, I will not say anything this morning that is not in the best interests of the industry. You may want to play a political football with this, this morning, but I will not. I will not be drawn into the political football of this. It is too important to the industry.

**Mr ELFERINK:** Well, it is very important. But it is also very important for people in the industry - if I may table this, Mr Chairman? It is a flyer I found pasted up against a wall at the Parap shops last night, just where they have the markets. It is a Northern Territory Greens' Fundraiser. Basically, it is a Greens' poster: 'Come and have some fun and we will raise some funds for The Greens'. That is all good. However, someone has pencilled on: 'Hey, Greens, I would love to come, but thanks to your short and ridiculous thought processes stopping the live cattle trade export, I have no job'. I really wish that person had signed it because I would have invited them to sit in here and listen to your answers so far, which have hardly been useful for whoever wrote that down. Can I table that, Mr Chairman?

Leave granted.

**Mr ELFERINK:** Just a couple more questions, Mr Chairman. It was suggested to members of the Chief Minister's Office, and we have talked about it publicly - and the member for Wood has referred to it as well ...

**Mr WOOD:** Try the member for - I am not Admiral Nelson.

**Ms LAWRIE:** He is the member for Nelson.

**Mr ELFERINK:** Yes, that is right. So, it is the member for Nelson, Gerry Wood ...

**Ms LAWRIE:** You are a bit confused this morning.

**Mr ELFERINK:** I am, but not half as confused and as evasive as you are being. The suggestion has been for a fighting fund. Would you support a fighting fund to help educate people down south as to what the impact of this ban is on the industry?

**Ms LAWRIE:** I am not going to say anything here today which will curtail in any way constructive discussions occurring.

**Mr ELFERINK:** Okay, so, once again, an answer that we will not commit to anything.

You may remember these ads in the newspapers, whole page ads: *The Howard Government's Drinking Bans in the Territory Fishing Spots Won't Work*, which is funded by the Northern Territory government. So, do you do fighting funds, do you not, for advertising campaigns?

**Ms LAWRIE:** I do not recall the ad or how it was funded.

**Mr ELFERINK:** You do not remember that?

**Ms LAWRIE:** I was not the portfolio minister at the time.

**Mr ELFERINK:** You have no idea? You do not recall that at all? A full-page ad, paid for by the Northern Territory taxpayer, to not enter into politics about a particular issue. You are telling me you do not remember this?

**Ms LAWRIE:** Mr Chairman, I have answered the question. He is just getting ridiculous now.

**Mr ELFERINK:** Well, I have to say, if you do not remember that, then you have a very selective memory, Treasurer.

**Ms LAWRIE:** I was not the portfolio minister.

**Mr ELFERINK:** What about the ads against Muckaty Station? I remember seeing a few of those going around. Do you remember those?

**Ms LAWRIE:** Any relevance, where we are going here?

**Mr ELFERINK:** Yes, the relevance is, we are asking about a fighting fund to ...

**Mr CHAIRMAN:** Member for Port Darwin, I will take a minute to point out the following test of relevance, which is: any questions going to the operations or financial positions of departments and agencies which seek funds in the Estimates are relevant questions for the purpose of Estimates hearings, and questions are meant to be to the estimates of the current budget bill that we are debating.

**Mr ELFERINK:** I would like to know what the government is going to spend on a fighting fund to protect an industry which is vital to the future of the Northern Territory. They are happy to spend funds on campaigns about Muckaty Station, they are happy to spend funds on campaigns about other federal policies; I am wondering why they are being so reluctant to even talk about it in this room here today.

**Ms LAWRIE:** Okay, in terms of your bizarre questioning, if you are actually interested in what advertising budget the government will expend for the cattle industry and advocating for the cattle industry, I would refer you to the minister for Primary Industry.

**Mr ELFERINK:** Surely you as the person who holds the purse strings ...

**Ms LAWRIE:** He has his own budget.

**Mr ELFERINK:** ... would have some capacity to answer this question.

**Ms LAWRIE:** He has his own budget.

**Mr ELFERINK:** Okay, so, no answer there, folks.

**Ms LAWRIE:** I gave you an answer, you just did not like the answer.

**Mr ELFERINK:** No, you did not give anyone an answer, what you did was dodge the question.

**Ms LAWRIE:** No. What I pointed out, quite appropriately, is that advertising comes from within agency budgets; it would come from within the Primary Industry budget.

**Mr ELFERINK:** But nothing to do with you?

**Ms LAWRIE:** He has his own budget.

**Mr ELFERINK:** Nothing to do with you?

**Ms LAWRIE:** Clearly, he has his own budget. He has an advertising and promotions budget within the department.

**Mr ELFERINK:** All right. So, there is no chance you will talk about what will happen in six weeks' time; you will not give us a time frame for when you would like to see this ban lifted; you will not outline what your government's policy is in case the ban becomes permanent; you will give no commitment to an advertising campaign. What exactly is it that you are going to do for the cattle industry of the Northern Territory, other than having a task force which is working behind the scenes?

**Ms LAWRIE:** Little wonder the cattlemen have been less than impressed with your form in the period of the suspension, quite frankly, the way you have performed this morning. Little wonder.

Very clearly, I will restate. The government is working constructively and actively to ensure the long-term sustainability and viability of the live cattle trade. It is critically important. We want to see this resolved swiftly. We are providing every level of effort on the ground, through the department of Primary Industry, to ensure the cattle in the places they are currently held are in good condition. We are working very closely with the industry in terms of the logistics of the movement of the cattle. We are working extremely closely with the federal government to provide every level of assistance and resources to ensure this matter is resolved as swiftly as possible. I will not put a time frame on that because I want to see it resolved as swiftly as possible.

What I will not do is play the politics of this, because we have Territorians affected today by the suspension of trade, and it is in our interests to work to ensure their livelihoods are resumed as quickly and swiftly as possible.

**Mr ELFERINK:** No further questions, Mr Chairman.

**Mr CHAIRMAN:** At this point, we will take a five-minute break and resume again at 10 am.

---

The committee suspended.

---

**Mr CHAIRMAN:** We will resume if you are okay, Treasurer. We are back with the shadow minister.

**Mr WESTRA van HOLTHE:** Thank you, Mr Chairman.

Treasurer, I would like to talk about the deficit. This year the deficit is projected to be \$295m and you have said, in Budget 2011-12, the deficit will balloon out to \$387m, slowly coming back to \$195m in 2014-15. Treasurer, until now you have been unable or unwilling to say when you will have the budget back in surplus. I will ask the question that has been asked before. When will you have the NT budget back in surplus?

**Mr LAWRIE:** Shadow Treasurer, the Territory government has a proven track record of managing the economy. We delivered eight surpluses in a row; we drove debt down by \$670m with those eight surpluses. We halved our debt to revenue ratio inherited from the CLP, have created 12 000 new jobs in the Territory since the global financial crisis. We have attracted private investment of some \$38.7bn. We made a deliberate decision to go into deficit as result of the global financial crisis. That was so we could support Territorians in jobs. Ask a Territorian whether they want a job or they want to see a government surplus, and they will say: 'I want a job'. We put in place year-on-year record spending on infrastructure to support jobs because, of course, with the GFC, private sector investment dried up. We have a step out of deficit strategy in place. You can see in the last year a modest deficit of some \$195m.

**Mr Elferink:** Bigger than the black hole. Now, it is modest.

**Mr WESTRA van HOLTHE:** All right, I get all of that, Treasurer. You have said it before many times. The question remains: when? Can you project forward to say when you will have the Northern Territory budget back in surplus?

**Ms LAWRIE:** We have the budget predictions in the budget book, and I will not predict anything beyond that. At this stage, regarding reductions in GST, they are tracking at approximately \$200m per annum of

GST we would have otherwise received if the GFC had not hit. We are currently below our guaranteed minimum amount which was in place when the GST was introduced. Of course, it stopped in the 2008-09 financial year.

That being said, there is still volatility in the nation's economy. There is still a softness in retail, and that, of course, is affecting the GST revenue to the Territory. If there is strengthening in the retail sector of the economy, those figures may well change from year to year. However, they are as currently estimated. We currently are estimating a modest deficit in the 2014-15 year.

**Mr WESTRA van HOLTHE:** Okay. Treasurer, you have long and often cited the global financial crisis as the reason for the additional spend that has taken us into deficit. Are we still in the global financial crisis?

**Ms LAWRIE:** There is still the residual effects that the global financial crisis through the Territory economy. If you want an indication of that, go and talk to the development community. Banks still have their lending criteria at a stricter level than they had pre-GFC. They are still requiring a higher level of pre-sales, and some as high as 100% for your upper end of the development marketplace. Also, there are very strict requirements in their loans book.

What we have had to do as a result of the reduction in private sector investment that the global financial crisis brought about is lift public spending. The best area to lift public spending, of course, is infrastructure because you get legacy outcomes out of that. Just to give you an example of what is occurring, I will show you the magnitude of what we are doing in the budget.

You will see the cash allocations to infrastructure since 2001. What you see here in this 2008-09 financial year is when the GFC hit. What we did literally was double the allocation to infrastructure post-GFC. What that has meant is a creation of jobs in the industry. We have kept the construction sector afloat and alive and active. We are predicting, in 2011-12, an increase in some residential construction. Currently, the retail sector is soft which is affecting the GST. That is the case all around the nation, and not just the Territory.

The other sector that is being impacted upon at the moment is the tourism and hospitality sector because of the strength of the Australian dollar.

**Mr WESTRA van HOLTHE:** Of course, I understand that. You say we are still in the residual effects of the global financial crisis. Where is the light at the end of the tunnel, Treasurer? You have repeatedly said we have had a drop in private investment in the Northern Territory. Is your government spending really impacting on the economy of the Northern Territory to such a point that it is going to attract private investment? If so, who or what is coming to the Territory? We know about INPEX. So, besides INPEX, who or what is coming to the Territory that will take over in growing the Northern Territory economy rather than having to rely on your spending?

**Ms LAWRIE:** The key area for us is in the mining sector. Oil and gas is a critical area for us. You cannot put aside INPEX. You should not put aside INPEX; it is a major project that the government has aggressively sought, more than \$23bn-worth of project, with the final investment decision due in the last quarter of this calendar year. You cannot put aside INPEX and you should not put aside INPEX.

That being said, we are also going into the multiplier effect. We will construct a marine supply base in Darwin. That will have a significant driving effect in terms of the economy, because we already have; for example, Shell Prelude, very interested in the marine supply base, so that is an actual decision our government took to bring through the multiplier effects in the oil and gas industry. But you also have, in 2011-12, Kitan and Montara oil fields, back into increasing production in terms of Montara, but Kitan to step up in production. That will have a flow through effect to the economic growth.

What I call the onshore resources sector, mining, is of critical importance to the Territory. What we have done is, we have an investment strategy in place to attract mining investment into the Territory. We have leveraged something like an additional \$167m in mineral exploration investment into the Territory in the last 12 months alone. Obviously, the strength of the commodity prices and what we have seen with the increases in production in our key mines are critical effects in terms of the Territory economy.

Defence is a big player in our economy as well. We have seen the relocation of 7RAR out of the Top End into Adelaide. That has had a good effect on moderating the property prices in the Top End, putting a relief into the rental market and seeing moderation in housing prices. With 7RAR's departure, there will be

a build up of 5RAR at Robertson Barracks. We have seen significant construction announcements made by Defence in terms of construction at Robertson Barracks and Larrakeyah. We have seen Lyons completed, and they have Muirhead under way, so Defence is very much a key industry as well.

**Mr WESTRA van HOLTHE:** Thank you. So, we are talking mining, the marine supply base, Montara and Defence, they are the things that will be coming to the Territory – and INPEX, of course – to take over and drive the Northern Territory economy. I will come back to the marine supply base in a little while, because I have a few questions around that.

What real benefit will flow to the Territory from, say, the offshore oil and gas industry? All their operations are offshore. They may have a small representation in the Territory in terms of an office or something like that, and they will use the marine supply base, but is that going to turn a profit? What are the benefits that will flow back to the Territory from the offshore oil and gas?

**Ms LAWRIE:** What we are doing in terms of offshore oil and gas is creating an institute - training at Charles Darwin University. You might be aware that Professor Barney Glover recently went to Aberdeen with the Chief Minister. There will be a strong education and training focus. INPEX has already invested with the Larrakia Development Corporation into that \$4m trade training centre, so there will be a skilling up of Territorians in the trades important to the offshore industry. We have a series of companies. The SMEs are creating strength and growth in the Top End. They are the logistics chain suppliers to the offshore industry. The offshore industry has to be serviced from somewhere, and we are making Darwin very much the focus of that service centre and the marine supply base is critical to that.

**Mr WESTRA van HOLTHE:** Right. You have said education as an economic driver, and I am not quite sure how that is going to drive the economy, but some small to medium enterprises that will service the offshore oil and gas industry - how many of those would you expect to see; how many businesses are going to grow as a result of the expanded operations offshore?

**Ms LAWRIE:** At this stage, I am advised that there is an anticipated major expansion of the maintenance and service capacity that is expected to service the offshore industry. Work is occurring now between the Department of Business and Employment and the industry itself in terms of gearing up the capacity and capability there.

**Mr WESTRA van HOLTHE:** The answer is that you do not know how many businesses yet.

**Ms LAWRIE:** A government does not say that we want 30 businesses and we want the SME to be of this size and nature. The nature of the industry is that you will get a raft of competition coming in, in terms of your SMEs, and they vary in terms of your specialists, your highly technical specialist areas that service the technical aspects of the capability of the industry. You will also get your HR suppliers and aviation logistics, so you will have a plethora of different SMEs, and the government does not say we want thirty. Industry goes in and with the advice and information provided by government through our Department of Business and Employment that is working very closely through that industry capability. They had a forum recently to talk about the requirements of the industry. You will see business will respond and move in quickly. The number of businesses is not something that we dictate.

**Mr WESTRA van HOLTHE:** I would have thought that you would want to know that. Through an expression of interest process - four spots at the marine supply base and other associated industries - the Department of Business and Employment might have got some figures and passed those onto Treasury. Is that the case or not?

**Ms LAWRIE:** In terms of spots at the marine supply base, I do not know that you understand the marine supply base model. It will be a build-own-operate facility, so there will not be spots at the marine supply base. It is a build-own-operate facility. At the Darwin Business Park, adjacent to the marine supply base, go for a drive down there and you will see the rapid expansion business entering into the Darwin Business Park.

**Mr WESTRA van HOLTHE:** You also said Defence is one that is coming, but we have lost 7RAR and we are getting 5RAR.

**Ms LAWRIE:** 5RAR is already in the Territory, and so there is a build up of 5RAR.

**Mr WESTRA van HOLTHE:** We have lost one and gained another, so the effect is neutral.

**Ms LAWRIE:** The advice we received from Defence is that within an 18-month to two-year period, there will be no nett change. That is the advice we have received.

**Mr WESTRA van HOLTHE:** No nett change, thank you. That leads to the other driver you mentioned, being mining. You have invested money in your *Bringing Forward Discovery* program to encourage exploration in the Northern Territory, but what are you doing about encouraging miners to come here. At the moment, you have Western Desert Resources waiting to find out whether they are going to have to make special allowances for mining in a Territory park that has not been declared yet. There is a lot of uncertainty there. What are you doing to encourage those businesses and give them a free, or a clear, run into the Territory to set up?

**Ms LAWRIE:** We have seen significant expansion in terms of the existing mines. GEMCO has gone through significant expansion. We are getting good ore quantities at holdings in Voodoo Creek. We have seen a significant expansion out at Rio Tinto Alcan, in terms of its bauxite. We have Frances Creek Mine operated by Territory Resources. We had difficulties with ERAs production due to the incredible Wet Season we have had. The Department of Resources works very closely with mines and, if you want to go into any significant detail, you should ask your questions to the relevant minister.

The pending mining projects include: Spinifex Bore in Alice Springs - garnet sands; SILL80 at Roper River - potential iron ore, titanium, and vanadium; Browns Oxide, which is copper, cobalt, and nickel; Area 55 at Tiwi Islands, zircon; Wonarah with its phosphate; and Redbank - copper. There is a range of others, including: Nolans, which is the uranium rare earth elements and phosphate; Rogo Tails, magnetite and gold; Cosmo Deep, gold; Biglyi – uranium and vanadium; Ranger 3, uranium; Gelsek, phosphate; Callie Deeps expansion, gold; Roper River, iron ore; Tanami Central, gold; MolyHil, which is tungsten; Mt Pink, iron ore, vanadium, and titanium; Roper Bar, iron ore; Rover, gold and copper; and potential expansion at McArthur River.

In the Territory budget, we have assessed in 2011-12 the value of mining production is forecast to increase by some 11.8%. That is the equivalent to \$6.5bn in 2011-12. So, we are pretty good at facilitating exploration and the potential of mines. The Department of Resources works closely with prospective productions and works through the logistics.

**Mr WESTRA van HOLTHE:** The mining sector obviously relies on commodity prices. Gold is very high, making some of our gold deposits look quite attractive at the moment. Base metals are pretty strong at the moment also, and the demand is largely driven from China. China is looking at a correction in its economy - that has been reported for some time now. Its growth rates have been considered unsustainable. If China's economy were to contract, if the gold price were to drop, and given that gold is a safe haven often for money which would ordinarily flow into the United States, and if the United States' economy recovers, chances are gold prices will drop. So, you are really hanging your hat on mining as the driving force of the Territory economy. What do you have in place should a tsunami of events happen such as China's correction, America's recovery, and the gold price drops, and all of a sudden there is less interest in mining in the Territory.

**Ms LAWRIE:** Member for Katherine, your scenario is as far-fetched as any scenario I have ever heard in years sitting at this table. It even beats the bizarre scenarios of the member for Port Darwin, quite frankly. You would have to be the only shadow Treasurer in the nation who would run an argument that the bottom is about to fall out of commodity prices. Unbelievable!

**Mr WESTRA van HOLTHE:** There will be a correction, no doubt, Treasurer. There will be a correction, no doubt.

**Ms LAWRIE:** Well, the experts are modelling the other direction.

**Mr WESTRA van HOLTHE:** Apart from mining, that is the driving force. That is what you are hanging your hat on.

**Ms LAWRIE:** No, that is what you are saying; we have a range of industries. Mining is 25% of GSP, so it is not what we hang our hat on. We are in a terrific position for any Australian jurisdiction to be in. Without a doubt we are one of the three big resource jurisdictions. We have a bright economic future as a result of being resource rich - both oil and gas offshore - and to some extent onshore. Beetaloo is pretty enticing as a potential opportunity going forward and also across the resources sector onshore in the Territory. Most jurisdictions in the world would want to be in the position the Northern Territory is in regarding its resource wealth, where commodity prices are headed, where the manufacturing growth is, and



the need for our bulk commodities. So, mining is our largest contributor to GSP. In 2009-10 actuals it was 25% of our GSP. In a range of other service sector industries construction is worth 8.6% of GSP; public administration and safety worth 9.5%; healthcare and social assistance worth 5.7%; manufacturing at 5.9%; retail trade sitting at 2.5%; and transport, postal and warehousing at 4.6%. You scoffed at my suggestion of education and training and the economic impact that can have; however, it currently contributes to 3.4% of our GSP.

**Mr WESTRA van HOLTHE:** Let us say mining takes off - I certainly hope it does; I am very supportive of the mining sector. When do you think private investment in the Territory will mean you can bring the Northern Territory budget back to surplus? You have not answered that question yet.

**Ms LAWRIE:** I am not going to ...

**Mr WESTRA van HOLTHE:** If you cannot answer the question, Treasurer, if you do not know the answer, just say: 'I do not know'. That is fine, I am happy with that.

**Ms LAWRIE:** Unlike you, member for Katherine, I actually understand budget estimates. What I also understand is that you estimate within the cycle. We are, obviously, predicting a reduction in our deficit down to a modest deficit of \$195m in the 2014-15 financial year. That is in the books, and is clear for everyone to see.

What I have said is the impact on that has been the \$200m per annum reduction in GST. The global financial crisis meant we had to step up the public spend on infrastructure - record infrastructure spending of \$1.7bn in the 2010-11 financial year and \$1.47bn in 2011-12. I have said to industry that, as private sector investment returns, we will continue to step down out of those record high infrastructure spends. I could be in surplus today if I shaved \$300m-odd off the infrastructure, and still be well above the pre-global financial crisis \$880m spend. That would be easy. It would not be the right thing to do for the Territory economy. It would not be the right thing to do for the construction industry. It would be easy and I would be in surplus today.

That would be the wrong thing to do for the economy, and the wrong thing to do for the construction industry. Even the former CLP minister, Daryl Manzie, rated this budget eight out of 10. The Chamber of Commerce is in favour of it. The Master Builders are in favour of it. Industry recognises I am shouldering the required level of burden that a Territory Treasurer should shoulder in a post-GFC constrained economic environment, where private sector investment is not yet returning to normal levels.

**Mr CHAIRMAN:** At that point, the member for Nelson had a question to the contribution of mining to the budget, and we have moved off that line of questioning, so ...

**Ms LAWRIE:** Can we just wrap the high level before we go into the input for each of them now? Okay? We will deal with the global high levels, whether it is mining or fisheries or whatever. We will do all the global high levels so the shadow Treasury exhausts, the member for Port Darwin exhausts, then the member for Nelson exhausts, and then we can go to inputs. Yes?

**Mr CHAIRMAN:** So you understand, member for Nelson? We are going to go through as it is in the terms of reference. We will exhaust the shadow now and then go through the normal line of questioning.

**Ms LAWRIE:** I thought cattle was an exception, obviously.

**Mr WESTRA van HOLTHE:** Okay I will continue. Treasurer, can you put into context the NT deficit compared to the other states?

**Ms LAWRIE:** Yes, okay, all the jurisdictions. It is interesting, quite a lot of the jurisdictions announced their operating position, so they announcing operating surpluses. We are in an operating surplus as well. Unlike them, we announce our actual cash position. So, not all of the jurisdictions have handed down their 2011-12 budgets yet. I can go off what data I have as of now, which includes the 2011-12 Budget announcements from Northern Territory, ACT, and Victoria. The other data I have available is based on the mid-year report data as of November. Obviously, as budgets are handed down, we update our data. I can talk about the estimated cash deficits for 2011-12.

In fact, I have a bar chart here which shows you the cash deficits. If you have a look at that, Queensland is at \$7.4bn, Victoria is the next highest at \$1.69bn, Western Australia at \$2.59bn, New South Wales at \$2.28bn, South Australia at \$1.182m - but that should be billion, typo there, \$387m projected cash

deficit for the Territory, \$339m for the ACT, and \$235m for Tasmania. You can see where we are in context of all the jurisdictions.

**Mr WESTRA van HOLTHE:** Okay, that is partly useful, thank you, Treasurer. But, how much is that in deficit per person? How many dollars per person is that? How many dollars per person in the NT compared to the other states? I hold up a bar graph which shows the deficit per person across the jurisdictions, showing the Northern Territory is multiple times higher ...

**Ms LAWRIE:** Because we have a small population.

**Mr WESTRA van HOLTHE:** Sorry?

**Ms LAWRIE:** That is because we have a small population. We have just over 200 000 people in the Territory, we have about 100 000 taxpayers.

**Mr WESTRA van HOLTHE:** Yes.

**Ms LAWRIE:** If you were to actually go on a per capita, it is the wrong measure. You would actually argue ...

**Mr WESTRA van HOLTHE:** Why is it the wrong measure? I mean, these ...

**Ms LAWRIE:** If you would let me finish.

**Mr WESTRA van HOLTHE:** This is how far the budget is ...

**Mr CHAIRMAN:** Sorry, member for Katherine. Member for Katherine, the Treasurer has the call in response to your last question.

**Mr WESTRA van HOLTHE:** ... out of balance per person.

**Ms LAWRIE:** If you let me finish. On a per capita, you just would not spend anywhere across the Northern Territory, basically. If you look at our expenditure rates in the Territory, they are higher, and even the Commonwealth Grants Commission recognises that. We have a relativity of 5%, so we are, if you like, five times our other jurisdictions in terms of the receipts we get from the GST. Now, that is a recognition that we have a very small population, to deliver services over a very large geographic area, and the other thing that you are not capturing there is that we are a developing economy as well. We are not the old economies, if you like, of New South Wales and Victoria that are well-established and well-developed, we are a developing jurisdiction. To try and say that you should assess your debt on a per capita basis is absolutely the wrong way of looking at it.

The reality is that the Territory's expenditure and revenue per capita is about 2.5 times more than the average of the states – 2.5 times more than the average of the states. This is due to the enormous cost of delivering services to Territorians right across our large geographic jurisdiction. The only actual reasonable basis on which to compare debt levels between jurisdictions is as a proportion of their general government revenues. That is where you look at your revenue to debt ratios, and I will flick through the information and grab that. Here we are: I have some data on that.

If you look at the 2011-12 year, the nett debt to revenue ratios across all governments, the Northern Territory is sitting at 31.9%; Victoria at 35.4%; New South Wales at 21%; South Australia at 24.3%; and again, the difference, the critical difference between the Territory and a lot of those jurisdictions is we are a developing jurisdiction. We have a vast geographic area in which to deliver services and to improve our service delivery. Anyone who has lived in the Territory for any number of years would understand that one of the largest challenges the Territory has is to close the gap of Indigenous disadvantage and, by doing that, you need to expand your service delivery into remote and regional Northern Territory. Now, that is going to come at a cost. It is a cost you ought to bear though.

**Mr WESTRA van HOLTHE:** Just to clarify, you were talking then about debt to revenue ratios?

**Ms LAWRIE:** Nett debt to revenue ratios.

**Mr WESTRA van HOLTHE:** All right, okay. Well, that is different. I am talking about deficit, but anyway, that is okay. What is your strategy for reducing the deficit in forward years? What are you actually going to do?

**Ms LAWRIE:** We have an efficiency dividend in place, of course. That has been a very useful tool for keeping some constraint in public sector expenditure. We also have a staffing cap in place. That was in place last financial year and continues to be in place this financial year, and that is already taking effect. The nett increase to March 2011 was just 41. That is predominantly attributable to child protection workers within the Department of Children and Families. The efficiency dividend is in addition to the 2% of agencies' output appropriation redirected to provide capacity for growth and new initiatives. There are other savings across the whole-of-government business processes; for example, improvements in IT.

In real terms if we look at what those savings have achieved, in the 2010-11 financial year, that is \$52m in savings; in 2011-12, we estimate we will achieve \$97.9m in savings, so across two years alone, some \$150m in savings. As I have said also though, in my previous response, we have made it very clear to industry, as private sector investment returns, we will start to step down our extraordinarily high levels of infrastructure spending. There is good reason to do that. First of all, it helps you get back into surplus country; but second, you do not want to be out there directly head-to-head competing with the private sector in the construction workforce. The reality of the Territory is that we have a fairly discrete size of construction workforce. We are being impacted upon by construction workers moving across jurisdictions at the moment, chasing the dollar. Obviously, the Queensland flood and rebuild is quite a significant impact, but so are major projects. Without a doubt, any final investment decision from INPEX will have a dramatic effect on the buoyancy of the construction sector, so we will be adjusting our capital spend in future years, depending on what the private sector is doing.

**Mr WESTRA van HOLTHE:** You will be relying on spending cuts, rather than revenue growth, to cut your deficit. Is that what you are saying?

**Ms LAWRIE:** We have just put in place a payroll tax reduction, so there is no revenue growth in payroll tax. We have just helped our small and medium-sized enterprises by reducing payroll tax and, at the same time, increasing the threshold, so you do not pay any payroll tax in the Territory until you have a payroll of \$1.5m.

With revenue growth, we are being conservative in our estimates on the GST. As I said, we are currently tracking around about \$200m per annum reduction in GST revenue, which is based on data coming from the Commonwealth. The Commonwealth update that data regularly. If there is a strengthening in the retail sector across our nation, we will start to see that coming through in data, but we have not put that strengthening into our current modelling yet.

**Mr WESTRA van HOLTHE:** You will not be relying on GST revenue growth for additional funds to close the deficit gap.

**Ms LAWRIE:** No.

**Mr WESTRA van HOLTHE:** Can you update us on the implications of the Commonwealth budget, and how that will affect GST projections for the Territory?

**Ms LAWRIE:** Specifically, in what respect? In terms of ...

**Mr WESTRA van HOLTHE:** What are they projecting in terms of GST reductions or otherwise for the Territory?

**Ms LAWRIE:** The GST predictions/estimates within the Commonwealth budget are absolutely consistent with our own.

**Mr WESTRA van HOLTHE:** Treasurer, I have a copy of the Commonwealth Budget Paper No 3, page 108, and page 20 of Budget Paper No 2, from the Northern Territory for this year, and there is actually a \$90m discrepancy. It says the Commonwealth will be giving the Territory \$90m less than your budget says we are getting.

**Mr CHAIRMAN:** Is this question relevant? We are going to the Territory budget ...

**Mr WESTRA van HOLTHE:** Well, it is ...

**Mr CHAIRMAN:** I want to air a note of caution. Obviously, when you go to other budgets, the Estimates Committee is here for the Territory budget, and you brought it back to the Territory budget ...

**Ms LAWRIE:** It is an output specific question and, if you want to go down to output specific, let us move on. When we get to that, what I will ask you, just to forewarn you, is exactly what year you are referring to.

**Mr CHAIRMAN:** And which output would that fall under, Treasurer, before we get there? Is that under 3.1 Territory Revenue?

**Ms LAWRIE:** Yes, because we have data that shows a comparison between the Commonwealth budget and our own. There is an aggregate minor change, but it is very minor, and it really depends on the population data which flows from year to year. I am happy to explain that to you when we get to that output. It is really, if you are going fishing, it is a wasted place to fish in.

**Mr WESTRA van HOLTHE:** I just wondered why the discrepancy of \$90m over the forward estimates period to 2014-15.

**Ms LAWRIE:** No, there are minor variations up and down within each financial year across that forward estimates period.

**Mr WESTRA van HOLTHE:** To the tune of \$90m. But, we will come back to that one.

Treasurer, not long ago you went to Canberra to argue for a greater slice of the GST pie. What exactly did you argue for in Canberra?

**Ms LAWRIE:** That was a discussion amongst Treasurers around the CGC update of relativity. Victoria led an argument that they set at the 2010-11 relativities, and we were obviously arguing for the 2011-12 relativities, because it meant an increase in GST revenue for us. We won that argument.

**Mr WESTRA van HOLTHE:** And the relativity went up from 5.073 something to 5.357. Did you argue for more than that, or did you get what you argued for?

**Ms LAWRIE:** It does not work like that. You can try to argue outside the CGC setting of the relativities; however, everyone would ignore you and think you were somewhat of a fool at a Treasurer's conference to argue outside CGC relativities. When you are at a Treasurer's conference having an argument about relativities it has to be based on the Commonwealth Grants Commission set relativities to even be heard. You argue on that. Victoria was arguing on the 2010-11 relativities that, on the basis the federal government had announced a review into the GST, why move to the 2011-12 relativities while the review is under way. I successfully argued that we needed to be set at the 2011-12 relativities because we knew what they were; they had been announced by the Commonwealth Grants Commission. That, essentially, provided for an increase of \$136m to the Territory.

**Mr WESTRA van HOLTHE:** We are going to have \$200m less in GST receipts so we lost out?

**Ms LAWRIE:** No, we did not lose out because if we had, we would not have gained the \$136m. It is a pretty simple argument to follow.

**Mr WESTRA van HOLTHE:** You said before we are getting \$200m less GST ...

**Ms LAWRIE:** Because of the contraction in the pool. Do you understand the difference between ...

**Mr WESTRA van HOLTHE:** We are getting more out of a smaller pool?

**Ms LAWRIE:** Yes, that is right. There is a pool, the GST receipts, based on the receipts nationally. As a result of the global financial crisis there is a contraction in the pool, which is where the reductions are coming from. Year on year relativities change and we have had some wins and losses in relativity changes over the years. Overall, if you were to ask NSW and Victoria if we are winners or losers they say we are major winners because we are major recipients. They are called the donor states and we are called mendicants, and I take that with some pride. We had a \$136m win at that particular conference of Treasurers.

**Mr WESTRA van HOLTHE:** Treasurer, on 4 and 5 October there is a discussion on the Henry tax review and I gather you will be attending. Can you guarantee you will not be part of a push to increase the rate of GST in Australia?

**Ms LAWRIE:** You are referring to the tax forum to be held in October announced by the federal government as part of its election commitment. Attendees to that forum are not yet set, so I am not in a position to confirm I will be at the tax forum. I can assure the Territory is represented at the tax forum; however, it may or may not be the case Treasurers attend. Treasurers have not attended those forums in the past. We deal with it through Treasurers' conference at that high level. Regardless, I can guarantee you the Territory will be pushing, at that forum, for the introduction of a volumetric tax on alcohol.

**Mr WESTRA van HOLTHE:** Can you guarantee you will not be part of a push to raise the rate of GST?

**Ms LAWRIE:** Absolutely.

**Mr WESTRA van HOLTHE:** You can absolutely confirm you will not be part of that push?

**Ms LAWRIE:** Yes, absolutely.

**Mr WESTRA van HOLTHE:** That is good.

**Ms LAWRIE:** It is pretty easy; the GST is not on the agenda.

**Mr WESTRA van HOLTHE:** Treasurer, our deficit is 10% of attributable revenue. You are running a \$387m deficit, but you can only claim about \$3.6bn in untied income against that. Where is that 10% of our attributable revenue being spent? Can you tell me, Treasurer, if money which is causing a deficit is being used for operational expenses?

**Ms LAWRIE:** In very simplistic terms, as explained previously, I could slash about \$300m off the infrastructure budget and be in surplus; however, the reality is that would not be good for the Territory economy. We ensured our priority was to provide jobs for Territorians. The construction sector recognises the importance of our infrastructure spend, as do the other areas of industry, and they all congratulated the government for its brave decision to step into temporary deficit to ensure we have record high infrastructure spends to ensure we are propping up the construction sector while private sector investment had not been able to avail itself of the credit to construct. We know that will be a temporary situation because there are some pretty exciting construction projects in the pipeline. As they come on, we will step down out of our high infrastructure spends. We have announced that on many an occasion.

**Mr WESTRA van HOLTHE:** Okay, thank you. Since the Commonwealth budget has come out, can you update us on the national partnership and specific purpose payments over the forward estimates period? Have they changed? What programs have been cut? Are there any new programs, and any changes to the funding of existing programs?

**Ms LAWRIE:** The NPPs and SPPs are now going down to output-specific. We will get to them, absolutely, because they are fairly early in the book.

**Mr WESTRA van HOLTHE:** Do you want to come back to that?

**Ms LAWRIE:** What I ...

**Mr CHAIRMAN:** Let us come back to it if you want to move on to other high-level questions ...

**Ms LAWRIE:** I have been pretty clear ...

**Mr CHAIRMAN:** We will get to that detail in the output-specific area.

**Mr WESTRA van HOLTHE:** All right, okay.

**Ms LAWRIE:** We have obviously seen pretty significant growth in our NPPs and SPPs over a period of time, but it is really output-specific. So, let us stay high-level, and then move on to the output-specific.

**Mr WESTRA van HOLTHE:** Okay, no problem.

**Ms LAWRIE:** We are probably delving down into output-specific if you have already got to that level.

**Mr WESTRA van HOLTHE:** Oh, no, there is just a few tag-on questions at the end that can go into it later, so that is fine. Have you any - I am going to move off the deficit ...

**Mr CHAIRMAN:** What the Treasurer is on now. If you have finished your high-level questions now ...

**Mr WESTRA van HOLTHE:** I have not finished my high-level questions, but I have finished my high-level questions on the deficit.

**Mr CHAIRMAN:** I understand. What we are saying is we will go according to the order of questions in the terms of reference, which are that you conclude your high-level questions now, then the opposition members who have questions for this area will go, and then the member for Nelson who has questions on this area will go. Then, we will move on to outputs. So, you keep going ...

**Mr WESTRA van HOLTHE:** So, I will keep going on my high-level stuff even though we are moving away from the deficit?

**Mr CHAIRMAN:** Yes.

**Mr WESTRA van HOLTHE:** Okay, all right. Treasurer, just a few questions about the Treasurer's Advance. Can you tell me, in general terms, what the Treasurer's Advance is used for and under what circumstances it is used?

**Ms LAWRIE:** Yes, it varies. Its use varies from financial year to financial year depending on need obviously. I will just look it up. In any year, it varies. We are not concluded in the 2010-11 financial year, so I am looking back to the 2009-10 financial year to give you examples. It is normally in the area of disaster relief and roads, and any other specific initiatives of government that falls between budget period to budget period. Have you any more questions?

**Mr WESTRA van HOLTHE:** Just around the Treasurer's Advance. The quantum of Treasurer's Advance for 2011-12 Budget. How much will that be? It is a 5% thing, is it, or something?

**Ms LAWRIE:** Yes, you can borrow up to 5%.

**Mr WESTRA van HOLTHE:** So, it is fair to say you would use the Treasurer's Advance for off-budget spends? You have mentioned before a few examples like roads and that sort of thing, and things that need to be done urgently. Would that be a fair statement?

**Ms LAWRIE:** Oh, and any initiative of government between budget period.

**Mr WESTRA van HOLTHE:** Righto, yes, initiatives. Good.

**Ms LAWRIE:** Child protection would be one, for example.

**Mr WESTRA van HOLTHE:** Yes, okay. Do you have the detail?

**Ms LAWRIE:** Yes, we have the 2009-10. I refer to Deputy Under Treasurer, Jodie Kirkman.

**Ms KIRKMAN:** Jodie Kirkman, Deputy Under Treasurer. In the Treasurer's Annual Financial Report, we provide a list of the Treasurer's Advances through the year. I have the agencies in, not necessarily each individual purpose. We have \$120 000 for the Ombudsman's Office; Department of the Legislative Assembly, \$310 000; for the Department of Natural Resources, Environment, the Arts and Sport, we have \$95 000; for the Department of Lands and Planning, we have \$1.5m in output appropriation and \$20.8m in capital, that was mostly for roads; the Department of Construction and Infrastructure had \$3.3m - and that was it.

**Mr WESTRA van HOLTHE:** Okay, thank you. We do not have details on the current financial year?

**Ms LAWRIE:** We have not concluded the current financial year.

**Mr WESTRA van HOLTHE:** Okay. I thought you might be able to give me an update on spending thus far, seeing as we are only two weeks ...

**Ms LAWRIE:** We are doing them in August sittings.

**Mr WESTRA van HOLTHE:** Yes, of course, all right, thank you. Treasurer, I understand life does not stand still between budgets, that is something you said last year, but under what circumstances would the Treasurer's Advance be used for a program that would ordinarily be costed in a normal budget cycle? Is there any ...

**Ms LAWRIE:** For example, an expansion in the program through the year. Child protection is a good example. You have a child protection budget, the Bath report gets handed down with expenditure requirements. The government makes a decision to meet those requirements and recommendations, so you have to expand the child protection budget. That is a pretty clear example of how you would use TA.

**Mr WESTRA van HOLTHE:** Yes, sure, and I understand that. So, there are perhaps existing programs where exigencies arise that require you to spend extra money not budgeted for, so you pull it out of the Treasurer's Advance.

**Ms LAWRIE:** That is why TA exists.

**Mr WESTRA van HOLTHE:** Yes, and the sensible thing to do, I would imagine. So, if you have a program that is coming on, that you know about already, like the aeromedical contract. You have known about the permanent aeromedical contract for some time. Why is that being paid for out of the Treasurer's Advance?

**Ms LAWRIE:** Because a dollar figure has not been set yet.

**Mr WESTRA van HOLTHE:** Because a dollar figure has not been set yet - right.

**Ms LAWRIE:** The quantum of potential expansion of aeromedical, I will say potential, and what that quantum is, is not set yet. A successful tenderer has not been determined and announced. You cannot go out there and say, well okay, we are going to increase the aeromedical budget by \$X in anticipation of a successful tenderer, because you are literally telling all the bidders how much you are prepared to stump up, no one would do that, so you have money set aside in TA, recognising there will be a call on it potentially for an aeromedical service.

**Mr WESTRA van HOLTHE:** Okay. So, we have been talking about an aeromedical ...

**Ms LAWRIE:** There is an amount of money in the budget now that funds the aeromedical, because we have aeromedical services now. The question is, will there be an expansion and what will that quantum be? That process is still under way.

**Mr WESTRA van HOLTHE:** Well, I understand that, but it has been under way for an awfully long time, you know, we are talking, it must be close to 18 months now that this tender process has been under way, and it keeps changing because your government keeps changing its mind about what it is going to include in the tender, and the poor, old tenderers are pulling their hair out.

**Ms LAWRIE:** I am sure you will have many questions to the Health Minister on that.

**Mr WESTRA van HOLTHE:** I am sure I will. You have seen this coming for a long time, and it surprises me to hear the Health Minister say on radio that money for a program which you know about is going to be funded out of the Treasurer's Advance rather than putting it as a line item in the budget.

**Ms LAWRIE:** As I have said, until you have settled on the quantum, how on earth could you put it as a line item in the budget?

**Mr WESTRA van HOLTHE:** You must have a reasonable idea about how much it is going to be?

**Ms LAWRIE:** So, we put a guesstimate in the budget, is that what you are saying? Put a guesstimate in, send a signal to all the bidders that is the very least what they should mark up on? Who on earth in business would do that?

**Mr WESTRA van HOLTHE:** Well, I am not suggesting that anyone should guess anything. The tenderers know how much they have put in. The Health Department know by now how much is in those

tender documents. Surely to goodness the Health Department talked to Treasury and said, well, for the upcoming financial year, we need X number of extra dollars for aeromedical.

**Ms LAWRIE:** We are intimately involved in the process. We know exactly where the dollars are lying in terms of the bids.

**Mr WESTRA van HOLTHE:** Why don't you know, why don't you put it in the budget figures, rather than through Treasurer's advance?

**Ms LAWRIE:** Why don't we publish before a decision is announced?

**Mr WESTRA van HOLTHE:** You do not have to publish it, all you do is a line item.

**Mr CHAIRMAN:** Treasurer has the floor.

**Ms LAWRIE:** I have explained it to you. If I do not understand it, I cannot help you.

**Mr WESTRA van HOLTHE:** I understand it perfectly well. What you are doing is hiding money out of your deficit. This is all dollars that would add to your deficit over time.

**Ms LAWRIE:** TA is included in the deficit, so how on earth are we hiding it?

**Mr WESTRA van HOLTHE:** Well ...

**Ms LAWRIE:** TA is included in the deficit, so how are we hiding it?

**Mr WESTRA van HOLTHE:** It does not appear as a line, the extra money you are spending.

**Ms LAWRIE:** TA is in the deficit figure, so we cannot be hiding it.

**Mr WESTRA van HOLTHE:** All right, okay...

**Ms LAWRIE:** We are just not announcing to the bidders what we are prepared to pay them, but who in a negotiation would do that?

**Mr WESTRA van HOLTHE:** All right, well...

**Ms LAWRIE:** It is a bit of an extraordinary proposition.

**Mr WESTRA van HOLTHE:** At least you are consistent about this. You cannot tell me, for example, that you did not know about the new Palmerston Hospital before the budget. Where is the \$40m that the NT government has pledged to this program, where does that appear in the budget? You have air-med that does not appear, you have this \$40m for the Palmerston Hospital that does not appear. At least, you are being consistent, Treasurer.

**Ms LAWRIE:** What you do not understand about Palmerston Hospital is that in 2011-12, we will be in scope and design phase, so the capital will fall in subsequent financial years.

**Mr WESTRA van HOLTHE:** You are not intending to build it until 2012-13.

**Ms LAWRIE:** Not entirely correct, as there is a significant amount of funding available from the Commonwealth. It is when our portion starts to drop in. Scope and design is underway as we speak, and has been from the moment of the announcement. We had already done some modelling around hospital needs in Palmerston, so we were well-advanced in that. In terms of the capital commitment, there is no reason why we could not use a portion of the Commonwealth's first, and then ours drops in after that. Projects happen like that and Tiger Brennan Drive is a classic example.

**Mr WESTRA van HOLTHE:** I understand. It is just the capacity for you not to want to put things in the budget, if they are not going to be palatable in terms of the publicity...

**Ms LAWRIE:** Palatable? Are you kidding me, the Palmerston hospital is a fantastic announcement. It is incredibly palatable.



**Mr WESTRA van HOLTHE:** Of course the Palmerston hospital is a fantastic idea - we came up with the idea.

**Ms LAWRIE:** So it is palatable, very palatable, we are embracing it.

**Mr WESTRA van HOLTHE:** I am pleased you adopted the Country Liberal policy on it. Thank you.

**Ms LAWRIE:** Yours is out of 2025-30; that is when you were going to build a hospital, unbelievable.

**Mr WESTRA van HOLTHE:** We will not see the hospital until 2012-13. That is okay.

**Ms LAWRIE:** Do you know how long it takes to build a hospital? Seriously.

**Mr WESTRA van HOLTHE:** This moves into revenue and royalties and that is all income. We might just change tack a little, Treasurer.

**Ms LAWRIE:** Output-specific or are you staying high-level?

**Mr WESTRA van HOLTHE:** This is high-level stuff. What modelling have you done to determine the impact of the Labor government carbon tax on the cost of living in the Territory?

**Ms LAWRIE:** In terms of the modelling, we are awaiting the details to be released by the Australian government. Without those details, you would not be able to provide robust, accurate modelling and the Territory government has consistently said that we will not sign up to anything that penalises Territory families. We already have clean, gas-powered electricity and we certainly should not be penalised for dirty coal - comparatively speaking – dirty, coal-fired power down south.

Ross Garnaut was here recently, pointing out that our clean gas means that Territory families could actually benefit from a price on carbon. The reality is - until we see the details, we are not in a position to provide a robust modelling. Yet, when you look at what the CLP have been out there promising, they have promised to reduce greenhouse emissions by 60%, have 25% of all NT power renewable by 2025, and build a series of renewable power stations with 100 megawatt capacity by 2025. None of that is possible without a price on carbon.

**Mr WESTRA van HOLTHE:** That is your opinion.

**Ms LAWRIE:** Test it with anyone else's!

**Mr WESTRA van HOLTHE:** I am a little ...

**Ms LAWRIE:** How would you achieve that without a price on carbon?

**Mr WESTRA van HOLTHE:** I am surprised you have no modelling yet because Ross Garnaut has been talking about \$26 a tonne on carbon and ...

**Ms LAWRIE:** Yes, it could be \$25 a tonne, for example.

**Mr WESTRA van HOLTHE:** Why would you not have done some modelling around that to date?

**Ms LAWRIE:** You can model on a whole range of things, but until you get the detail your modelling is not going to be robust. We are aware of all the modelling that has occurred to date, but are waiting for the detail for our own robust modelling.

**Mr WESTRA van HOLTHE:** Did the federal Treasurer, Wayne Swan, not say the other day the impact on the Northern Territory would be less than the other states? How did he get that idea? Where did that come from?

**Ms LAWRIE:** You would have to ask him.

**Mr WESTRA van HOLTHE:** Has he made a broad sweeping statement without any basis? You have not provided any modelling.

**Ms LAWRIE:** We are here to debate the budget and you are trying to have me read the mind of the federal Treasurer in relation to comments he made on carbon. What is the relevance?

**Mr WESTRA van HOLTHE:** The relevance is if you have done some modelling or provided him ...

**Ms LAWRIE:** I said we have not.

**Mr WESTRA van HOLTHE:** ... some information ...

**Ms LAWRIE:** We have not done the modelling, I have already said that.

**Mr WESTRA van HOLTHE:** ... then he has a basis upon which to make that statement.

**Ms LAWRIE:** We are aware of modelling which has occurred. We have not done our own modelling. We will not do it until we get the detail on the carbon price. When we have the detail on the carbon price, we will do our own modelling.

**Mr WESTRA van HOLTHE:** The Northern Territory emits about 15 million tonnes of carbon in total, of which about a third is from savannah burning. That leaves about 10 million tonnes of carbon which, if it were priced at \$26 a tonne, would come to \$260m. How is this tax going to be passed on to Territorians? If it is \$10, or \$20, or \$30 ...

**Ms LAWRIE:** Quite simply, agriculture is out. You are including savannah burning, that is out. Your modelling is wrong already.

**Mr WESTRA van HOLTHE:** I took that away. I said ...

**Ms LAWRIE:** No, you did not.

**Mr WESTRA van HOLTHE:** Yes, I said savannah burning is included in the 15 million tonnes. Take that out, it leaves 10 million tonnes of carbon.

**Ms LAWRIE:** What about agriculture? Have you taken agriculture out?

**Mr WESTRA van HOLTHE:** What I have is ...

**Mr Elferink:** You do have some modelling?

**Ms LAWRIE:** No. He does not even know his own figures. This is ridiculous and is what I am pointing out.

**Mr WESTRA van HOLTHE:** Let us say ...

**Ms LAWRIE:** Without the detail, any modelling is going to be speculative.

**Mr WESTRA van HOLTHE:** Let us take one million more tonnes off and say nine.

**Ms LAWRIE:** Are we going to have a modelling auction or are we going to get down to scrutinising the budget?

**Mr WESTRA van HOLTHE:** This is about the economy of the Northern Territory and how the carbon tax is going to affect us? Whether it is 260 ...

**Ms LAWRIE:** Ross Garnaut is saying our clean gas means Territory families could benefit from a price on carbon. At the end of the day ...

**Mr WESTRA van HOLTHE:** How is that going to work?

**Ms LAWRIE:** ... let us look at the detail. When the detail is provided, we will do the modelling.

**Mr WESTRA van HOLTHE:** How is that going to work?

**Ms LAWRIE:** Run scare campaigns all you like; however, when the detail is provided we will do the modelling. We are aware of what modelling exists, and when the detail is provided, we will do our own modelling.

**Mr WESTRA van HOLTHE:** In general terms, you must have a fair idea how the carbon tax will work. You have been briefed, I imagine. Even if ...

**Ms LAWRIE:** There are so many different variable factors. For example, are RECs going to continue or are RECs going to be out in regard to electricity generation? There are so many different variables. RECs account for about \$14m today, but there is still debate going on and we need the detail about whether RECs are in or out. The variables are so significant dependent on the details of what is in or out, and then the price of the elements and what the elements of the compensation are. Until you see all that detail, you are simply speculating.

**Mr WESTRA van HOLTHE:** We already know Territorians will pay an extra 6¢ a litre on petrol and 7¢ a litre on diesel as a result of the carbon tax on fuel. How will this affect ...

**Ms LAWRIE:** We do not know whether or not there will be an excise offset, for example. Another example ...

**Mr WESTRA van HOLTHE:** How will this affect the cost of goods and services in the Territory?

**Ms LAWRIE:** Is there going to be an excise offset on that?

**Mr ELFERINK:** That is up to Canberra.

**Mr WESTRA van HOLTHE:** That is up to Canberra.

**Ms LAWRIE:** That is right; it is up to Canberra. The answer came from the member for Port Darwin: it is up to Canberra. Again, it is purely speculative until you see the detail.

**Mr ELFERINK:** These are your mates. Surely, they are telling you something?

**Ms LAWRIE:** Purely speculative. You are wasting your own time, seriously.

**Mr WESTRA van HOLTHE:** One of the ...

**Ms LAWRIE:** You can scrutinise the Territory budget, or we can sit here and play speculation games.

**Mr WESTRA van HOLTHE:** One of the biggest issues facing people in the Northern Territory is cost of living. A part of that is if the potential for the cost of living in the Territory to go up as a result of the carbon tax, people would love to know what it is all about.

**Ms LAWRIE:** Again, what is the compensation package to families? Do you know that answer? No, because the detail is not out there. When the detail is are out there, let us have a debate about it.

**Mr WESTRA van HOLTHE:** All right. Power and Water emits 962 tonnes of carbon. Let us assume a price of \$26 a tonne. That comes to \$25m Territorians will have to pay in their power bills, I imagine. How are you going to tell Territorians their power bills will rise by an average of \$338 a year?

**Ms LAWRIE:** Again, purely speculative on your behalf. Are RECs in or out, because we are currently paying renewable energy certificates. With an introduction of a carbon price, do the electricity providers of our nation still have to provide RECs? That is a live, open question for debate. It was a matter discussed at the Energy Ministerial Council I attended in Perth on Friday. These questions are not yet answered in detail from the Commonwealth government. Until we see that detail, you are purely speculating.

**Mr WESTRA van HOLTHE:** Okay. Without going into ...

**Ms LAWRIE:** What we already currently do, for example, is we have a pretty significant community service obligation where we are not passing on the full cost of electricity generation to the consumer.

**Mr WESTRA van HOLTHE:** All right. Without drilling into the specifics because we do not have all the detail, would you reasonably expect power bills to go up in the Northern Territory once the carbon tax is introduced?

**Ms LAWRIE:** I am not going to speculate until we see the detail. I have been consistent on that.

**Mr WESTRA van HOLTHE:** I believe it will. I suppose you are going to have the same answer to the question of how much extra it is going to cost to build a home in the Territory as a result of the carbon tax coming in?

**Ms LAWRIE:** You can speculate all you like. I know that when Ross Garnaut was here, Chris Young from the Chamber of Commerce was saying \$800 a week to the Territory family and Ross Garnaut said no, how on earth could he be modelling that? People are going to speculate all they want. I am not going to speculate; I will see the detail as I should.

**Mr WESTRA van HOLTHE:** So, we are just going to have to keep waiting?

**Ms LAWRIE:** The rest of the nation is; we are not Robinson Crusoe.

**Mr WESTRA van HOLTHE:** Yes, not very comforting for Territory families. What about ...

**Ms LAWRIE:** As I said consistently, we will not sign up to anything that penalises Territory families. We have a pretty clean gas supply here in the Territory. We are not going to subsidise that dirty brown coal from down south.

**Mr ELFERINK:** Until we happen to find a seam.

**Ms LAWRIE:** No, we have plenty of gas. It is all good.

**Mr WESTRA van HOLTHE:** Let me ask this in general terms: what will the effect be on mining operations on the Territory under a carbon tax scheme?

**Ms LAWRIE:** Speculative, far too variable. Let us look at the detail. It is interesting, you can have a look at the Productivity Commission report. There is a very strong argument for a carbon price. What the taxpayers are currently spending in their efforts on renewables and the like, essentially is not getting the outcomes the taxpayer wants. The Productivity Commission report, like it or not, clearly and strongly argues in favour of the path the federal government is taking, as opposed to Tony Abbott's view of the world. Anyway, dish on the Productivity Commission if you like.

**Mr WESTRA van HOLTHE:** Okay, no worries. A specific example - and I use this because it is unique in the Territory - are there are some mining enterprises which have a high carbon output, higher than most. Mataranka lime mine would be one of them with the process they go through. They will be adversely affected by this carbon tax and, in fact ...

**Ms LAWRIE:** You are crystal ball-gazing, Willem. Until you see the detail you are purely speculating - seriously.

**Mr WESTRA van HOLTHE:** Yes but what about - I guess I am concerned about ...

**Ms LAWRIE:** How long do you want to speculate for?

**Mr WESTRA van HOLTHE:** ... the employees of the Mataranka lime mine ...

**Ms LAWRIE:** How long do you want to speculate for?

**Mr WESTRA van HOLTHE:** ... concerned about the employees of the Mataranka lime mine.

**Ms LAWRIE:** How long do you want to speculate for? Do you want to waste your opportunity as a shadow to scrutinise the Territory budget, or do you want to sit here and speculate on something that you do not have the detail yet?

**Mr WESTRA van HOLTHE:** That is the thing. This is about cost of living. You are in charge of the economy, Treasurer, you should have ...

**Ms LAWRIE:** Maybe there will be benefit. Ross Garnaut is out there arguing that we will benefit. Well, I look forward to that.

**Mr WESTRA van HOLTHE:** I cannot see how that is going to happen. I think, under the carbon tax, Territorians are going to be suffering more than most, and I feel sorry for the people at Mataranka who work for the lime mine if their jobs are at risk.

**Ms LAWRIE:** Ross Garnaut is out there arguing we will be better off, is that not good?

**Mr WESTRA van HOLTHE:** Good on him.

**Ms LAWRIE:** Yes, good on him.

**Mr WESTRA van HOLTHE:** All right. Have you any modelling on the effects of the mining resources rent tax on the mines in the Territory, now or in the future?

**Ms LAWRIE:** The MRRT draft legislation was put up on the Treasury website on Friday, that is out there for people to scrutinise. The beauty of the MRRT is that is profit based. Our own royalty regime is profit based, so unlikely to have much of an effect as it is currently proposed.

**Mr WESTRA van HOLTHE:** You think? Have you had any discussions with the mining companies that would be affected, or potentially affected, by the MRRT?

**Ms LAWRIE:** I went on a budget road show for the 2010-11 budget and spent a fair amount of that dealing with the MRRT because it had just been announced, so I had representatives of mining companies talk to me, over a year ago now, about it. I have stayed in touch with the Resources Council on the matter, as I should as Treasurer. Currently, all the modelling and advice I have is that there is no likelihood at this stage of a company being impacted. I am choosing my words carefully, because taxation is a private issue, so highly unlikely to be any impact on Territory mining companies as it is proposed, and they would know that.

**Mr WESTRA van HOLTHE:** You speak with the minerals council?

**Ms LAWRIE:** Yes, I do meet with the Resources Council.

**Mr WESTRA van HOLTHE:** Yes, the Resources Council, and you also speak to them about carbon tax and things like that?

**Ms LAWRIE:** Of course they raise it with me, and they have shown me the arguments they are leading in terms of their industry.

**Mr WESTRA van HOLTHE:** What are their arguments? What are they arguing in terms of?

**Ms LAWRIE:** They are arguing for a different model altogether; that is their argument with the federal government.

**Mr WESTRA van HOLTHE:** Okay. Have they given you a briefing on what they see, or what they believe will be, the effects of either the carbon tax or the MRRT on mining in the Territory?

**Ms LAWRIE:** They have provided me with information they have provided the federal government with. I have made it clear to them, that is a debate they need to have with the federal government.

**Mr WESTRA van HOLTHE:** Okay. You are aware of their position that there will be an \$11bn impost on the mining sector under the proposed carbon tax?

**Ms LAWRIE:** Again, that is speculative.

**Mr WESTRA van HOLTHE:** Just a quick one, Treasurer. How do you define a Territory mining company? You used the term earlier. Is it just one that operates in the Territory but not necessarily domiciled here, or ...?

**Ms LAWRIE:** That is right.

**Mr WESTRA van HOLTHE:** So anyone who operates in the Territory. That includes Xstrata, BHP, Rio, all those?

**Ms LAWRIE:** Yes.

**Mr WESTRA van HOLTHE:** All right, thank you. I am going to move on now to ...

**Ms LAWRIE:** I wonder if you are aware that it is about whether or not their mining operations in the Territory will be affected.

**Mr WESTRA van HOLTHE:** Sorry, say that again?

**Ms LAWRIE:** As long as you are aware I am saying whether or not their mining operations in the Territory will be affected.

**Mr WESTRA van HOLTHE:** All right. Change of tack, Treasurer, to talk about debt. Can you please tell us what the current credit rating of the Northern Territory is?

**Ms LAWRIE:** AA1.

**Mr WESTRA van HOLTHE:** And for the information of the committee, what is the maximum amount that you are permitted to borrow against the income of the Northern Territory? Is there a formula? Do you have set guidelines? How does that work?

**Ms LAWRIE:** There is not a formula, but I will bring to the table, John Montague, who will explain the Territory borrowings to you.

**Mr MONTAGUE:** John Montague, Assistant Under Treasurer, Funds Management.

We have a rating through Moody's Rating Agency. Moody's comes to the Territory once a year and has meetings with Treasury officials, which covers the full gambit of the Territory economy. They also generally meet with the Treasurer, if she is available. That is a review which is carried out to assess, on a prospective basis, any issues which Moody's may have with regard to our ratings. So, they review our budget and they also go through, in terms of those discussions, Treasury's forecasts as well.

To date, they have been very satisfied with the way we have provided information and they have confidence the rating we have received, which is AA1, is stable. That means they look towards the future and say: is there a likelihood of it changing in the near term? At the moment, it is stable.

**Mr WESTRA van HOLTHE:** But there are effectively no limits? There are no legislative limits, other than Moody's assessment of you, in terms of how they think you are tracking into the future?

**Mr MONTAGUE:** That is correct.

**Mr WESTRA van HOLTHE:** And they give you some advice, I imagine, on that, and you would then use that advice to temper, or otherwise, borrowing activities?

**Mr MONTAGUE:** They issue a report, generally in January of each year, which gives an outline of their view of the Territory economy, which is an independent review. They do not set a limit, as it were, per se, which is a target which we have to work towards, mainly because there are so many factors which have been brought into account. Clearly, they would be looking to see where the monies are being used towards productive investment in the future and, clearly, with the infrastructure investment which is going on. They are content that the money which is being invested is going towards productive investment.

**Mr WESTRA van HOLTHE:** The reports from Moody's, which are issued in January, are they available to the public?

**Mr MONTAGUE:** Yes, they are.

**Mr WESTRA van HOLTHE:** Treasurer, the nett debt of the Territory is estimated to be about \$1.1bn in this budget cycle, rising by close enough to 40% in the next budget year to \$1.475bn, and then on to \$2.2bn in 2014-15. I hear what John Montague said regarding Moody's, but is this all good debt?

**Ms LAWRIE:** It is primarily infrastructure debt, so it is productive debt.

**Mr WESTRA van HOLTHE:** When you say primarily, the components which are not infrastructure, what do they comprise?

**Ms LAWRIE:** All the nett new borrowings are for infrastructure. We obviously inherited debt when we came to government. We have driven it down quite significantly; by \$670m, we have reduced debt.

**Mr ELFERINK:** And where is it going to be in four year's time, do you think?

**Ms LAWRIE:** Well, it is the importance of infrastructure, building the Territory.

Are you ready to pass the baton on yet?

**Mr WESTRA van HOLTHE:** No, not at all. I am concerned that your spending, while it is holding the Territory up, that there is not enough focus on getting that private industry and participation in the Northern Territory to take over the mantle of the government's spending.

**Ms LAWRIE:** That is a fairly extraordinary concern you have, given we are on the verge of the Territory's largest major project, in terms of Ichthys, and the significant potential and opportunities that will flow from the marine supply base, and the significant extent to which mineral exploration is occurring in the Territory today. That list of potential mines I read out earlier in this session. To say that we are not out there aggressively leveraging our private investment really belies reality. I do not know what sort of bubble you exist in. We have attracted \$38.97bn in private investment in the last 10 years into the Territory.

**Mr WESTRA van HOLTHE:** I hear you. That was answered before regarding mining, the marine supply base, and all those sorts of things. Other things, like manufacturing, could be included.

**Ms LAWRIE:** A marine supply base will be of assistance to manufacturing.

**Mr WESTRA van HOLTHE:** I do not know what they will manufacture. There may be some engineering stuff; however, I cannot think of much else. It reminds me that Arafura Resources decided to take its processing to South Australia rather than the Northern Territory. That does not, in my view, bode well for the view of private investors in the Northern Territory.

**Ms LAWRIE:** For confirmation on that point, the CLP would approve that production process at Middle Arm? Is that your policy position?

**Mr WESTRA van HOLTHE:** We do not have a policy position yet.

**Ms LAWRIE:** Do you have a position on Arafura Resources production at all given that you raised it?

**Mr WESTRA van HOLTHE:** It should be given every opportunity to be set up business in the Northern Territory.

**Ms LAWRIE:** At Middle Arm?

**Mr WESTRA van HOLTHE:** There would probably be better sites; however ...

**Ms LAWRIE:** Better sites where?

**Mr WESTRA van HOLTHE:** Glyde Point is one.

**Ms LAWRIE:** You would put them out at Glyde Point. Who would fund that infrastructure?

**Mr WESTRA van HOLTHE:** Who is asking the questions here?

**Ms LAWRIE:** I am interested. You obviously have a clear position on this; I am interested in what it is. If you are going to put an alternative forward, what is the alternative?

**Mr WESTRA van HOLTHE:** The position is that the Northern Territory government should be doing everything in its power to attract private investment.

**Ms LAWRIE:** If you are going to lead an alternative, what is your alternative?

**Mr WESTRA van HOLTHE:** You sat on your hands and let Arafura Resources walk away from the Northern Territory.

**Ms LAWRIE:** Because it wanted to establish at Middle Arm.

**Mr WESTRA van HOLTHE:** That is because you guys ...

**Ms LAWRIE:** If you want it established at Middle Arm, go on the public record and say it.

**Mr WESTRA van HOLTHE:** No, that is because you guys did not provide any further infrastructure beyond Middle Arm to promote ...

**Ms LAWRIE:** No, you were not privy ...

**Mr WESTRA van HOLTHE:** ... heavy business outside the Darwin port area.

**Ms LAWRIE:** You were not privy to the discussions with Arafura Resources; it wanted to be at Middle Arm. The government's view was it did not want that particular industry at Middle Arm. Does the CLP want Arafura Resources producing at Middle Arm? You are leading this. It would be very interesting for you to put the alternative viewpoint forward with some clarity.

**Mr WESTRA van HOLTHE:** You have been in power for 10 years, why have you not done something to provide alternatives to Darwin Harbour for heavy industry?

**Ms LAWRIE:** We have; it is in the greater Darwin strategic land use plan, and you can question the Planning minister on that.

**Mr WESTRA van HOLTHE:** Where is that? Where is the land available for heavy industry?

**Ms LAWRIE:** I will call it the Gunn Point peninsula; I will not give you the exact coordinates.

**Mr WESTRA van HOLTHE:** Is it there yet?

**Ms LAWRIE:** It is marked in the Greater Darwin strategic land use plan and you can question the Planning minister.

**Mr WESTRA van HOLTHE:** When did you publish that document?

**Ms LAWRIE:** The greater Darwin strategic land use plan went out several months ago. The member for Katherine has clearly missed the TV ads. We have moved away from any relevance here.

**Mr WOOD:** Mr Chair ...

**Mr CHAIRMAN:** I have a point of order from the member for Nelson.

**Mr WOOD:** I know we are going into some planning issues; however, I have three-quarters of an hour for questions. I am not against the questions, but time might catch up with us.

**Mr WESTRA van HOLTHE:** You are probably right. The government has been in power for 10 years and is just releasing a plan; that is extraordinary!

**Ms LAWRIE:** Basically, they are a 20-plus year plan and are released about every 10 years.

**Mr WESTRA van HOLTHE:** Are you are running off an old CLP plan at the moment?

**Ms LAWRIE:** According to you, it did everything right.

**Mr WESTRA van HOLTHE:** It got it mostly right. It built the Territory do not forget, Treasurer.

**Ms LAWRIE:** Yes, and we are building the Territory. You do not want us to spend any money on infrastructure.



**Mr WESTRA van HOLTHE:** This probably falls within a specific output group area; however, tell me if you do not want to answer a few questions around Territory Bonds. It falls under Treasury Corporation.

**Ms LAWRIE:** Yes, and I have John Montague at the table, so fire away.

**Mr WESTRA van HOLTHE:** Is Territory Bonds a program your Government supports?

**Ms LAWRIE:** Yes.

**Mr WESTRA van HOLTHE:** How much money is invested in Territory Bonds at the moment?

**Ms LAWRIE:** It is a retail product. I am advised - but I will flick in a moment to John Montague for the detail - that in the 2010-11 financial year, it has raised \$40m to date. John, do you want to explain the Territory Bonds product?

**Mr MONTAGUE:** The Territory Bonds product is a retail product aimed at mum and dad investors; it has been running for about 25 years now. We currently have approximately \$140m outstanding from approximately 11 000 individual investors. Those investors are distributed throughout Australia, primarily in Victoria and New South Wales.

**Mr WESTRA van HOLTHE:** Thank you. Can you tell me what the average interest rate is as it applies to Territory Bonds, or the range?

**Mr MONTAGUE:** The range is determined by the maturity which the investor selects, which can be from one to seven years. Offhand, I believe it goes from about 5.5% to 6.5%.

**Mr WESTRA van HOLTHE:** So the average would be sixish percent, I guess. How much was spent advertising Territory Bonds in the last year?

**Mr MONTAGUE:** I do not have that number specifically in front of me, I am afraid.

**Ms LAWRIE:** Do you want to talk about the way you promote and advertise Territory Bonds? That might help.

**Mr WESTRA van HOLTHE:** That would be fine, because I would like to know if it has been advertised or promoted ...

**Ms LAWRIE:** Yes, it is. It is good.

**Mr WESTRA van HOLTHE:** I have never seen anything about it.

**Ms LAWRIE:** We market it in Katherine.

**Mr MONTAGUE:** We promote it through the *NT News*, and we also use brokers. The easiest way to look at this is that the investment community is largely driven by people who provide advice on these types of products. Self-managed super funds these days generally have some association with a fixed interest provider, and that really relates to the fact that they have an obligation to put some component of fixed interest in most self-managed super fund portfolios.

The people who promote those are done through a brokerage arrangement. We pay, I believe it is 25 basis points, that is a 0.25%, to those brokers to promote that product to the mums and dads. However, the vast majority of investors we have are, in fact, return investors; that is, people who have invested in Territory Bonds in the past, and they choose to reinvest when their bond matures. That represents approximately 50% of the turnover which we have in any particular year, as people reinvest in the product.

**Mr WESTRA van HOLTHE:** Thank you.

Moving off that and back to interest rates, Treasurer, what is the weighted average interest rate on Territory's borrowings?

**Ms LAWRIE:** John Montague.

**Mr MONTAGUE:** This year, we are currently running at 5.64%.

**Mr WESTRA van HOLTHE:** 5.64%. That is the weighted average of ...

**Mr MONTAGUE:** Weighted average cost of borrowing of our term debt.

**Mr WESTRA van HOLTHE:** Sorry?

**Mr MONTAGUE:** Of our term debt. That is debt which is not just short-term. Term debt would be things in excess of one year. I make the differentiation, as short debt is usually used as a liquidity tool, whereas the longer term borrowings which we undertake are to fund the loans which we provide to the likes of government and other loan parties.

**Mr WESTRA van HOLTHE:** The interest rate you are paying on borrowings is less than the interest you are paying on Territory Bonds?

**Mr MONTAGUE:** That is correct. Yes.

**Mr WESTRA van HOLTHE:** Treasurer, what is the current nett annual interest bill to the Territory?

**Ms LAWRIE:** \$141m.

**Mr WESTRA van HOLTHE:** That is the nett interest bill?

**Ms LAWRIE:** Yes.

**Mr WESTRA van HOLTHE:** At the end of the forward estimates period, what will that interest bill blow out to?

**Ms LAWRIE:** \$201m.

**Mr WESTRA van HOLTHE:** \$201m. I will have to sit down and do some calculations, but that, probably by the end of the forward estimates period, would be \$500 000 a day, or thereabouts, in interest. Would that be about right?

**Ms LAWRIE:** Close enough.

**Mr WESTRA van HOLTHE:** How do you intend paying the interest bill? How does that money flow work into the future, but certainly now? How do you pay the \$250 000-odd a day in interest payments? That is per day.

**Ms LAWRIE:** Yes. It is just part of our expenses.

**Mr WESTRA van HOLTHE:** Are you comfortable with that level of ...

**Ms LAWRIE:** Yes, it is recorded in our financials, statement table 8.3.

**Mr WESTRA van HOLTHE:** Okay, and you are comfortable with that?

**Ms LAWRIE:** What I recognise is the need for the Territory government to step up and spend on infrastructure while private investment is in a hiatus - that has been critically important to the Territory economy. If we had not done that, we would be heading backwards.

**Mr WESTRA van HOLTHE:** You have a deficit ...

**Ms LAWRIE:** After eight consecutive surpluses.

**Mr WESTRA van HOLTHE:** You have a deficit, and deficits throughout all the forward estimates period, so you are spending more than you bring in. Debt is rising, and will virtually double between now and the end of the forward estimates period, how on earth are you going to pay back the debt?

**Ms LAWRIE:** Look, the debt is at manageable levels, and I know you want to take a fairly, bordering on hysterical view around it, but it is actually at very manageable levels. You look at our nett debt to revenue ratio, it is well below the nett debt to revenue ratio we inherited from the CLP.

**Mr WESTRA van HOLTHE:** Again, how are you going to pay back the debt?

**Ms LAWRIE:** Well, what we did is, we delivered eight consecutive surpluses in a row. We drove down debt by \$670m. We will be in deficit country for a period of time, but we are stepping down out of deficit, and when we are back into surplus, we will start to pay off debt again, but we have a track record of having successfully paid off debt. If you want to ignore the economic cycle, and run this ludicrous argument that we should simply be in surplus because that is the right place to be now, you do not understand the cycle at which the economy is at. You do not understand the impact of the global financial crisis, you do not understand the reliance the business people in the Territory have on the Territory government currently increasing its public sector spend to deliver the infrastructure, the legacy productive debt that Moody's even recognises is productive, delivering the roads, the schools, the improved health clinics, and the hospitals.

**Mr WESTRA van HOLTHE:** Seen the Stuart Highway lately?

**Ms LAWRIE:** You know, Stuart Highway shows just how much you know. It is a national highway, but anyway, come on spinner, if you also look at the budget, you will see the overtaking lanes funded in the budget as well.

**Mr WESTRA van HOLTHE:** Okay. You are not able to tell us when you think we will be in surplus, so therefore, by extension, you will not be able to tell us when you will start reducing the Territory's debt?

**Ms LAWRIE:** We have already paid \$670m off debt by having eight consecutive surpluses in a row. The nett increase on debt that we are incurring at the moment is a result of the infrastructure spend. The infrastructure spend is absolutely critical to a productive Territory.

**Mr WESTRA van HOLTHE:** Because you cannot get private investment here.

**Ms LAWRIE:** It is not because we cannot get private investment here, it is because the global financial crisis occurred that credit froze. Credit is now moving again, but it is expensive. The loans requirements have been increased by all the major financial institutions, so we can, we can get credit, we have been able to refinance on quite a few occasions. The Territory government is in a good position, but the private sector is struggling, absolutely is. The cost of credit for the private sector is currently too high for their projects to get out of the ground.

Now, that is the reality everywhere, not just the Territory - that is the reality. The reality everywhere also is that governments are stepping up their public spending infrastructure whilst we are waiting for normality to return to the marketplace for private sector investment to come back in. We are in a better position than most in the Territory, and we certainly have a significant major project on the horizon, we are also obviously proceeding with our own marine supply base in terms of the build-own-operate, we are also seeing significant investment in exploration and mining in the Territory, so we are far better placed than most to see a return in terms of private sector investment.

**Mr WESTRA van HOLTHE:** What I am trying to do, Treasurer, is nail down an indication of when you intend to start paying down some of our debt, reducing the actual quantum of debts ...

**Ms LAWRIE:** We already have, we already have.

**Mr WESTRA van HOLTHE:** ... If I look at your deficit position for the next four years over the forward estimates period, we are still going to be in deficit at the end of that so we will not be paying down or reducing debt by 2014-2015. Assuming you can get to a surplus budget within another two or three years after that, we are looking at 2016-17 or 2017-18 before we reach surplus, before we can start reducing the Territory's debt. Is that how you see it?

**Ms LAWRIE:** No, that is simply how you see it.

**Mr WESTRA van HOLTHE:** How do you see it?

**Ms LAWRIE:** I have already been through this. We are getting repetitive and

**Mr WESTRA van HOLTHE:** You will not answer the question.

**Ms LAWRIE:** I am answering the question. You do not accept the answer. That is the difference, Willem

**Mr WESTRA van HOLTHE:** I want a date. I would like to know what year.

**Ms LAWRIE:** The forward estimates are struck to the year 2014-15 and I will not speculate beyond that.

**Mr WESTRA van HOLTHE:** In the interests of time, I am going to cease my general overview.

**Mr CHAIRMAN:** If I could just recap where we are at. We are currently at whole-of-government questions. The shadow minister has concluded his questions. Before I pass on to member for Port Darwin as the opposition member of the committee, there are two goodwill agreements that are currently in place. Treasury is concluding at 1 pm and Justice will be coming on at 2 pm. With the handshake agreement about the allocation of time for questions, the member for Nelson has about 45 minutes left between now and 1 pm, so I just wanted to put those two things out there.

**Ms LAWRIE:** Mr Chairman, all I will ask is for a very brief break between the member for Port Darwin's questions and the member for Nelson's question. The member for Port Darwin indicated he only has four or five questions. Brief?

**Mr WOOD:** Just to get a clarification over a question - whether it is in the whole-of-Treasury questions.

**Mr CHAIRMAN:** You will have every opportunity to have that in a minute because we can still step out of whole-of-government into output by output between now and 1 pm. We are currently at whole-of-government.

Member for Port Darwin.

**Mr ELFERINK:** In the outset of the minor questioning, the member for Katherine, shadow Treasurer, raised the issue of mining revenues. In Budget Paper No 2, the anticipated mining revenue is \$162.3m. What is the effect of a rising Aussie dollar on the mining revenues of the Northern Territory?

**Ms LAWRIE:** I will refer to Anne Tan.

**Ms TAN:** Anne Tan, Assistant Under Treasurer. The \$162m for 2011-12 factors in the expected rising Aussie dollar.

**Mr ELFERINK:** How do you work that out? Is there a benchmark value that you use?

**Ms TAN:** What we do in terms of estimating the level of royalties that we expect to receive is to look at a range of different inputs. One of the factors we consider is what the miners report to us as what they expect their outlook to be, and that is what we have used to factor in the \$162m.

**Mr ELFERINK:** A few years ago – and I cannot lay my hands on the budget papers now - but the income of the Northern Territory was substantially changed over a single financial year as a result of a sudden spike in the Aussie dollar. That would be factored for this time? When you do all this factoring, do you come up with a figure, let us say \$1.15 for the projection using all of those other numbers, or is it a more complicated formula than that?

**Ms TAN:** It is a bit more complicated than that. It takes into account a whole range of different factors apart from just the price. It looks at what the demand expected for a commodity is going to be. It looks at production volumes.

**Mr ELFERINK:** Where do you get that information from?

**Ms TAN:** Again, it is information we look for, from the miners, as well as I suppose our experience with the Department of Resources.

**Mr ELFERINK:** Has the Aussie dollar behaved within predicted parameters on when you set that figure, or is it already outside those parameters?

**Ms TAN:** For 2011-12?

**Mr ELFERINK:** Yes.

**Ms TAN:** It is within the parameters.

**Mr ELFERINK:** Treasurer, I take you back to last year's budget, Budget Paper No 2, the Uniform Presentation Framework, page 98. The forward estimate for the year 2013-14 said we would be anticipating a deficit of \$61.3m. How did you come to that figure for the year 2013-14 out of last year's budget?

**Ms LAWRIE:** Under Treasurer.

**Ms PRINCE:** Mr Elferink, the way we did that forward estimate is as we outlined in both Budget Paper No 2 and Budget Paper No 3. As you know, we take into account our estimates of our main revenue sources, the GST being the most relevant of those as an untied revenue source. We also take into account mining royalties, our other own source revenue in the form of taxes, and we also apply some fairly clear rules on the expenditure side to come up with the GST estimates.

**Mr ELFERINK:** The conservative nature of Treasury finds its way into them. That is right.

**Ms PRINCE:** In Budget Paper No 2 each year we include a detailed table on the variations for the current and the budget year between when it was produced, when the estimates were done, either in the previous budget or the mid-year report, and as they currently are.

**Mr ELFERINK:** You are looking at your crystal ...

**Ms PRINCE:** Most of those differences carry through to the forward years. If you are asking why there is the major difference between the estimate for the out year and last year's budget ...

**Mr ELFERINK:** That is where I am going.

**Ms PRINCE:** ... and the estimate for the out year in this year's budget, the overwhelming difference between the two years is the reduction in the GST pool which has taken about \$200m of our revenue out in each of the years. As a result, we have had to increase our borrowings to maintain current levels of spending. The effect of less revenue and additional borrowings has been the main influence on the out year in this year's budget.

**Mr ELFERINK:** You based your estimate from last year for that particular financial year on information readily at hand from the Community Grants Commission, ABS, all those sorts of things, to come up with that number?

**Ms PRINCE:** Correct.

**Ms LAWRIE:** The Commonwealth has revised downwards twice the GST revenue estimate so we have had to go back in and revise ours downwards.

**Mr ELFERINK:** Projecting into the future is an inexact science.

**Ms LAWRIE:** That is why they are called estimates.

**Mr ELFERINK:** Last year we were solidly, implacably, and aggressively defending the number of \$61m deficit for that financial year. Twelve months later, we are agreeing it is an inexact science and it is now a \$251m deficit for that year. Why should we have any faith in what you say to us, Treasurer, if you can get such a substantial variation - about 400% - on a deficit figure within a 12-month period?

**Ms LAWRIE:** The estimates and the forecasts we publish are based on analysis undertaken by Treasury. I know you like to present this façade that I am sitting in my office with a calculator and tricking up some figures - it is wrong; you are wrong to propose that. Estimates in the budget - the analysis is undertaken by Treasury and it is always upfront in the influences the data will have on its estimates.

**Mr ELFERINK:** I am not suggesting you are conjuring up anything or suggesting Treasury is doing anything other than its job. When your figures are out within a 12-month period by a factor of about 400%, it is an inexact science at best. Why should we have any faith in that inexact science when it produces such a large variation, Treasurer?

**Ms LAWRIE:** I am not asking for you, John, to have faith. What I am saying is we do analyses in Treasury based on the datasets available. What all commentators would recognise is the national recovery from the global financial crisis has been slower than anticipated; that the retail sector particularly has been

very soft. There has not been the recovery across that sector that was anticipated. Even commentary across all economic analysis has said that. You can cast aspersions about it, but all the best economic commentary expect a more rapid recovery from the global financial crisis than we have seen. What we have always recognised here in the Territory - and I said it from day one when the GFC hit - is the Territory does have a delayed effect. I said 2010-11 would be our hardest year. It is proving to be out by at least six months. If I was to say it now, I would say the calendar year of 2011 is going to be our hardest year. Yes, 2010-11 is tough, but that will flow through to the first six months of 2011-12 in delayed effect the GFC is having on our economy.

What is the alternative? If we analyse and model on the datasets available that are coming to us from credible sources such as the federal Treasury, what is the alternative? Is it that we do not do any forward estimates, that we do not provide any forward estimates? What is the alternative?

**Mr ELFERINK:** The issue is that you keep telling us about all these things you are going to do into the future when, in actual fact, you could be wrong by a factor of 400%, Treasurer. That is the issue. You should at least ...

**Ms LAWRIE:** The issue is that the global financial crisis is causing significant volatility.

**Mr ELFERINK:** Then, without making promises ...

**Mr WESTRA van HOLTHE:** The global financial crisis is over.

**Ms LAWRIE:** Oh, hang on! I have to pick up on that. The member for Katherine says the global financial crisis is over. That is an incredible comment from a shadow Treasurer. I will be making sure I let the companies across the Territory know that one. Unbelievable - the global financial crisis is over! You have not been watching the bailouts occur through Europe, clearly. Unbelievable!

**Mr ELFERINK:** Back to the issue. Whilst we listen to your predictions of what you are going to do in the future, the fact is a single financial year can push you out by a factor of about 400% on a basic number like your projected deficit. I am interested ...

**Ms LAWRIE:** Because of the volatility in the post-GFC period.

**Mr ELFERINK:** I am interested also in this comment that you made - and I will quote it back to you: 'We have a relativity of 5%'. Can you explain to me a relativity of 5% when you are talking about the CGC. What is the 5% figure?

**Ms LAWRIE:** That is our share of the GST pool.

**Mr ELFERINK:** What? We get 5% of the GST pool? Or were you referring to the relativity? We have a relativity of 5%?

**Ms LAWRIE:** We have a relativity of 5%; it is about a 4.5% share of the GST pool.

**Mr ELFERINK:** Yes. That is not what you are referring to. What you were referring to was the relativity. Could you explain that to me? Just expand on this.

**Ms LAWRIE:** Do you want the figures on the CGC relativity we are currently at?

**Mr ELFERINK:** I believe what you were actually talking about was the relativity itself - which is what - 5.35% for the current financial year?

**Ms LAWRIE:** I will check it.

**Mr ELFERINK:** It is 5.07% last year, 5.35% for the projected financial year or for this financial year.

**Ms LAWRIE:** The 5.07% was the relativity in the 2010 review, 5.357% is the relativity for 2011.

**Mr ELFERINK:** When you spoke about a relativity of 5%, you are not talking about the GST, you just misspoke, did you not, Treasurer?

**Ms LAWRIE:** I cannot remember exactly the words I used, member for Port Darwin.

**Mr ELFERINK:** You have to be careful about these things. People are relying on the things you say.

**Ms LAWRIE:** I am sure you are.

**Mr ELFERINK:** I am very much relying on the things you say. I have relied on several occasions on the things you have said to this Estimates Committee. When you come back with figures that are 400% wrong, you wonder why you are getting a couple of critical questions.

**Ms LAWRIE:** Hang on a second. Choosing the 2013-14 estimate, when you have had explained to you the impact of the GST reduction, then it is quite a spurious argument you are running, member for Port Darwin.

**Mr ELFERINK:** No, it is not spurious at all.

**Ms LAWRIE:** Yes, it is.

**Mr ELFERINK:** The numbers are there to be examined by anyone who can open the Uniform Presentation Framework at the back of any Budget Paper No 2.

**Ms LAWRIE:** And we explain the variations from year to year, and we have explained ...

**Mr ELFERINK:** Yes, and last year you were telling us that these things were rock solid.

**Ms LAWRIE:** ... and we have – no, estimates ...

**Mr ELFERINK:** Do you want me to go back through the ...

**Ms LAWRIE:** Hang on a second. Every year, we explain to you that they are estimates. By their nature, they are estimates. Actuals occur in the Treasurer's Annual Financial Report that is handed down later in the year. Okay?

**Mr ELFERINK:** So, if you are capable of being out by 400%, why should we take any heed at all from your promise to have the thing back into surplus at some point in the future? If you cannot get it right in a year, how can you get it right in four years?

**Ms LAWRIE:** I will rely on the estimates as provided by Treasury Melbourne, absolutely I will rely on that; that is what we have in the book. Okay? And we also say ...

**Mr ELFERINK:** And I am just saying that they are less reliable than you were pronouncing last year.

**Ms LAWRIE:** We also say that in this period of post-GFC there is particular volatility in GST and being our main source of revenue, when you have such a significant volatility in your GST pool, two write-downs in the last six months by the Commonwealth, of course you are going to have greater variations than what you would normally have. Welcome to the world of post-GFC.

**Mr ELFERINK:** On to debt.

**Ms LAWRIE:** You know, we are all jurisdictions ...

**Mr ELFERINK:** Let us go back to pre ...

**Ms LAWRIE:** Hang on a second. We are all jurisdictions which are tracking out in terms of their estimates. Prior to the global financial crisis hitting, there is a dramatic turnaround ...

**Mr ELFERINK:** The global financial crisis started four years ago. I am talking about an estimate from last year.

**Ms LAWRIE:** Yes, but we are still in the effect of it. You do not understand that. Your mate said, it is finished ...

**Mr ELFERINK:** Of course I understand it.

**Mr WESTRA van HOLTHE:** Well, you said ...

**Ms LAWRIE:** You have said it is finished.

**Mr WESTRA van HOLTHE:** ... you have just confirmed what I said, because you are talking about post-GFC.

**Ms LAWRIE:** Unbelievable.

**Mr WESTRA van HOLTHE:** I have heard you say it twice since then.

**Ms LAWRIE:** Yes, but I ...

**Mr ELFERINK:** Let us go on to ...

**Mr WESTRA van HOLTHE:** Post-GFC means after.

**Ms LAWRIE:** The global financial crisis hit. We are still feeling the effects of it. You think it is over, it is not.

**Mr WESTRA van HOLTHE:** I did not say the effects were over, I said the GFC is over.

**Ms LAWRIE:** Come on, you are trying to wriggle out of it now, are you not?

**Mr WESTRA van HOLTHE:** No, I was listening to you. You say post-GFC ...

**Mr ELFERINK:** Let us get on to debt.

**Mr CHAIRMAN:** I suggest we move back to questions and the call is with the member for Port Darwin.

**Mr ELFERINK:** Yes, let us get on to debt. Across the whole-of-government sector, including the GOCs, what is our current nett debt, and what is it projected to be by the 2014-15 year?

**Ms LAWRIE:** For the non-financial public sector which as you know, includes Power and Water, the current nett debt is \$2bn, and in 2014-15, \$3.8bn, a rounding out, of course.

**Mr ELFERINK:** That is cool, all right. When you came to office in 2001, what was the nett debt situation?

**Ms LAWRIE:** It was \$1.7bn.

**Mr ELFERINK:** \$1.7bn across the non-financial public sector?

**Ms LAWRIE:** That is right.

**Mr ELFERINK:** Okay. So you reduced \$600m off it, which you proudly say. Why did you not get rid of that whole \$1.7bn when you had such good income?

**Ms LAWRIE:** Such good income – this is the spurious GST windfall argument that you run.

**Mr ELFERINK:** Well, you had much ...

**Ms LAWRIE:** Really?

**Mr ELFERINK:** No, no, it is not the windfall, it is the whole thing, the GST plus the windfall.

**Ms LAWRIE:** So what you would have had us do come 2001 is not spend at all, so boosting those frontline services with more doctors, nurses, teachers, and police, no, we should not have done that according to you. We certainly should not have boosted the infrastructure spend. Roads alone, we have taken that budget from \$81m to \$300m-plus. If you look at some of the figures, the Productivity Commission reports, operational police staff have increased by 62% and teachers by 27% in the eight years. Certainly, infrastructure spending is now over \$1bn.

**Mr ELFERINK:** I am talking about your financial strategy, not what you spent the money on.



**Ms LAWRIE:** Well, you cannot divorce ...

**Mr ELFERINK:** Why did you choose a financial strategy that did not eliminate the debt of the Northern Territory when you had increasing incomes, year in, year out?

**Ms LAWRIE:** Because the incomes ...

**Mr ELFERINK:** Western Australia managed it and the federal government managed it.

**Mr CHAIRMAN:** You have asked the question, the minister has the right to answer it.

**Ms LAWRIE:** You simply do not understand the need in the Territory to provide, across a developing jurisdiction, improved service delivery in health, in education, in law and order, at the same time as improving your infrastructure. If you were to take one example alone, which we will debate in detail at the Government Owned Corporations Scrutiny Committee, Power and Water, you would have us not have a \$1.5bn infrastructure program in place for the Power and Water utility, including the repairs and maintenance, so do not go in and repair the zone substations, do not go in and put new generation in the system, do not build Weddell, do not built the new power station at Owen Springs – flat earth policy from you, member for Port Darwin. In 2001, sit there, do nothing. All revenue in from the GST, they said park it in the bank, do nothing, spend nothing. Do not build the infrastructure Territorians need. Do not build the schools. We would not have Darwin Middle School. We would not have the two schools in Palmerston, the Rosebery schools. We certainly would not have a new Accident and Emergency Department at Royal Darwin Hospital. You do not understand the economic requirements of the Territory.

**Mr ELFERINK:** I understand it perfectly well, but the point is that Western Australia, with very similar demands, managed to reduce its debt to zero, under a Labor government I might add.

**Ms LAWRIE:** Look at what they received in royalties.

**Mr ELFERINK:** The federal government managed to do it without any GST because they had ...

**Ms LAWRIE:** Under a 10-year period, the federal government gouged from the states and territories. We took a health expenditure from 50/50 to a 70/30, so they gouged out of every special purpose payment out of the states and territories, took them from equal sharer of the spend, gouged the money out of those service delivery areas, so states and territories had to put more money in, and 10 years under John Howard - no infrastructure spending, other than the basic requirements within the national highways through Auslink. It is a disgrace what the Fed's did through the 10 years of Johnny Howard. If you look at every state and territory loans book, which we get to see at loans council, you will see a commensurate increase in the loans books across all the states and territories equal to, surprise, surprise, the federal government surplus under John Howard.

**Mr ELFERINK:** We have established that your policy, even in the good times, is spend rather than save.

**Ms LAWRIE:** You have not established that. What we have established is that you do not understand that we were able to improve services and, at the same time, drive down debt to the tune of \$670m.

**Mr ELFERINK:** When your income went up by billions!

**Ms LAWRIE:** We improved services; built more roads, schools, clinics, and hospitals; and drove down debt at the same time.

**Mr WOOD:** Can I have a point of order Mr Chairman?

**Mr ELFERINK:** No more questions. I will leave it at that.

**Mr CHAIRMAN:** We will take a quick break and return to member for Nelson with whole-of-government questions.

**Mr WOOD:** Which may not be yet, because I was just going to clarify whether a question from the general government sector grant expense would be a whole-of-government question or where would it fit?

**Ms LAWRIE:** Give him the time.

**Mr WOOD:** It is only one question.

---

The committee suspended.

---

**Mr CHAIRMAN:** We will start with the member for Nelson, whole-of-government. As the Treasurer is aware, we have that goodwill agreement in place at the moment around questions which is why we are with you.

**Mr WOOD:** I will run through my questions. I will not take up that time shadow minister, so I should be able to get mine out of the way.

Page 176 of TAFR, Treasurer, has an area called a General Government Sector Grant Expense. I am not sure what that means, but it says under current grant expense including subsidies and personal benefit payments, under a subheading of Local Government, in 2008-09 the actual money – I presume the grant was \$124m to Local Government which has gone down in 2009-10 to \$113m. Does that mean Local Government is getting less money from the NT government, and does it mean it is still decreasing? Is that what that section is about?

**Ms LAWRIE:** I am advised that reflects a financial assistance grant which, as you know, is simply a pass through. Buried within that would be some one-off grant payments as well.

**Mr WOOD:** Would that be the operating expenses that the shires received from the NT government?

**Ms LAWRIE:** It would be included in that figure, yes. For a more detailed breakdown, you are going to have to question the Minister for Local Government.

**Mr WOOD:** True, but as it is in the Treasurer's annual ...

**Ms LAWRIE:** Yes, everything is.

**Mr WOOD:** That is right. Could I just ...

**Ms LAWRIE:** I have to make that distinction.

**Mr WOOD:** Do you know whether the figure is still decreasing this financial year?

**Ms LAWRIE:** We are just going to the budget papers.

**Mr WOOD:** You might be able to tell me where I would find it in the budget papers.

**Ms LAWRIE:** They are having a look and, when we do, we will tell you the page. Under Treasurer?

**Ms PRINCE:** Mr Wood, we do not have that information here, but we could get it for you. I believe we did have a number of one-off payments in those years. There would have been some stimulus funds flowing through to local governments. If you are happy, we will take them on notice and get that information back to you.

---

#### Question on Notice No 1.1

**Mr CHAIRMAN:** Could you, for the purposes of the *Hansard*, just repeat the question, member for Nelson?

**Mr WOOD:** Under the General Government Sector Grant Expense, subsection Payments to Local Government, could the Treasurer please say whether those payments have decreased in this financial year?

**Ms LAWRIE:** I am happy to take that question on notice.

**Mr CHAIRMAN:** That question is No 1.1.

---

**Mr WOOD:** How many national partnership agreements has the NT signed with the Commonwealth government, and how much money does the Northern Territory government have to put into those agreements?

**Ms LAWRIE:** We signed a lot. I will just get to that area. It varies from agreement to agreement as to what our contribution is. We go through a process. Where a national partnership is proposed, it is considered, regarding benefits, by the minister and Cabinet as to whether we should be signing up on it or not. I am happy to table the list because it is quite extensive. It covers a raft of healthcare agreements and national partnerships; a raft of education national partnerships, what we call skills and workforce development; community services which are largely *Closing the Gap* national partnerships; the housing national partnerships; infrastructure national partnerships; environmental services; and other state services which include digital regions initiative, local government, regional development, and standard business reporting.

In total, the national partnership payments we received in 2010-11 totalled \$940m. We are estimating, for 2011-12, \$599.5m. I will table that for you, member for Nelson.

**Mr WOOD:** Thank you.

**Ms LAWRIE:** Good question.

**Mr WOOD:** Treasurer, if the outcomes from these agreements are not reached, what are the financial penalties on the Territory, and what financial penalties have been applied since these agreements were ratified?

**Ms LAWRIE:** We do not receive reward payments embedded in different national partnerships if the requirements are not reached. We do not get penalised as such, it is just there are opportunities for reward payments embedded in some of the national partnerships, if you achieve the milestones sought by the partnership. Now, in the Territory, that is often difficult. We work very hard to meet the achieved service delivery levels but, given the extent of disadvantage in the Territory and the cost of the geographic service delivery area, it is, I have to say, unusual for us to be in the space of pursuing reward payments. It is largely the large developed jurisdictions of New South Wales and Victoria that tend to aggressively try and pursue reward payments.

**Mr WOOD:** Treasurer, I have a couple of these national ...

**Ms LAWRIE:** Just, sorry, in terms of the reward payments, I am advised the ones that we have been eligible for - the Department of Education and Training believes it is likely its performance will deem the Territory eligible for a \$7m reward funding under the Literacy and Numeracy National Partnership; \$2.1m reward payment in the Improving Teacher Quality National Partnership, and I believe ...

**Mr WOOD:** How much for the Literacy and Numeracy?

**Ms LAWRIE:** \$7m, and we are likely to meet the reward for Improving Teacher Quality, which is \$2.1m. In terms of elective surgery, the first tranche of that national partnership, we had the Elective Surgery Waiting List Reduction Plan National Partnership; we received \$800 000 in reward payments in that first tranche back in 2010-11.

**Mr WOOD:** Following on from that, Treasurer, I suppose what would worry me a little bit, I have read the national partnership agreement on literacy and numeracy, and I do not know how this works, I do not know whether you are involved in these, because it has all the Chief Ministers and Premiers sign off on these, but obviously it is very much part of Treasury, the discussions about these matters and, for instance ...

**Ms LAWRIE:** Just to let you know the process they go through. The proposed national partnership agreements go through Budget Sub-Committee which I am a member of, and Treasury oversees the national partnership arrangements as well.

**Mr WOOD:** You have also signed up for a National Partnership Agreement on Nation Building and Jobs Plan, and included in that is social housing. Have you received any rewards money for that particular partnership?

**Ms LAWRIE:** There is no reward funding attached to that particular national partnership, I am advised. That is the stimulus funding that came out of the Commonwealth.

**Mr WOOD:** Okay. Well, you might be able to explain. One of the outcomes of this particular agreement was that new dwellings would provide around a 50% reduction in the waiting time for people with high housing needs on public housing lists, and a reduction in the number of low-income households paying more than half their income in rent. What I am saying is, we have signed up to these agreements, whose job is it to enforce that this agreement actually happens, because you have signed up for something saying we will provide a 50% reduction in waiting time for people with high housing needs on public housing lists, has that been done?

**Ms LAWRIE:** The Minister for Public and Affordable Housing would be overseeing that agreement, and obviously there is a reporting process that occurs.

**Mr WOOD:** So what you are saying, of course, now, I am just talking to some extent hypothetically, that if I go and talk to the Minister for Public and Affordable Housing and he has not achieved that 50% reduction, have we broken the agreement?

**Ms LAWRIE:** No.

**Mr WOOD:** Then what is the point in the agreement?

**Ms LAWRIE:** In terms of the ability to attract additional funding, to make inroads into the waiting list.

**Mr WOOD:** But we and other states have made this agreement with the Commonwealth government that, and it says here ...

**Ms LAWRIE:** In the stimulus funding agreement, though.

**Mr WOOD:** That is right. ... that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation, of which the outcome will be, and there is quite a range of outcomes, and it is an agreement. What is to make sure the agreement is carried out if you do not have a reward and penalties involved in that?

**Ms LAWRIE:** Well, the states and territories do not sign up to penalties, because there would be varying reasons why something does not happen within the agreement time lines, etcetera; however, in terms of that particular national partnership in housing with stimulus funding, there has been a significant increase in the number of supported accommodation beds in the Territory flowing out of that. I have seen the Minister for Public and Affordable Housing open quite a few of the accommodation sites around the Territory that deal with those special needs clients, and I am sure he will be providing more detail to you in his session of estimates.

**Mr WOOD:** I will ask that question ...

**Ms LAWRIE:** There has been a significant delivery of additional beds into the special needs accommodation as a result of that stimulus funding.

**Mr WOOD:** What I am asking is - you do sign up to these, they are a part of what Treasury is involved in - I am trying to get an idea of the mechanisms behind them and what makes them tick. You just said there was \$7m - you got rewards for the literacy and numeracy

**Ms LAWRIE:** That particular agreement did not have reward payments - the housing one that you are referring to.

**Mr WOOD:** If I turn to the national partnership agreement on literacy and numeracy, and I suppose some of these should go to the minister for Education. They are talking about performance benchmarks and indicators. One of the things that surprised me after all these years of teaching, and what concerns me - we know literacy and numeracy are not good in the Territory, especially remote communities - we are going to provide teachers with the skills and strategies to teach the key concepts of literacy and numeracy from early years and extend these skills in the middle and later years. What concerns me is that we have been putting teachers through teachers college for the last umpteen years, and they spend four years learning how to do this, and we have to come up with a partnership to tell them how to do it again. Is there

any debate on these issues, or is the money spent without advice about whether this is going to achieve anything?

**Ms LAWRIE:** There is significant qualitative analysis done in terms of literacy and numeracy. There are specialist programs that exist in the Territory. Accelerated literacy is one of them. I know that, because it operates in quite a few of my schools. I am also aware of another program that operates. I am aware that we have had some good success in the schools in which those intensive literacy and numeracy programs exist. They are intensive, they are above and beyond the normal program, and teaching funding that occurs in a school. You are right - in our school system, we have teachers who have got the literacy and numeracy program delivery that they would normally do. These national partnerships for literacy and numeracy are additional staffing, they are more intensive, the programs in terms of how they deliver the literacy and numeracy are more intensive than your normal teacher in a classroom teaching model. For more detail than that, it is a debate you will have to have with the minister for Education, appropriately so.

**Mr WOOD:** In slightly general terms.

**Ms LAWRIE:** Are they good things to sign up to, yes!

**Mr WOOD:** The Territory got \$7m.

**Ms LAWRIE:** In reward payments.

**Mr WOOD:** My question is - if literacy and numeracy overall figures are down, what did we get rewarded for?

**Ms LAWRIE:** If you see where those programs are being delivered, in terms of specific schools where those programs have been delivered, we have a good track record of improving literacy and numeracy outcomes in the schools in which those intensive programs are being delivered.

**Mr WOOD:** I will ask more specific later on. I was going to ask a question about the Palmerston hospital but I can probably ask the Minister for Health for more details about that. What is the Territory Revenue Management System? It is mentioned in here, in a couple of documents.

**Ms LAWRIE:** It is a new electronic system for recording but for detail I can refer you to Anne Tan.

**Ms TAN:** The Territory Revenue Management System is a database that we use to record and maintain details on all our taxpayers.

**Unknown:** It is probably appropriate.

**Mr WOOD:** That is a worry.

**Ms LAWRIE:** This is our Commissioner for Taxation. She is a very lovely person.

**Mr WOOD:** Only being lighthearted. I know it is a database for keeping track of who is paying taxes, that is basically what it is.

**Ms LAWRIE:** Right.

**Mr WOOD:** I will move onto something a bit closer to your heart, Treasurer. In the annual report for the Treasury, objective 4, you say that the bookmakers' scheme was reviewed and reforms implemented. I know you have given our racing industry some money, but was there an overall review included in that decision?

**Ms LAWRIE:** Treasury undertook a review of the racing industry in the Territory for the government. That looked at the regional clubs comprehensively for the first time, and we entered into a series of negotiations with racing about where we considered there could be improvements in the industry. It showed the industry needed a significant amount of government support.

**Mr WOOD:** Was this where they said they would leave the Territory if they did not receive it?

**Ms LAWRIE:** No. I was talking more broadly about the Territory racing industry review and the corporate bookies. Are you asking about corporate bookmakers?

**Mr WOOD:** I have objective four in front of me.

**Ms LAWRIE:** That it is it to do with corporate bookmakers. What happened is some time ago Tasmania decided it would take the industry by offering tax concessions to the corporate bookmakers; we faced losing the industry. There were, from memory, about 160 employees in the industry, so we matched the Tasmanian taxation offer and, as a result, have kept the industry in the Territory.

**Mr WOOD:** Have you reviewed whether that decision retained those people?

**Ms LAWRIE:** Yes, we have retained those people. I have pointed out to Tasmania it should not try to raid on our industry ever again.

**Mr WOOD:** The Independent down there who wants to get rid of our live cattle exports too.

Treasurer, could you please explain how many homeownership grants and stamp duty concessions for Indigenous people who wanted to acquire long-term leases in Aboriginal communities were granted? Where were they granted in the 2009-10 budget, and how many this financial year?

**Ms LAWRIE:** I refer to the Under Treasurer.

**Ms PRINCE:** Mr Wood, if I understood your question correctly, you asked how many and what stamp duty had been paid on ...

**Mr WOOD:** And how many homeownership grants and stamp duty concessions to Indigenous people who wanted to acquire long-term leases in Aboriginal communities. It is in your annual report, and I am interested to know if people have taken up this ...

**Ms PRINCE:** Stamp duty does not apply on Aboriginal land.

**Mr WOOD:** I wrote that from the report. Have you given homeownership grants to Aboriginal people who are acquiring long-term leases?

I will see if I can find it. It is out of your report, it was under Financial Management.

**Ms PRINCE:** Mr Wood, I believe the category you are referring to is in the NT Homeownership Government Business Division which is managed by the Northern Territory Department of Housing, Local Government and Regional Services. In one of their deliverables in the business line NT Homeownership, they have some estimates for Indigenous households receiving home purchase assistance. That is really a question for the Housing minister, not the Treasurer.

**Mr WOOD:** Although it is included in ...

**Ms PRINCE:** ...It is included in Budget Paper No 3 under the ...

**Mr WOOD:** It is included in your annual report under Towards Territory 2000, under Revenue Management. Page 26 of that annual report says:

*Extending homeownership grants and stamp duty concessions to Indigenous people who acquire land under long-term leases in Indigenous communities.*

My question was: how many grants were extended?

**Ms PRINCE:** These were a number of initiatives that were included in the budget that related to *Territory 2030*. We have included here, for information, these sorts of initiatives that applied across the whole of the budget. They were not all administered by Treasury.

**Mr WOOD:** To get an answer on that, go to Housing. I follow up with a second question which is the paragraph below that, about how many people have taken up the new stamp duty concession scheme for seniors, pensioners, and carers to allow them to move into more appropriate accommodation?

**Ms PRINCE:** That is one we do administer.

**Ms LAWRIE:** Anne Tan.

**Ms TAN:** We do not have the data with us here. I can take that on notice.

---

**Question on Notice No 1.2**

**Mr CHAIRMAN:** Would you like to repeat that question, member for Nelson?

**Mr WOOD:** Treasurer, can you provide information on how many people have taken up the new stamp duty concession scheme for seniors, pensioners, and carers to allow them to move into more appropriate accommodation?

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** That is question No 1.2.

---

**Mr WOOD:** I will go as quickly as I can. My question is on the National Indigenous Expenditure Report. It has been a discussion for a long time. In last year's Estimates, you said the final detail landing point on the National Indigenous Review methodology would be reported to COAG in August - that is, August 2010. Has that been released?

**Ms LAWRIE:** Yes, the report has been released.

**Mr WOOD:** Okay, so that answers that one.

**Ms LAWRIE:** Undertaken by the Productivity Commission. In large part, it reflects the Territory's own report of Indigenous expenditure. It shows a slight increase in our percentage of Indigenous expenditure, but that ought to be the case, if you like, because it is a different reporting period. It is a financial year beyond our latest report. In the 2008-09 year that it reports on, it shows that 53.9% of the Territory's total general government budget is expended on the Indigenous population. Previously, our own IER showed 52.4%. So, year on year, as reporting periods go, we are seeing slight increases in Indigenous expenditure.

That has a very good chart that compares us to other jurisdictions. We are streets ahead of everyone else, as you would expect with a large Indigenous population across a diverse geographic area.

**Mr WOOD:** Yes, I have been to see some of them recently.

**Ms LAWRIE:** Good to see the national reporting is occurring for the first time. Good to see it continuing.

**Mr WOOD:** It is important so the debate is actually based on some ...

**Ms LAWRIE:** Facts.

**Mr WOOD:** Yes, rather than noise.

**Ms LAWRIE:** Since it came out no one has really commented on it - interesting.

**Mr WOOD:** I will have to get a hold of it. I have not read it yet. A question slightly to the left of that. Where is the \$35m for the East Arm conveyer? That first appeared in the budget - do you know when? 2008-09 it was.

**Mr WESTRA Van HOLTHE:** Why is it in this year's?

**Ms LAWRIE:** I am advised there is \$3m in the 2011-12 for design. Obviously, the global financial crisis did see a slow down in new mine production so, therefore, we do not need the conveyor belt yet. It has been designed: \$3m for design in 2011-12. Its requirement will depend on demand in the future years. Once designed, its construction will take about the same time as a new mine going to production after its final investment decision anyway. So, it is ...

**Mr WOOD:** If the demand is there, you will build it?

**Ms LAWRIE:** If the demand is there, we will definitely build it. What I am advised is that there is significant capacity still left in the existing operations at East Arm for bulk minerals.

**Mr WESTRA van HOLTHE:** Could the new one being built have prevented the spills we have had in the harbour? That is what it was there for, was it not?

**Ms LAWRIE:** No, our new conveyor belt system is for additional bulk mineral capacity coming into the port. What is occurring in the existing conveyor belt system is its environmental standards are being improved. There is expenditure on the existing system to meet environmental standards. There is an additional \$3m going into the environmental and safety upgrades for the existing conveyor belt system to improve all of those requirements. So, \$3m for design on the new one and an additional \$3m for upgrades to the existing conveyor system.

**Mr WOOD:** I have a couple more, just quickly. On page 59 of the Budget Paper, it says Territory revenue collected, and it shows that the 2010-11 budget was \$608.31m; the estimate was \$600.22m; so there was a drop, and then there has been an increase in the 2011-12 Budget - \$617.01m. Why did it fall, and why have you got a projected increase? Page 59 of the main Budget Paper No 3, is it?

**Ms LAWRIE:** BP3?

**Mr WOOD:** Yes.

**Ms LAWRIE:** So we are in BP3 then?

**Mr WOOD:** Page 59, yes. I would be interested to know whether, for instance, it says there in a footnote that it includes taxes, gambling revenue, and mining royalties. Is it the gambling revenue dropped off, for instance, because of smoking in pubs; has mining dropped off because there was a Wet Season that was a bit longer than expected?

**Ms LAWRIE:** I am aware of a drop in gaming revenue as a result of the introduction of smoke-free workplaces.

**Mr WOOD:** Yes, but then it does a fairly big jump.

**Ms LAWRIE:** It is not unusual to see some recovery in that industry as patrons essentially get used to a smoke-free gaming environment. We saw that in data collections nationally. You will see a drop in the first and second years, and then a recovery in the gaming sector as a result of patrons getting used to those smoke-free gaming areas. I will refer to the breakdown, apart from gaming.

**Mr WOOD:** Yes. I am on the top of page 59.

**Ms LAWRIE:** No, we are just looking for a breakdown on those figures.

**Mr WOOD:** That is right, yes.

**Ms LAWRIE:** The advice I am getting from the Under Treasurer is that I have covered off most of it. Essentially, it was that gaming tax reduction.

**Mr WOOD:** And you believe that they are all ...

**Ms LAWRIE:** And some reduction in conveyance duty as well.

**Mr WOOD:** And why would you expect a \$17m increase from that estimate? Is there something that says we expect more revenue from some area?

**Ms LAWRIE:** Yes, we are predicting payroll tax will start to pick up, some recovery in the conveyancing stamp duty, and a small recovery in the gaming tax.

**Mr WOOD:** Moving on to mining. Not being the greatest person when it comes to taxation – I do pay my tax – but royalties versus tax, what is the distinction? We charge royalties on mining. Is it technically a tax, or what is the difference between a royalty and a tax?

**Ms LAWRIE:** Okay, Tony Stubbin.



**Mr STUBBIN:** I did not expect to answer that.

**Ms LAWRIE:** Feel free.

**Mr STUBBIN:** It is not my area of expertise, but, essentially, a royalty is a payment for using a product or goods, in this case, the minerals in the ground, whereas a tax is a revenue raising measure based on some activity.

**Mr WOOD:** If you say that, Treasurer, and you say at the same time that we only charge royalties when a company makes a profit, are you not actually saying you are dealing with the profit, not with the materials that were dug out of the ground?

**Ms LAWRIE:** Yes, but in a competitive environment, that has actually served the Territory fairly well.

**Mr WOOD:** I am not saying it has not, but I just listened to the definition and I thought, well, we are not paying a royalty ...

**Ms LAWRIE:** It is not an ad valorem, you are right.

**Mr WOOD:** ... on a profit, we are paying a royalty on a material that is dug out of the ground.

**Ms LAWRIE:** You are right. It is not an ad valorem system, so we are not doing it based on the production, we are doing it based on the profit, but we have seen that that has actually, in a competitive environment, been good for the Territory and good for the growth of mining in the Territory.

**Mr WOOD:** Am I allowed to ask, without you saying it is commercial-in-confidence, how many mines in the Territory pay a royalty, say in the last financial year?

**Ms LAWRIE:** I am being advised that, sadly, I am not able to give you that information. The *Mineral Royalty Act* actually prevents me from divulging that information.

**Mr WOOD:** We will have to move an amendment to the mineral royalty ...

**Ms LAWRIE:** It is commercial-in-confidence.

**Mr WOOD:** Are we allowed to say how much money is collected from royalties?

**Ms LAWRIE:** We say how much money. It is in the budget papers.

**Mr WOOD:** That is right. Without my knowledge of that particular act, what is commercial-in-confidence to say how many mines pay the royalty? Is one presuming that because we only have a few mines that one can do the ...?

**Ms LAWRIE:** Correct.

**Mr WOOD:** Then, how as a member of parliament, am I able to ask Treasury if we are getting a fair percentage of the money that mining companies make in the Northern Territory? If I do not know they are paying any royalties, how do I say that company should be paying royalties or should not be paying royalties? Am I not allowed to know that information at all?

**Ms LAWRIE:** I am bound by the provisions within the act because of the number of companies we have mining in the Territory. It is not that difficult for people to identify who would be paying royalties, and I am not in the position to be able to do that. In terms of the debate about whether or not we are getting enough in royalty payments from mining companies, that debate is alive and robust at the moment because of the MRRT debate. Essentially what that is saying is that the federal MRRT would be based on 40%, our current royalty rates, we moved it up - 30% now, and we moved ours up to 20%. What the federal government is saying is that they will reimburse the companies the state rate. The benefit for us is the infrastructure fund that was proposed when they first proposed the MRRT, that detail is still yet to be resolved.

My view has been if you are going to have a royalty regime it is a fair thing to have it profit-based because what you want is an environment where you are encouraging mine production and the jobs that flow with that. Obviously, the capital write-downs over a period of time will mean it will be some time before

mining companies go into profit, but the benefits of having jobs and a growth industry outweigh the ad valorem option of charging on a production basis which could be seen as an impediment to the mines going into production. Some of the mines can be fairly lineball in terms of the decisions about going to production or not in terms of viability. Commodities are strong at the moment, so the environment is as healthy as it could be, but there have been times when the environment is not as healthy.

**Mr WOOD:** When it comes to royalties, are there two kinds of royalties? Royalties the NT government can access and are there Aboriginal royalties? For instance, the recent agreement in Nhulunbuy in regard to Alcoa, I presume is based on a royalty of some sort. Is that different? Is that a private agreement?

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

**Mr WOOD:** Their royalty basis is not necessarily on profit. It is on some ...

**Ms LAWRIE:** That is right. It is a private agreement.

**Mr WOOD:** Private agreement. I will have a think about that, but it seems, perhaps, in theory the minerals in the ground belong to the Crown and does that also apply to Aboriginal land.

**Ms LAWRIE:** It applies across the entire Northern Territory.

**Mr WOOD:** Can someone then get a royalty from a mineral that does not belong to them?

**Ms LAWRIE:** It is about access to the land, isn't it?

**Mr WOOD:** That is different.

**Ms LAWRIE:** It is about access to the land. That is the royalty. The royalty is about access to the land.

**Mr WOOD:** I am not knocking the idea that people receive a fair income from mining, but I am just trying to understand how the system works because a lot of people ask me what we get from mining.

**Ms LAWRIE:** It is a lease. The mining company wants access to the land, so they will strike a lease arrangement with the owners of the land. That is the royalty.

**Mr WOOD:** That is not a royalty, as you might say, on production.

**Ms LAWRIE:** I am not privy to the details of the agreement. It could be that there is an element of production in there.

**Mr WOOD:** Does the Territory still apply its royalties to the production of minerals?

**Ms LAWRIE:** Yes, it does not preclude us at all.

**Mr WOOD:** One last question on electricity reform. Under your electricity reform program - Objective 2 in the annual report states:

*A working group with representatives from Treasury, the Utilities Commission, and Power and Water Corporation was established to progress the electricity reform program. The first project being considered is the Implementation of Retail Contestability for Electricity Consumers on the regulated network.*

You have produced a series of documents in relation to that particular issue; however, to put it in simple terms, will this mean cheaper electricity for consumers? If we are discussing whether we should have cheaper electricity, if you have a member of Power and Water Corporation on the same board looking at that, could it be seen as a conflict of interest?

**Ms LAWRIE:** You could view it that way; however, it is constructive to have Power and Water because they are the generator. When you are talking about retail contestability, you need the generator at the table and Power and Water is the generator. It generates and transmits; it is not just the retailer. I do not see how you can deal with retail contestability and not have the generator, the transmitter, and the distributor at the table. Picking through the electricity contestability scenarios, I will refer you to Craig Graham who is our specialist in this area.

**Mr WOOD:** He has been waiting for this question. He has been here for four hours.

**Mr GRAHAM:** Craig Graham. Mr Wood, although there has been a working group set up to progress the reforms it is also consulting with key stakeholders out there, mainly the major energy users and the larger customers, as well as other assorted consumer groups.

**Mr WOOD:** If I was to say to the person in the street the government is looking at retail contestability, that is not domestic contestability, it is for retail commercial industries?

**Mr GRAHAM:** It is for all customers.

**Ms LAWRIE:** All customers, with the likelihood of commercial being first because of their size as a user.

**Mr WOOD:** Is anybody on the horizon that would like to come into the market?

**Ms LAWRIE:** QEnergy have shown interest.

**Mr WOOD:** Will it be up to that company to decide if it wants to come into the market?

**Ms LAWRIE:** We have given QEnergy a licence.

**Mr WOOD:** Is it commercial-in-confidence? Can you tell us where they would be operating?

**Ms LAWRIE:** I am advised they are bidding for some commercial tenders now.

**Mr WOOD:** In Darwin or is that not available?

**Ms LAWRIE:** I am not privy to all the details of what QEnergy is doing; however, I am advised one of the bids they are undertaking has customers outside Darwin as well.

**Mr WOOD:** I will investigate that further later. Thank you, Mr Chair.

**Mr CHAIRMAN:** That concludes consideration of agency-related whole-of-government questions on budget fiscal strategies.

## **OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT**

### **Output 1.1 – Financial Management**

**Mr CHAIRMAN:** We will now consider Output Group 1.0 Financial Management, Output 1.1 Financial Management. Are there any questions?

**Mr ELFERINK:** No questions.

**Mr WOOD:** I am right.

## **OUTPUT GROUP 2.0 – ECONOMIC**

### **Output 2.1 – Economic Services**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 2.0 Economic, Output 2.1 Economic Services. Any questions?

**Mr ELFERINK:** No questions.

**Mr WOOD:** No.

### **Output 2.2 – Payments on behalf of Government**

**Mr CHAIRMAN:** Output 2.2 Payments on behalf of government.

**Mr ELFERINK:** No questions.

**Mr CHAIRMAN:** Member for Nelson, no questions?

**Mr WOOD:** No.

**OUTPUT GROUP 3 – TERRITORY REVENUE**  
**Output 3.1 – Territory Revenue**

**Mr CHAIRMAN:** Output Group 3.0 Territory Revenue, Output 3.1 Territory Revenue.

**Mr WESTRA van HOLTHE:** Treasurer, every sector of our own source revenue in the Territory has taken a hit, no doubt as a result of policy decisions made by your government. For example, stamp duty. You have revised your estimates of stamp duty down from \$112.8m to \$91.8m, as a result, no doubt, of failed land release policies of your government creating a chasm between supply and demand. This has driven up the price of real properties making it unaffordable for most Territorians. That is evidenced by the drop in the number of property sales. That said, to what do you attribute the drop in stamp duty receipts in the Territory?

**Ms LAWRIE:** We have a very expansive land release program under way at the moment, particularly in Palmerston East. If you drill down there is, at the moment, what we call a conservative consumer. We are seeing that across other sectors of the economy as well. There is an interest rate caution amongst the consumers. We have seen, as a result of the global financial crisis, not just in the Territory but around the nation, the lending practices of the banks tightened up. If you talk to the mum and dad who would have otherwise been going into the property market, it is more and more difficult for them to access the financing because the banks have increased their savings requirements. That is taking out a few of the home purchasers who would have otherwise been in the marketplace entering into that home ownership.

There is definitely an impact of the interest rate-cautious consumer out there. It is not a land supply issue in Darwin because of the amount of land that is available in Palmerston East. There is a land supply issue in Alice Springs. There has not been a land supply issue in Tennant Creek because of the land turned off there. Again, there is a very buoyant local economy in Tennant Creek. We are going to need to turn off more land supply in Tennant Creek. There is currently, as you know, land supply in Katherine with the new residential development there. It is different across the Territory. There is a tight picture in Alice Springs in land supply. However, in the prevailing decision of the person looking to purchase, there has been that cautious consumer regarding interest rates.

That being said, we wanted to stimulate construction in the residential housing market, which is why we introduced this initiative into Budget 2011-12, BuildBonus. We have from May to 31 December, a \$10 000 incentive for people to construct a home, or purchase off the plan in unit development. That is up to properties of the value of \$530 000. That is deliberately designed to stimulate the housing construction market in to the affordable bracket. We have plenty of property available in the upper end of the market, particularly in Darwin. The banks really are not interested in lending into that upper end of the market where there is plenty of property available. It is really that \$530 000 down marketplace that we are stimulating with BuildBonus.

Yes, we have some stamp duty down, but if you look across all the stamp duty conveyancing receipts across our nation, we are not on our own - every jurisdiction in Australia is in the same situation. We are slightly better than most; we have not seen the dramatic downturn in the housing market that you have seen in some areas of our nation, particularly western Sydney. There has been some pretty dramatic falls elsewhere, in Western Australia as well. We are holding our own. We have seen a moderation of the property market in prices. We still have growth, but that growth is absolutely moderated. That is probably the space you would want to be in, I have to say, in the housing market now. It is returning to what we call more normal levels.

There are a few influences on that, though. Quite aside from the interest rate influence, there is the population influence zone. We have gone from 2%-plus population growth moderating back down to the more historic norm of 1%. You saw 7RAR leave the Darwin and Palmerston property market in December. That is 500 civilians as well as the 7RAR personnel. What you saw was a freeing up within that rental market across Darwin and Palmerston as a result of that move of 7RAR down to Adelaide.

There is more normal population growth now, and a cautious consumer as a result of interest rates. Land supply in the Top End is no longer the issue. Land supply in Alice Springs still is the issue. We have Larapinta and Mount Johns Valley in the marketplace - different ends of the marketplace. Without a doubt, we are investing significantly to get AZRI up out of the ground to provide a more affordable marketplace in Alice Springs. That being said, in planning tools, spot rezoning has been a lever used in Alice Springs to get some multiple occupancies on what would have been single residential dwelling blocks previously.

**Mr WESTRA van HOLTHE:** Okay, thank you. A couple of comments on some things you said about not being on our own when it comes down to downturn in the number of sales and what have you across the country. I note our sales have dropped significantly more than the other states. If I look at the housing finance commitments in the Northern Territory, they are down, year on year, 26.4%, whereas across Australia only 16.4%, so quite significant differences there.

**Ms LAWRIE:** We were streets ahead of the rest of the nation; that is why we have come into more of a normal and balanced property market now.

---

**Answer to Question on Notice No 1.1**

**Ms LAWRIE:** Mr Chairman, I have two questions on notice and we have the details for Question No 1.1, which David can provide.

**Mr BRAINES-MEAD:** David Braines-Mead, Assistant Under Treasurer. Mr Wood. you had a question on general government sector grants to local governments from TAFR, on page 176. That is made up of - by way of background - is made up of a couple of large components. Included in there is financial assistance grants and operational grants to shires, but also included in those numbers are service level agreements with shires where they undertake services on behalf of the Territory government, such as tenancy and property management, repairs and maintenance of government buildings. Those fluctuate year on year. The operational and financial assistance grants are increasing, and you will be able to see on page 115 of Budget Paper No 3, which is the Department of Housing, Local Government and Regional Services, that; for example, for 2010-11, the local government grants, which is the financial assistance grants, and operational subsidies was \$55.1m, and in 2011-12 is estimated to be \$56.9m. I do not know if that answers your question.

**Mr WOOD:** Thank you.

---

**Answer to Question on Notice No 1.2**

**Ms LAWRIE:** I also have an answer to Question No 1.2. Fifty-four have made themselves available for that stamp duty concession for seniors and pensioners on downsizing.

**Mr WESTRA van HOLTHE:** Thank you, I will continue then.

I do not believe it does not take a brain surgeon to figure out that probably the most significant component of increases in land and house pricing is the availability to supply, and I know you have said you think that supply is not an issue in Darwin any more, but the question remains, why has it taken so long for your government to release land, and land that was promised a number of years ago. If I look at the land release, and have a look at the record of land release, here you have things that you have published, what 18 months to two years ago, this particular document - CDU Palmerston Campus has not been started yet; Muirhead has only just started; Lyons is turned off, well done; what else do we have - Zuccoli, nothing there yet; Johnston, that was the failed one, remember when it failed to sell to the developers; and then you have, what, a dozen or so homes sitting on Johnston stages one and two; and, in Bellamack, you only just have titles being issued now ...

**Ms LAWRIE:** There are houses at Bellamack, there are houses at Johnston.

**Mr WESTRA van HOLTHE:** ... so it is this type of glacial pace of land release that has brought about the cost of living pressures on Territorians as a result of, or with respect to land prices. Could your government have at least had a modicum of control over land prices had it released land in a more timely fashion, and not just sort of throw your things up in the air now and hope that it lands all right.

**Ms LAWRIE:** Your statement is actually wrong. There was a question embedded right towards the very end, and if you want a debate on planning, you should be questioning the Planning minister.

What I will say is this. We have put, year on year into the budget, significant infrastructure spending to turn off those new suburbs out at Palmerston East, and \$20m thereabouts per annum invested in the headworks to get that land supply occurring across the growth corridor of Palmerston East. We have also facilitated what we call the private sector developments, which is the Charles Darwin University land at

Driver; they are going through the planning approvals processes at the moment. I note the opposition were out there campaigning against the planning proposals for that, so it is somewhat hypocritical of you to come in here and say that they are taking their time in terms of that Charles Darwin University land.

We have facilitated work with Defence Housing in terms of the development for Muirhead, and it has been the most expansive and rapid land release program for a very long time. We are investing in the headworks to get this land freed up. We have Bellamack under way, two stages of Johnston under way, and Zuccoli about to come through the process as well; so, significant investments in headworks. You cannot just say there is a patch of land there, and let that be for residential; you have to go in and put in the power, the water, the sewerage, and the trunk roadworks, which all costs a great deal of money, and we have funded that and we are doing it.

**Mr WESTRA van HOLTHE:** Too little, too late for most Territorians.

**Ms LAWRIE:** It is not too little at all. If you look at the numbers of titles available as a result of that, including the medium-density, it is a significant land release.

**Mr WESTRA van HOLTHE:** We have seen a drop in the number of stamp duty transactions, which is affecting the government's bottom line. So, you are a victim of your own slow land release policies.

**Ms LAWRIE:** As I said to you, we have a very conservative and cautious consumer out there as a result of ...

**Mr WESTRA van HOLTHE:** They cannot afford to buy a block, Treasurer.

**Ms LAWRIE:** ... interest rates, and as a result of the changed lending practices of the banks. Prior to the global financial crisis, the banks were lending without requiring a deposit. Now they have changed. Now they are saying they need to see a savings record of a deposit and that has taken a number of Territorians out of the picture in terms of being able to get financing approvals.

**Mr WESTRA van HOLTHE:** Treasurer, you are increasing stamp duty from 4.95% to 5.45% on property transactions worth \$3m and over, which will create an additional \$2.3m in revenue and equates to approximately \$460m worth of sales or transfers. Does that figure include the windfall sale of Yulara? Will that be captured by that increase in stamp duty transactions?

**Ms LAWRIE:** I want to go to the credibility of you asking questions on stamp duty given there is an Ombudsman's report which shows that you avoided stamp duty by falsifying the records of a car transfer, so ...

**Mr WOOD:** A point of order, Mr Chairman! On the issue of relevance.

**Ms LAWRIE:** It is quite extraordinary ...

**Mr WOOD:** We have debated this in parliament, we have been through ...

**Ms LAWRIE:** ... leading with his chin. The would-be-if-he-could-be, who avoided stamp duty through the falsification of records – unbelievable!

**Mr WESTRA van HOLTHE:** I have to give you credit, Treasurer, you have waited right to the bitter end before you brought it up.

**Ms LAWRIE:** I just cannot believe your team sent you in here to ask some stamp duty questions. Mate, they set you up.

**Mr WESTRA van HOLTHE:** They are quite reasonable questions ...

**Ms LAWRIE:** Fair dinkum. They have set you up! The one man in parliament who has been out there proven to have ...

**Mr WESTRA van HOLTHE:** Does the change to stamp duty capture Yulara or not?

**Ms LAWRIE:** ... avoided stamp duty, then you come in with your chin leading. No, of course it does not, it is on Aboriginal land.

**Mr WESTRA van HOLTHE:** Right. Thank you for answering the question. I have a line of questioning which would take me more than a few minutes, so ...

**Mr CHAIRMAN:** It is the will of the committee that we conclude at this point with Treasury. Thank you very much for your attendance and answering your questions today, we appreciate it.

We will return at 2 pm with the Attorney-General.

**Ms LAWRIE:** I thank all the Treasury officials who have appeared today before the Estimates Committee, and all the Treasury officials who have worked so hard on collating Estimates information.

---

The committee suspended.

---

## DEPARTMENT OF JUSTICE

**Mr CHAIRMAN:** I welcome the Minister for Justice and Attorney-General, and invite her to introduce the officials accompanying her. If she wishes to make an opening statement on behalf of the Department of Justice, I invite her to make it now.

**Ms LAWRIE:** Thank you, Mr Chairman. I would like to introduce those at the table with me. I have the Chief Executive Officer of the Department of Justice, Mr Greg Shanahan; Deputy Chief Executive Business Strategy and Performance, Mrs Anne Bradford; Deputy Chief Executive Officer Policy Coordination and Legal Services, Alastair Shields. I also have Ros at the table with me as well. I will be joined at the table by other departmental officers as appropriate as we move through the appropriation for this agency.

The Department of Justice works with the community and other government agencies to make justice relevant to all Territorians. It is responsible for coordinating all elements of the Territory's justice system with the exception of policing. This involves providing services, frameworks and infrastructure required to build a fairer and safer community. The department comprises of a variety of output groups including the Solicitor for the Northern Territory; Court Support and Independent Offices; Policy Coordination; Licensing, Regulation and Alcohol Strategy; NT WorkSafe; and Northern Territory Correctional Services.

The Solicitor for the Northern Territory output group provides civil litigation, commercial, and native title legal services to government, manages the outsourcing of selected legal services, and administers the scheme that provides financial support to victims of crime.

The Court Support and Independent Offices output group provides administrative support services to enable delivery of justice to the community by the courts and tribunals. The group includes higher courts, lower courts, and tribunals; the Fines Recovery Unit; Registrar-General; Public Trustee; Information Commissioner; Public Interest Disclosure; Consumer Affairs; Anti-Discrimination Commission; and the Office of the Director of Public Prosecutions. The Information Commissioner, Public Interest Disclosures, Consumer Affairs, Anti-Discrimination Commission, and the Office of the Director of Public Prosecutions also have independent statutory roles in protecting the community's legal rights and property interests.

The Policy Coordination output group provides strategic legal and social policy advice to government, and monitors and coordinates the implementation of related government policies and research. This output group includes community and justice policy, legal policy, research and statistics, Community Benefit Fund, and community justice grants. As stated, the Community Benefit Fund falls under this output group and a total of \$2.21m community benefit monies will be distributed for gaming, amelioration, and research programs.

Questions and discussion regarding sentencing outcomes should be directed to the Policy Coordination output group. The Policy Coordination group is also responsible for leading a review into the youth justice system that will consider mechanisms to strengthen the system and reduce offending. The Minister for Children and Families has responsibility for youth justice operational aspects under the Youth Services output. The Minister for Correctional Services has responsibility for youth justice, custodial, and community corrections.

The Licensing, Regulation and Alcohol Strategy output group also falls within my portfolio responsibilities. As Minister for Racing, Gaming and Licensing and Minister for Alcohol Policy, this output group is vital to addressing a range of issues for licensed and regulated industries, particularly

alcohol-related harm and gambling. The Licensing, Regulation and Alcohol Policy output group is responsible for strategic policy settings and operational elements under the Enough is Enough alcohol reforms. The reforms target problem drinkers and we can go into policy details about that.

The Department of Justice also includes NT WorkSafe. The WorkSafe output group continues to provide advice on safe work practices, enforces compliance with occupational health and safety standards, and works to improve workers compensation outcomes.

The Correctional Services output group comes under the portfolio responsibility of the Minister for Correctional Services, the Hon Gerald McCarthy. I also note the Health and Community Services Complaints Commission and Children's Commissioner output groups come under the portfolio responsibility of the Minister for Health, the Hon Kon Vatskalis.

I will answer questions of a corporate nature for the whole of the Department of Justice. Questions relating to operational aspects of these output groups should be directed to relevant ministers. I look forward to any questions the committee may have.

**Mr CHAIRMAN:** Are there questions to the opening statement.

**Mr ELFERINK:** Not to the opening statement.

**Mr WOOD:** Can I ask for a clarification of where this should go?

**Mr CHAIRMAN:** This is the time to do that.

**Mr WOOD:** Minister, where do the criminal property forfeiture questions go? We could not find a place for them?

**Ms LAWRIE:** Solicitor for the Northern Territory.

**Mr CHAIRMAN:** Do you have any other clarification questions?

**Mr ELFERINK:** Before I proceed, Mr Chairman, can I place on the official record of the Northern Territory our congratulations for Monique and Sean Kildare on the arrival of Scarlet Monique Kildare at 7:30 am at 3.12 kg. Welcome to the world, Scarlet. If anybody is interested I have some outrageously cute photos of little Scarlet.

**Mr CHAIRMAN:** We can table your iPhone if you like?

**Mr ELFERINK:** I table my iPhone. As Sean is such an important identity in our community it was worth acknowledging.

Getting on with the business, Solicitor for the Northern Territory, I presume?

#### **Agency Specific (Whole-of-Government Related Questions)**

**Mr CHAIRMAN:** First, are there any agency related whole-of-government questions?

**Ms LAWRIE:** Corporate Services area – staffing etcetera.

**Mr ELFERINK:** I am not going to do that. I am going to wait for us to get to Policy Coordination. Actually, no, I will do it this way; it is probably easier if I do it this way. I want to take you back, minister, to your strategic plan for the department. I want to take you back to the annual report 2007-08 in relation to the strategic plan. I will quote from that report, page 10:

*In 2007-08, the Department of Justice was guided in its activities by the 2007-2012 strategic plan. The plan sets out a vision, goals, objectives, and strategies to reach those goals, and are as follows ...*

Minister, has that plan, since the announcement in 2007, changed at all?

**Ms LAWRIE:** Mr Shanahan.



**Mr SHANAHAN:** Greg Shanahan, CEO, Department of Justice. The plan has had two alterations since then - one was 2009-12. It was recently reviewed mid-term and it is now 2011-12.

**Mr ELFERINK:** We then read into the changed strategic plan directions in 2008-09 from page 12 in the same annual report:

*Part of the strategic plan will be reviewed to ensure its strategic directions and priorities are current and relevant.*

That is right. The original strategic plan which outlined goals and objectives, amongst others - informed government decision-making those sorts of things, the reduction of alcohol and substance abuse, reduction in antisocial behaviour and violence. That plan changed. It still incorporates some of those concepts but it changed in 2009, if I am not mistaken. Okay. In 2009, I presume it changed to this structure here, which is the Making Justice Relevant Strategic Plan.

Having done that, there is a slight variation in the points dealing with reduction in alcohol and substance abuse. It now seems to be just a reduction in violence offences. In the original strategic plan, you had a reduction in alcohol and substance abuse, a reduction in antisocial behaviour and violence. I presume that all has been rolled into that one component of the strategic plan - a reduction in violent offences?

**Mr SHANAHAN:** It has success indicators.

**Mr ELFERINK:** Now you have the success indicators; a bit further down a reduction in violent crime. Whilst you have tweaked the strategic plan, essentially the process of governing the strategic plan remains pretty much the same - the idea of a reduction in crime and those sorts of things. What were the fundamental changes? I see you shaking your head, Mrs BRADFORD.

**Mrs BRADFORD:** Anne Bradford, Deputy CEO. In fact, it has fundamentally changed. We have moved from being output driven to being outcomes focused. In the central theme of the strategic plan, you will now see there are, in fact, five strategic directions, and they are an across-agency representation of how we are trying to deliver all of justice across.

**Mr ELFERINK:** All right. The idea is under this strategic plan, you are now outcome focused rather than output driven?

**Mrs BRADFORD:** Yes.

**Mr ELFERINK:** You are now measuring your outcomes rather than what you actually put out from the department. You are actually hoping to see an improvement in these areas of things like violent offences?

**Mrs BRADFORD:** Outcomes means why we are doing things, and outputs means what we are doing. The critical success indicators we have listed are colour coded against each of the outcomes that are around the central theme. Because they are strategic indicators, they are not designed to be qualitative in their measure or quantitative in their measure. They are, in essence, a series of questions that asks the question: what will success look like at the end of that strategic initiative? At the end of 2012, what will success look like in delivering safer communities? There are a number of things that will highlight. One is a reduction in offences; another is a reduction in recidivisms; another is a reduction in workplace injuries; another is improved prosecution success rates; a reduction in alcohol-related harm and social behaviour; increased delivery of culturally appropriate programs; mediation and advocacy; and, increased community awareness and engagement about public safety.

**Mr ELFERINK:** Whereabouts can I find how you are going to measure those things?

**Mrs BRADFORD:** You would find those in our annual business plans for each of the divisions.

**Mr ELFERINK:** Right. Were the changes to the strategic plan at all influenced by this document here, the Territory 2030 strategic plan?

**Mrs BRADFORD:** Territory 2030 came out after we did our review of the strategic plan back in 2009. What we did in our mid-cycle review last year, which happened in December, we then tried to get parallels between the major themes in the 2030 plan and cross-referenced those to what we already have as our mid-cycle review of our strategic plan.

**Mr ELFERINK:** You did not feel that the 2030 strategic plan substantially influenced your own strategic plan, there was sufficient flexibility in your strategic plan to accommodate the 2030 strategic plan?

**Mrs BRADFORD:** Indeed, that is correct. We had moved to the outcomes focused prior to the 2030 plan being released.

**Mr ELFERINK:** Okay. The idea of reducing the rate of assault, including domestic violence and property crime, incrementally to 2030 is not at odds with your current strategic plan?

**Mrs BRADFORD:** I do not believe so, no.

**Mr ELFERINK:** Okay, no problems at all. The reason I raised the question is because, if you take; for example, both the 2030 strategic plan and the strategic plan of the department, your first success indicator, the reduction in violent offences, do you feel that you have achieved those outcomes, and can you explain to me why there appear to be an increase in violent offences in the community of the Northern Territory?

**Ms LAWRIE:** Your question goes to the policy coordination output group area. We will deal with it then.

**Mr ELFERINK:** Okay. So, we do not want to deal with it right now because it is embarrassing, I understand that, minister.

**Ms LAWRIE:** No, no. We are just following the process.

**Mr ELFERINK:** All right, in that case, that being the matter, I will return to it at that point.

**Mr CHAIRMAN:** That concludes your whole-of-agency questions. Yes, member for Nelson?

**Mr WOOD:** In the annual report, right at the very, very beginning, on the very first page, it says the vision is an integrated organisation that shapes a safe and fair Northern Territory. Minister, do you believe that is the case if the existing *Parole Act* has no mention of natural justice in it?

**Ms LAWRIE:** You would have to ask the Minister for Correctional Services. He has responsibility for the *Parole Act*.

**Mr WOOD:** It does not come under Justice?

**Ms LAWRIE:** It does not fall under me, my responsibility, or my portfolio. I made it clear, I answer corporate questions related to Correctional Services, but the *Parole Act* and any policy questions around it should be directed to the Minister for Correctional Services.

**Mr CHAIRMAN:** That now concludes questions on agency-related, whole-of-government questions on budget and fiscal strategies.

## **OUTPUT GROUP 8.0 SOLICITOR FOR THE NORTHERN TERRITORY**

### **Output 8.1 – Solicitor for the Northern Territory**

**Mr CHAIRMAN:** We move on to Output Group 8, Solicitor for the Northern Territory; Output 8.1, Solicitor for the Northern Territory.

**Mr ELFERINK:** In relation to the Solicitor for the Northern Territory, historically speaking, let us say we go back to the Budget Paper No 3 of the 2004-05 year. It gives a final estimate of capacity to provide legal services, a number of hours of 45 710, so we will presume it came in around that at the end of the year without referring to the annual report for that year. I noticed that in the current financial year, the estimate is approximately 80 000 hours, essentially a doubling of the number of hours that the Solicitor-General's office has to provide services for, both in-house and externally. Why has there been an increase over the last six years of such a substantial amount in the Solicitor for the Northern Territory's office?

**Ms LAWRIE:** Mr Lisson?

**Mr LISSON:** The Cabinet approved solicitors located in agencies other than the Department of Justice becoming members of the Solicitor for the Northern Territory, so as to provide supervision and career development for those solicitors who heretofore had been isolated in the agencies. When the Solicitor for the Northern Territory took over pockets of lawyers in other agencies, it increased the number of solicitors.

Since that time, there has been a significant increase in the number of agency-based solicitors who are members of the Solicitor for the Northern Territory. To go back to what triggers your question - the number of hours - that is an estimate based upon a budget of 5.5 chargeable hours, although we do not charge for our services, but these are hours devoted by solicitors to particular legal matters. There are additional hours worked that are non-chargeable, but those are in the nature of management, administration, legal training, and so forth, to a total of about eight hours a day.

**Mr ELFERINK:** Billable hours effectively.

**Mr LISSON:** Yes, that is correct. The budget has not changed; the number of solicitors has increased significantly. Virtually all of those have been agency-based solicitors. The increase over last year for the main office of the Solicitor for the Northern Territory is less than one lawyer – 0.9 of an FTE.

**Mr ELFERINK:** When Cabinet approved this extension of the Solicitor for the NT's office, how many more solicitors did you pick up in the process? Did you double the number of solicitors, or was it a case that you picked up a handful?

**Mr LISSON:** If you go back far enough, to about 2002, there was one commercial solicitor in the Solicitor for the Northern Territory, and there were two litigation solicitors. Virtually all of the commercial law services and litigation services were outsourced to the private profession, and so the Solicitor for the Northern Territory was rebuilt. There were two stages of funding, each was approximately \$1.3m, although we contributed to that funding ourselves from our budget; that is, government-wide, it was budget neutral, the agencies were levied to the extent necessary to increase, to rebuild the Solicitor for the Northern Territory in the commercial and the litigation divisions. It went from one to two lawyers to our current staffing levels over those two periods. I should add that the increase in agency-based solicitors is driven by the agencies and paid for by the agencies, and they also provide the full-time equivalent positions for those solicitors, so that is budget neutral as well.

**Mr ELFERINK:** From an overall budget perspective, when the expansion, for lack of better words, of the Solicitor for the Northern Territory's office occurred, how many solicitors did you have when that Cabinet decision was made, and how many do you have now?

**Mr LISSON:** I would have to get the figures for the two stages of increase.

**Ms LAWRIE:** It is historic data, so we will take that on notice.

---

### Question on Notice 1.3

**Mr CHAIRMAN:** Would you please repeat the question?

**Mr ELFERINK:** In terms of the increase of the numbers of solicitors attached to the Solicitor for the Northern Territory's office, how many solicitors did the Solicitor for the Northern Territory take over when it expanded, and how many solicitors are there now? I am sure the second part of that question could be answered fairly quickly.

**Ms LAWRIE:** We have how many are there now, we do not have the historic data.

**Mr CHAIRMAN:** That is question No 1.3.

---

**Mr SHIELDS:** In terms of the current numbers, we have 63.14 lawyers, of which 28.95 are out in the agencies and are paid for by the agencies.

**Mr ELFERINK:** In terms of the office itself, where there were three in 2002, you now have how many in the office itself?

**Mr SHIELDS:** 63.14 minus 28.95.

**Mr ELFERINK:** That is 30-odd solicitors.

**Mr SHIELDS:** 33 or 34.

**Ms LAWRIE:** Does that include admin staff?

**Mr SHIELDS:** No, just lawyers.

**Mr ELFERINK:** Is it just the decision not to outsource that has seen such a substantial increase in the number of lawyers in the office?

**Mr LISSON:** There has been an incredible increase in the demand for legal services across government.

**Mr ELFERINK:** Why is that? What work are you being asked to do that was not happening eight years ago?

**Mr LISSON:** There are two main areas I can tell you; however, the old or usual areas of law, which is all your civil law, constitutional challenges, statutory interpretation, and so forth, has continued and grown as government has grown. However, two other areas have been incorporated in the services of the Solicitor for the Northern Territory. One is criminal property forfeitures acting for the DPP, which is the statutory officer responsible for criminal property forfeitures. That was taken over in 2006 from the DPP. There is a legal unit within the SFNT that deals with criminal property forfeitures, and also what is colloquially known as civil prosecutions. That is enforcement of legislation other than the criminal code handled by the DPP, which has been a significant growth area for us.

**Mr ELFERINK:** Essentially you are bringing more actions - the civil prosecutions. Are we responding to more civil litigation against government?

**Mr LISSON:** I would say, yes, measured both in numbers of cases and in significance of cases. There are some very large pieces of litigation, and then there are many lower level litigations that demand our services.

**Mr ELFERINK:** Do you know what is attracting the increased amount of actions against your government?

**Ms LAWRIE:** David Lisson.

**Mr LISSON:** There is nothing you can point at in that regard; we defend whatever is brought along. If we are sued by a citizen for an injury in government premises, we address that, and always have. Police, for example, with the increased resources available to legal aid services and Aboriginal legal aid, there has been a modest increase - and I am speaking anecdotally here - in the number of cases claiming damages for wrongful imprisonment or wrongful assault. Police have always had to deal with these as part of their day-to-day business. We deal with those as well; however, as resources have become available to claimants, claims increase. That does not mean the claims are successful, and I cannot produce any statistic to show how much is paid by way of settlements, but it certainly is my observation there has been no greater increase than there has been in the general increase in the size of government and the number of police, for example. Another area is medical negligence - I should point that out as well.

**Mr ELFERINK:** Is it possible to produce a list for the last decade of how much we have paid out each year for the settlement of actions against the Northern Territory government?

**Ms LAWRIE:** On that, we do not pay - whichever agency the matter is settled against is required to pay. I will seek advice on this; however, quite a few of those settlements would be, by their nature, confidential. In short, no, you are not going to get the list you are asking requesting.

**Mr ELFERINK:** I am not asking for a specific number against a specific case, I am asking for a generic number. On an annual basis, how much do we pay out in settlement of legal actions against the Northern Territory government? That does not breach any confidentiality.

**Ms LAWRIE:** We do not pay it. The Department of Justice does not pay it.

**Mr ELFERINK:** The Northern Territory government.

**Ms LAWRIE:** Again, that is not relevant. You would have to ask the question of each agency: what monies have they had to pay in legal settlements.

**Mr ELFERINK:** That is hardly helpful. How much has Justice paid as an agency, and does Justice monitor how much is paid out by other agencies.

**Ms LAWRIE:** No, Justice does not monitor how much is paid out by other agencies. We have not paid out any settlement.

**Mr ELFERINK:** Justice has not paid out any settlement, so the payouts are elsewhere. How does government track what it is paying out in the settlement of litigation? Surely, you must track this stuff?

**Ms LAWRIE:** Treasury would obviously know what monies were expended in settlement.

**Mr ELFERINK:** I see. So I get to ask Treasury? All right.

**Ms LAWRIE:** Yes. You missed that one, didn't you?

**Mr ELFERINK:** Well, unfortunately, we just do not have enough time for those things.

**Ms LAWRIE:** You did have time; the shadow Treasurer stopped before the clock. You had plenty of time; you could have asked it.

**Mr ELFERINK:** The next question I have is: there is an increased number of junior solicitors in the Office of the Solicitor for the Northern Territory. Is that correct?

**Ms LAWRIE:** Mr Lisson.

**Mr LISSON:** Commensurate with the number of solicitors, yes.

**Mr ELFERINK:** So, there is no difference between the number of senior solicitors who have traditionally been there, and the number of junior solicitors?

**Mr LISSON:** I would say the ratio was about the same. It is a very fluid organisation; solicitors are coming and going. Of course, the junior solicitors grow. We have a very strict program of supervision, and we have a program of career development for solicitors, which includes external and internal training programs.

Regarding the ratios, I can speak particularly for the Litigation Division which I head. We have a ratio of three to four junior solicitors to senior solicitors. Junior solicitors can be anywhere in the range of newly admitted solicitors to three, four, and five years experience. It is a loose definition to say senior and junior because there is, of course, a gradation from the very beginning to veteran solicitors of in excess of 30 years experience.

**Mr ELFERINK:** All right, no worries. I am intrigued by that answer, because on page 84 of the last annual report – yes, 2009-10, the last annual report we have available - there is a footnote under the table which sits there which says:

*Changes in staffing structure have resulted in a decrease of senior law positions enabling an increase in junior officer positions. Seniors can be replaced with multiple juniors resulting in an increase in capacity. In addition, many law officers work longer hours than budgeted.*

I have some trouble reconciling your last answer to that footnote. Would you care to comment?

**Mr LISSON:** Really, I do not believe it is inconsistent. Indeed, there are times when solicitors work very long hours, which helps to explain why we have gone way beyond budget in the number of hours worked and reported. In fact, it is more than that because, while we do have time recording, a great deal is lost in the flurry of the work – so busy working that they do not time record every minute, especially the billable hours. They do not record them all, so there is 10% to 20% loss there.

But, as for the junior and senior solicitors, that reference is that for the FTE of a senior solicitor - an FTE is an FTE whether they are junior or senior. But, from a budget point of view, a senior solicitor may be paid the equivalent of two or three junior solicitors on that scale. All that means is if a senior solicitor resigns, retires, or is transferred to another area, then it is possible, if FTEs allow under our current regime, to engage two or three junior solicitors. That can happen from time to time as the middle solicitors mature to the point where they are able to take on supervisory roles.

From my point of view, what matters is the ratio, the supervision, the checking of advices, and generally checking the quality of the work. That is vital to our organisation and we are always watching that there are enough seniors, or experienced solicitors, to ensure all the work goes out has been checked and is as accurate as we can make it.

**Mr ELFERINK:** Perhaps it is badly worded:

*... a decrease in senior law officer positions enabling an increase in junior officer positions.*

Whilst I appreciate your argument, it is not quite the interpretation I place on it.

**Mr LISSON:** I would probably rewrite the footnote then, because it is just simply the maths of budget limitation can translate into X number of junior solicitors or Y number of senior solicitors, but Y will be fewer than X.

**Mr ELFERINK:** You say about 20% of the time actually spent on legal matters is not recorded because of the frantic nature of the work?

**Mr LISSON:** Sadly, yes. We would like to record every minute. We changed systems, which has not made it any easier, and the new one is being bedded down, CaseNet is the name of it, and there are still some problems with that. We have, I can think of solicitors, very senior ones, who do an excellent job who do not record their time at all to speak of, despite reminders. We want them to time record, but on the list of priorities, it is very near the bottom. The important thing is, what are they doing, the quality of their work that they are putting out.

I have a solicitor attached to the Solicitor-General's Chambers who is one of the top lawyers in the Northern Territory government, who records a woefully small amount of time, and I know he works nights and weekends invariably.

**Mr ELFERINK:** A bit like herding cats, getting stuff out of a solicitor, especially senior ones.

**Mr LISSON:** It is harder than herding cats, sir, but we keep trying.

**Mr ELFERINK:** Yes, that is fine. Good luck with that. However, I am concerned about the expression 'frantic'. The workload of 60-odd lawyers, or are we talking about the office itself, the 34 lawyers?

**Mr LISSON:** Workload ...

**Mr ELFERINK:** Across the range of 68 lawyers is frantic.

**Mr LISSON:** It varies enormously. I can tell you right now that there are periods of time, and this is one of them, when the solicitors who are agency-based at Health, I would use the term frantic, it is very demanding work. We take the overflow in the main office from the agencies, but even with that, legal services are not a straight line, there are peaks and valleys, and there seem to be a lot of peaks these days.

**Mr ELFERINK:** What is driving the frantic nature of the work being undertaken by Health at the moment?

**Mr LISSON:** The agency has divided itself into two, which is Families and Children and Health are two separate agencies now, and so there were issues arising from that. Child Protection, as you and I am sure everyone would be aware, is an enormous area of work. In the main office, we, and I know some of the agency-based solicitors, are putting an enormous amount of time into the new legislation, interpreting it, applying it, and in handling the day-to-day child protection cases. Some of those are very complex and very time-consuming.

**Mr ELFERINK:** So, Footnote No 4, the increase in the number of instructions outsourced is due to the general demand for legal services by government, including a significant volume of child welfare, which you have just alluded to, and property matters. Without, of course, exposing any of the individual matters that the Health Department is dealing with, can you advise me, what is the nature of the property matters that the Solicitor for the Northern Territory deals with which is causing such a significant increase?

**Mr LISSON:** I should just give you a picture of the outsourcing generally. Outsourcing of legal services includes a significant base of what I might describe as routine legal work, and that includes leasing and

conveyancing transactions. As government grows and moves, there are new leases, new premises all over the Northern Territory being leased, and that requires legal services. Those are, generally speaking, outsourced to local practitioners if possible, or generally to private practitioners, as it is a, what I consider, routine work. With the Solicitor for the Northern Territory, our mission is really to deal with whole-of-government legal services, the most complex, constitutional cases and down, to the extent of our capacity, and below that, in terms of complexity, it is outsourced, so that there is a fairly healthy outsourcing of legal services to the private profession which benefits the community generally and is part of our service delivery policy. At the peak end, though, there are specialist legal services that are engaged, sometimes interstate, for the expertise required.

**Mr ELFERINK:** Sorry, I apologise for that.

**Mr LISSON:** I am sorry?

**Mr ELFERINK:** I was going to wait for that to go on to the record ...

**Mr LISSON:** I will pause.

**Mr ELFERINK:** ... while I was just making sure that we were allowing time for other issues, that is all.

**Mr CHAIRMAN:** Do you have questions for this output, Gerry?

**Mr ELFERINK:** I think you do. Gerry, look, I am going to hand it over to you. Can I just say, minister, that I am concerned, what appears to be a substantial increase in the workload of this particular office over the last decade. I am concerned about the amount of litigation that the Northern Territory government has to deal with. I am disappointed that you are unprepared to make that available. However, that is what we are used to from an honest and accountable government. Gerry, it is all over to you.

**Ms LAWRIE:** Well, just in relation to that statement rather than the question from the shadow, I made it very clear that the Solicitor for the Northern Territory does not pay the settlement matters so, of course, it does not fall within this budget output, so it is not a case of being unprepared to make that information available ...

**Mr ELFERINK:** It is not prepared, unwilling.

**Ms LAWRIE:** ... or unwilling to make that information available. It is not relevant to this particular output group. You know, as well as I know, how the Estimates process works, and if you are genuine in your concerns you would have asked me this morning when I appeared before the committee as Treasurer.

**Mr WOOD:** Minister, my question relates to page 85 of the annual report, regarding the involvement of the SFNT in *A Working Future* policy. A senior lawyer has provided assistance in policy development, and facilitated the progress of the reform of land tenure within the 20 growth towns, including assisting in the negotiations of all non-housing infrastructure on *Aboriginal Land Rights Act* (ALRA) land. What exactly does that lawyer do and how long has that person been working in that field?

**Mr LISSON:** There are now two lawyers working in that field. There is government infrastructure on Aboriginal land throughout the Northern Territory that does not have proper or secure tenure for that land. Police stations have been built, health clinics have been built, and other government offices have been built on Aboriginal land, certainly with the permission of the Aboriginal owners, but not with a documented tenure. This causes legal complications as you could imagine, and when significant investment goes into that land for infrastructure, it is necessary to secure the tenure. This involves a number of stages: identifying the land and I think I would be accurate to say there are at least 1000, if not more, pieces of land that require tenure security. Identifying the lands; that is, the government infrastructure already located there or to be built there in the future with the development of the Territory growth towns.

The second is to determine the nature of the tenure because that can vary, as you can imagine, and then to secure it. To secure it means negotiations. There is a team working in the Department of Housing, Local Government and Regional Services and we assist with the legal side of things, so our lawyers are involved partly in the negotiations, certainly in the identification, and then finally the documentation for those lands. It is going smoothly, but it is a big task because of the volume involved.

**Mr WOOD:** Do you have an exact figure of how many parcels of land need to have a lease over them?

**Ms LAWRIE:** With further questioning, you have heard that we have provided legal advice, but it falls under the Department of Housing, Local Government and Regional Services, so you will have to direct questions to minister McCarthy. Our role is to provide technical legal support.

**Mr WOOD:** Are the two lawyers paid for by the department or does the department of local government and housing pay for the use of those?

**Ms LAWRIE:** Local Government.

**Mr LISSON:** Can I add that they are located in the main office because lawyers work as teams and there is support for them from more senior and less senior lawyers, so that we have the right level of lawyer working on each aspect.

**Mr WOOD:** Can I ask a question that I got defeated in parliament about, but do you deal with the negotiations regarding lease payments for all government property on Aboriginal land?

**Ms LAWRIE:** We provide technical legal support

**Mr WOOD:** Is that technical support, for example, to the Chief Minister as Minister for police - for police stations - in other words, does this get broken off into the different departments?

**Ms LAWRIE:** No, it is centrally coordinated through the regional services part of the Department of Housing, Local Government and Regional Services.

**Mr WOOD:** What about Power and Water facilities?

**Ms LAWRIE:** That is separate, that is Power and Water.

**Mr WOOD:** They do not employ solicitors from here in regards to the leasing arrangements?

**Ms LAWRIE:** No.

**Mr WOOD:** How many native title cases are you working on at present, how long have they been going for, and is there a budget item for the expense of native title cases?

**Ms LAWRIE:** Mr Shields.

**Mr SHIELDS:** There is a number of outstanding native title claims as at 7 June. Eight claims are classified as being Quall Dangkalaba matters, which are all to do with the greater Darwin area. So far, none of those claims have been successful. In 2009, one of the Quall's claims in Middle Arm was dismissed by the federal court. It was appealed to the federal court and the high court, and the special leave application for high court consideration of the appeal was dismissed in July 2010. We have started a process of seeking to strike out all the other claims, which include the pine plantation forest, which I believe is NT portions 2821 and 2822. That was heard by Justice Reeves in November 2010, with some further submissions made in May which came about as a result of that Western Australian decision of the full federal court in Dale, Western Australia we briefed you on in April. Our expectation is that even if Mr Quall is unsuccessful in that matter, and we are still waiting judgment and an appeal might be heard, and given that significant delay in resolving them generally, we are giving advice to Lands and the Chief Minister's department on how we might progress some of those claims to make use of that land. They are the Darwin matters.

There is one native title claim over the Jabiru township which is currently the subject of settlement discussions between the Territory, the Commonwealth, and the Mirarr claimants.

There are three separate native title claims over the town of Batchelor. They are overlapping and conflicting claims involving the Kungarakon/Warrai group which the NLC represent, the Finniss River/Brinkin group who are represented by a local barrister, and the Rak Mak Mak Marranunggu who are currently unrepresented. We have had some instructions from the Department of the Chief Minister to seek to pursue a settlement of those claims which would bring litigation to an end and create some certainty about the rest of the land tenure which would then enable parties, including the Territory and Commonwealth governments, to plan with some certainty. At the moment we think we could probably reach a settlement with the first two of those claimants; however, the third claimant is not interested in a settlement at this stage and a hearing commenced in May this year for the native title claim. That has now



been adjourned until August 2011. In the meantime, we have instructions to continue to seek a negotiated settlement of that one.

There are some further claims in the Northern Territory. There are ...

**Mr WOOD:** For the sake of time, have you a rough total number and is it possible to table a document giving an outline of all those cases?

**Ms LAWRIE:** We will take it on notice and get it to you. We have it, but in different pieces of material so it is a case of collating it into one.

---

#### Question on Notice No 1.4

**Mr CHAIRMAN:** Member for Nelson, could you repeat those three questions rapidly.

**Mr WOOD:** Minister, how many native title cases are you working on, how long have they been going for, and is there a budget item? I presume you will put a dollar sign to that, not just a yes, for the expense of native title cases?

**Mr SHIELDS:** The budget would only be the solicitors.

**Ms LAWRIE:** We could not give you a budget outcome in relation to settlement because that is subject to negotiations. We could say the cost in terms of solicitors. Is that what you are after?

**Mr WOOD:** Yes, that is what we are looking for.

**Mr CHAIRMAN:** That is question No 1.4.

---

**Mr CHAIRMAN:** Do you have any further questions for this output?

**Mr WOOD:** Yes, this is a policy question, minister. Do you agree, as recently espoused by former Prime Minister Paul Keating, that it should be up to native title objectors to prove native title claimants have no longer a continuous attachment to the land? If you do, would this just add to the cost and promote ambit claims?

**Ms LAWRIE:** No. I do not agree with him.

**Mr WOOD:** You do not agree with the former Prime Minister? That is all right.

**Ms LAWRIE:** Mr Lisson.

**Mr LISSON:** That is actually no longer an issue. We have, over the years, been able to come to an agreement with the NLC, and mostly with the CLC, to settle native title claims. We have also, within that agreement, worked out how to identify native title claimants. This is done through experts who are able to tell us, through genealogies, who are the appropriate native title claimants. That is all being resolved so that native title cases now, with very rare exceptions, result in a consent settlement. We are working through - it was 150 native title claims not too long ago; I think we are down to around 100 now. These are proceeding as consent determinations through cooperation with NLC and representatives of the native title claimants.

Issues of entitlement to claim are no longer litigious. It is now a matter of working through the details of the settlement which are really an acknowledgment by the court of rights that have always existed. It is not a creation of new rights. It does not involve payment of money. It is a determination by the court, and the court goes out to the land, and has a ceremony out on the land - and we have had a number of these in recent months - where the declaration is made by the court of the existence - which has always been there - of native title. It is not a matter of paying money.

The legal resources involved in this - and it is a complex process - are virtually all being handled from within our office. Therefore, we are not paying lawyers. We do have one or two barristers - one who has recently gone to the bar from the Solicitor-General's chambers, so there is a disbursement for the cost of

the barrister there. However, the legal costs are minimal and most of those are absorbed within the native title division of the Solicitor for the Northern Territory.

**Mr WOOD:** Who pays for the claimants' costs?

**Mr LISSON:** There is no costs order; they are virtually all represented by one of the two NLC or CLC, so their legal services are provided through Commonwealth grants.

**Mr WOOD:** Thank you, Mr Chairman.

**Mr CHAIRMAN:** Any more questions? That concludes consideration of Output 8.1 and Output Group 8.0.

### **OUTPUT GROUP 9.0 - COURT SUPPORT AND INDEPENDENT OFFICES** **Output 9.1 – Higher Courts**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 9.0 - Court Support and Independent Offices, Output 9.1 - Higher Courts. Any questions?

**Mr ELFERINK:** One or two very quick questions. Minister, I quote to you from the last annual report:

*Criminal lodgements have increased substantially ...*

**Ms LAWRIE:** What page is that, sorry?

**Mr ELFERINK:** The last annual report, page 88, footnote No 2:

*Criminal lodgements have increased substantially which is consistent with the increased activity levels in the lower courts of the last two years.*

It then goes on to say that includes prosecutions for Commonwealth offences. Minister, are you able to tell me how many of those criminal matters pertain to acts against a person, rather than criminal acts against property, as a proportion?

**Ms LAWRIE:** I will take that one on notice; we do not have the breakdown before us.

---

#### **Question on Notice No 1.5**

**Mr CHAIRMAN:** Could you repeat the question?

**Mr ELFERINK:** How many of the criminal lodgements in the higher courts are matters relating to acts or crimes against persons, and how many are crimes against property?

**Mr CHAIRMAN:** You are happy to take that on notice?

**Ms LAWRIE:** Yes, for the 2009-10 annual report.

**Mr CHAIRMAN:** So that is question No 1.5.

---

**Mr ELFERINK:** Would you be able to give us a ballpark figure, minister, roughly? Would it be a majority or a substantial majority?

**Ms LAWRIE:** I am advised the data sits within the IJIS database system. We will have to retrieve that data for you.

**Mr ELFERINK:** My belief is the majority of those matters are actually matters of offences against a person; namely, aggravated assaults and those sorts of things. That is certainly what I understand the situation to be. I am surprised you are unable to answer the question in relation to what proportion flow from assaults against a person. It would suggest you are somewhat taking your eye off the ball when it comes to this stuff ...

**Ms LAWRIE:** Not really.

**Mr ELFERINK:** Then answer the question. Can you answer the question?

**Ms LAWRIE:** You are being a little hysterical there, member for Port Darwin ...

**Mr ELFERINK:** No, I am not being hysterical. I am just asking you to answer a straightforward question.

**Mr LAWRIE:** You are asking for a data breakdown arising out of the 2009-10 annual report, and I said we would get it to you.

**Mr ELFERINK:** What about what is happening in the current year? I mean, you are proposing to spend money referring matters to the court, now you do not know how many ...

**Mr LAWRIE:** Do you want to know the split between civil and criminal?

**Mr ELFERINK:** No, I know what the split between civil and criminal is, I want to know what is the split between property and offences against the person? For somebody who has as their very first success indicator a reduction in violent offences, the inability to answer that question is surprising. Anyway, we soldier on. Presuming that most of those things are matters of offences against the person, we know that that includes aggravated assaults, rapes or sexual assaults, homicides, and those sorts of things, how do you reconcile the increasing number of criminal matters with the higher courts as a result of the increasing number in the lower courts with your success indicator, a reduction in violent offences?

**Mr LAWRIE:** Obviously, we are part of the justice chain, so with more police out there apprehending more people, then obviously we are going to see a flow through to the number of cases before the courts. For example, Themis stations did not exist previously; they do exist now, and in the area of the statistics, which is another output group all together, what I am advised in terms of the breakdown of assaults, it is quite an interesting chart in terms of where you see particular spikes, and this is not the area, it is Output Group ...

**Mr ELFERINK:** I am referring to your strategic plan, policy and coordination. I would like to test it.

**Mr LAWRIE:** Policy and coordination deals with statistics, and you can see where you see an increase in assaults, you have seen an increase in police numbers; you have seen an improvement in police data; you have seen an increase in police domestic violence units being created across the Territory. You see changes to the police database to improve reporting. You see mandatory reporting of domestic violence, and you see additional police in remote areas.

**Mr CHAIRMAN:** At the moment, have we jumped ahead to Output Group 10. Do you have any other higher court questions, member for Port Darwin?

**Mr ELFERINK:** No, not the higher court questions.

**Mr CHAIRMAN:** Member for Nelson?

**Mr WOOD:** No.

### **Output 9.2 – Lower Courts and Tribunals**

**Mr CHAIRMAN:** That concludes Output 9.1. We now move to Output 9.2 - Lower Courts and Tribunals.

**Mr WOOD:** I have one question. Minister, in the annual report, on page 89, it says that only 40% of coronial cases will finish within 12 months. It does make a note that there was a backlog of files, but could it also be challenged as to whether there is enough staff to do the coronial inquiries or coronial cases. I am just wondering why that is such a low number of cases finalised within 12 months. Page 89 of the annual report.

**Mr SHOYER:** Peter Shoyer, Executive Director, Court Support and Independent Officers. Essentially, it was due to a build-up over time of cases that did not necessarily take a lot of time but that had been put to one side for some more significant cases. That was actually addressed last year, so the figure that we are estimating this year will be about 72% within 12 months. There are inherent delays in the coronial process,

because what you have to do is, you have a police investigation, you have toxicology reports, you have a lot of medical reports that have to be produced. That in itself takes time. Then it is a matter of having it considered by the Coroner's office itself. So, it is actually not surprising that a number of matters do last 12 months, but that essentially has been remedied this year so that we are looking at certainly over 70% of cases finalised within 12 months.

### **Output 9.3 – Fines Recovery Unit**

**Mr CHAIRMAN:** That concludes consideration of Output 9.2. We now move to Output 9.3 - Fines Recovery Unit.

**Mr WOOD:** Minister, on page 90, the question I have is, why have the numbers of infringement penalties increased by nearly 25% over the 2009-10 estimates? What were the main infringements that caused that, and why are only 40% of fines paid within 12 months?

**Ms LAWRIE:** In terms of the fines, often there are agreements to pay which extend beyond the 12-month period, so that is normal in terms of an agreement to pay extending across that reporting period. In terms of your first question ...

**Mr WOOD:** Why have the numbers of infringement penalties increased by nearly 25% over the 2009-10 estimates?

**Ms LAWRIE:** We did increase the levy rate. In terms of the traffic infringement penalties, there is an increase with red light cameras and speeding cameras.

**Mr WOOD:** That has gone from \$16 500 to \$21 000. The estimate for last year was \$16 500 and actually it was \$21 343, so that is a big jump on the estimate, and I was simply asking ...

**Ms LAWRIE:** Better detection. What we have seen is the pattern; when you install those red light and speed cameras at intersections, there is a spike at that particular intersection for a period of time, and then the pattern starts to come back down to lesser levels. Essentially it is creating that improved driver behaviour because there has been increased detection.

**Mr WOOD:** Can you show that an increase in infringement penalties has made a subsequent change to driver behaviour and the number of accidents, for instance.

**Ms LAWRIE:** It would be across a few different data sets and, essentially, sits with the minister for Transport. We have seen, since the introduction of this new technology, a reduction in the fatality rate, but the minister for Transport would have data around those particular intersections because that is how the intersections were chosen, in terms of where they were rolled out on a priority basis; the new technology in terms of traffic light cameras. The minister for Transport has that data.

**Mr WOOD:** Who owns the red light cameras?

**Ms LAWRIE:** The minister for Transport. The infringements are issued by police, and the recovery of fines comes to us in Justice. The decision about where they are rolled out, and the delivery of the technology, is the Minister for Transport's.

**Mr WOOD:** Has anyone ever thought of putting them all in one department?

**Ms LAWRIE:** We have a company called Reflex that do much of the interface work of data systems between Police and Justice.

**Mr CHAIRMAN:** That now concludes consideration of Output 9.3.

### **Output 9.4 – Consumer Affairs**

**Mr CHAIRMAN:** We now move to Output 9.4 – Consumer Affairs. Are there any questions?

**Mr ELFERINK:** For the saving of time – no.

**Mr WOOD:** Minister, I am not sure how you can answer this, but I know there were 15 925 enquiries received. The complaint I sometimes get is the department of Consumer Affairs is a waste of space.

People make a serious complaint about the quality of a particular product, or a building, and find they do not get anywhere.

Does the department actually have people who investigate a complaint, and prosecute, if the complaint is found to be upheld? Or is that not the role of the department of Consumer Affairs?

**Ms LAWRIE:** I believe the department of Consumer Affairs does put out important warnings and advice regarding dodgy consumer practices, so I believe you can never discount the importance of the public awareness role it plays, and they do that very proactively. When they first see, or are alerted to, a trend in consumer rip-offs, they do that very effectively.

In terms of the follow up work of Consumer Affairs, Peter Shoyer.

**Mr SHOYER:** If I could respond there. Certainly all those calls are taken and they are registered on a system, assuming they are appropriate, that they fit within the scope of Consumer Affairs. The first step is that there will be some effort to negotiate with the supplier or the trader, whomever it may be, to sort out some solution and in many cases that may be as far as the matter can go because of the provisions in the act that surrounds the Consumer Affairs. Recently from 1 January the Australian Consumer Law has come in and that is a model legislation which is essentially identical across the whole of Australia that includes a number of extra areas where Consumer Affairs can take action and also a number of different remedies that they can pursue. If there is a breach of a provision they will work first of all with the consumer and the trader to resolve. If it is a bad breach, if it is obviously something that has affected many people then there are a number of remedies that can be taken including prosecution in some cases.

**Mr WOOD:** I am not saying the department is not worthy, do not get me wrong, but there is a common complaint that comes back to me: 'Why bother going to the Department of Consumer Affairs? I do not get any satisfaction'. I had a case of a lady who had a demountable built which had mould in it and it had all sorts of problems. It was supposed to be built according to cyclone code. Because she put it on stumps, she became the owner-builder which became very complicated. The only hope she had of getting something done about it was, I think the demountable was to take it to Consumer Affairs. I spoke to her the other day and I have recommended another lady who has the same problem with another demountable to take it to Consumer Affairs and the first thing she said was: 'Waste of space'. So I am just not sure how effective the department is when it comes to helping people who have a major problem with an item that is quite expensive.

**Ms LAWRIE:** In that scenario though, member for Nelson, really the individual should take civil action against that tradesperson

**Mr WOOD:** Yeah, but she might not be able to afford that and what she will be asking is: 'What is the use of the Department of Consumer Affairs'? Does it have the teeth to say this product was faulty and, therefore, you have been selling a product that is faulty and does not come up to the standard required?' It does not seem that the person has any other hope of doing it. She did go to court but the thing is, why have the department? That is the question. It says consumer affairs and people think well ...

**Ms LAWRIE:** It is not to take on the civil action role on behalf of everyone in every case.

**Mr WOOD:** No but if they think someone has broken the law by selling something that is dodgy like a four-wheel car with one wheel or something on it you would think someone would take action. But I pass it on because it is a common complaint I get. I will leave it at that but I might still follow it up with you, minister.

**Ms LAWRIE:** Absolutely.

**Mr CHAIRMAN:** Can we now proceed to Output 9.5 - Independent Offices and I note that questions relating only to the Children's Commissioner will be answered by the Minister for Children and Families on Thursday 16 June and that questions relating only to the Health and Community Services Complaints Commissioner will be answered by the Minister for Health on Tuesday 21 June. However, the Minister for Justice and Attorney-General will take questions relating generally to independent offices and to the specific independent officers.

**Mr WOOD:** Minister, on page 93, why are the figures shown as negative? It says complaints dealt with during the year FOI estimate -25?

**Mr SHOYER:** Yes, I think all that is a continuation of the, I do not know quite what you call them but the little hyphens have been mistakenly continued across. They are not negative. They are there to indicate ...

**Ms LAWRIE:** A formatting error

**Mr WOOD:** All right, yes, there are few in that report. The estimate for the number of FOI complaints finalised within 12 months for 2009-10 was 50% but, in actual fact, was as low as 22%. Why is it so low and would it not give the impression there was reluctance by departments to produce information?

**Mr SHOYER:** In relation to those figures there are a small number of matters and so if you have delays in finalisation of a matter it can lead to a poor result in the finalisation figures. I will just have a look at the figures, the estimated figures for this year are 50% for freedom of information matters and 70% of privacy matters, complaints finalised within 12 months. Unfortunately, some of those matters went longer than the 12 months before they were finalised.

**Mr WOOD:** Would I be able to ask if it was estimated at 50% last year and it only went to be 22% this year, now you are going to estimate it at 50%, are we not going to see it at 22% this year?

**Mr SHOYER:** The estimates I am talking about there are based on figures to the end of March so, unless there is something extraordinary in the final quarter, they should be close to the mark.

**Mr WOOD:** Thank you.

**Mr CHAIRMAN:** That concludes questions there, member for Nelson?

**Mr WOOD:** Yes.

#### **OUTPUT GROUP 10.0 – POLICY COORDINATION** **Output 10.1 – Community and Justice Policy**

**Mr CHAIRMAN:** I now call on questions for Output Group 10.0 - Policy Coordination, Output 10.1 - Community and Justice Policy.

**Mr ELFERINK:** Okay, here we go. Can I talk about policy now? Minister, we have talked about the strategic plan 2009-2012 being run by the Department of Justice as well as the 2030 Strategic Plan. The one I am focusing on particularly, as you will already have figured out, is a reduction in violent offences. Since, let us say the March quarter of 2001 to now – actually, no, I will rephrase that. Since 2009 and now when the strategic plan was put into place – I will rephrase that again. Since 2007 and now since the strategic plan was put in place, have you seen the required decrease in violent offences?

**Ms LAWRIE:** Obviously, we have seen increases in assaults. We publish our statistics that show that. Of the broader assault numbers, I am advised there are about, on trend figures, 6.8% to 7% assaults causing serious bodily harm. What we are seeing is not the same extent of increase in the serious bodily harm assaults as we are seeing in the broader category of assault. That being said, no ...

**Mr ELFERINK:** Well, acceptable forms of assault perhaps.

**Ms LAWRIE:** That being said, no assault is acceptable. What we have clearly seen is an increase in police activity. We have more police out there. We have seen a change in police data which has affected the reporting data to see a consequential increase in that assault data. We have the creation of the domestic violence police units. We have 60 more police in remote areas, and we have the mandatory reporting of domestic violence.

So, the statistical advice I receive as minister for Justice from this particular unit says it is a dramatic increase in the reporting of these crimes. Of course, as a society, whilst we do not want any assaults occurring, we know they occur. What we do want to see, though, is an increase in police activity, an increase in reporting of the crimes, so the perpetrators can be brought to justice.

**Mr ELFERINK:** Okay. So how do you measure then a reduction in violent offences?

**Ms LAWRIE:** In the trend data on the ...

**Mr ELFERINK:** Those in relation to your success indicator, your primary ...

**Ms LAWRIE:** It is really interesting, you ask a question, I start to answer, and you start to talk over me.

**Mr ELFERINK:** No, you start to rephrase the question. I am just making sure you stick to the question. In relation to your success indicator, how do we then measure a reduction in violent offences?

**Ms LAWRIE:** Right. As I was about to say, in the assaults causing serious bodily harm, we are seeing, in trend terms, less of an increase in those types of assaults.

**Mr ELFERINK:** Less of an increase.

**Ms LAWRIE:** Well, 7%. You may find it a laughing matter, but we certainly do not.

**Mr ELFERINK:** I find it ridiculous, your answer ...

**Ms LAWRIE:** We certainly do not.

**Mr ELFERINK:** ... because your strategic plan is currently in tatters, and you do not have a vehicle by which to measure it ...

**Ms LAWRIE:** No, it is ...

**Mr ELFERINK:** Can you inform this House how you are going to measure a reduction in violent offences when all of the indicators are showing an upward trend?

**Ms LAWRIE:** Because, as I said, what we have is improved reporting of assaults. Improved ...

**Mr ELFERINK:** How are you going to measure a reduction in violent offences, if that is your answer?

**Mr CHAIRMAN:** You have asked the question, member for Port Darwin, and the Attorney-General does need the time to be able to answer it.

**Mr ELFERINK:** She is not answering it.

**Ms LAWRIE:** That is your view. Improvements in getting reporting of assaults is important. Regarding putting extra police out there and getting people charged with the assaults that used to go unreported in the past, as the opposition, we know you will want to play havoc with that situation. The reality is there was a significant under-reporting of domestic violence prior to the creation of the domestic violence police units that were created in the Territory, and certainly prior to mandatory reporting of domestic violence. The police themselves say, in terms of the crime statistics reporting, that they see that. They see there is an increase in police across the remote areas with those Themis stations, and they know that there is an increased reporting and charging of domestic violence-related assaults. We know that 60% thereabouts across the Territory of assaults are domestic violence. Now, that was largely under-reported before.

**Mr ELFERINK:** Not supported by the police annual report ...

**Ms LAWRIE:** Largely under-reported before, so what we are serious about as a government is saying, any assault, whether it happens in the home or in public, is unacceptable, and we want people, offenders, charged and brought to account for that. So when you put increased activity into charging offenders, which is the increased activity of recording of assaults that I have talked about in terms of the improvements in the police data, the extra police in the Territory, the additional specific domestic violence police units created, the mandatory reporting of domestic violence, and the 64 more police in remote communities, you are going to see an increase in that statistical data. I will repeat, none of that is acceptable, but what is totally unacceptable is for that to go unreported, which it was in the past.

**Mr ELFERINK:** So you say and so you allege, but the point is, on March on March quarters since 2001, we have seen an 89% increase in assaults or offences against the person. Now you say, oh well, it is all down to the fact that people are more comfortable reporting, but surely around 2006 is when you introduced the domestic violence units and your domestic violence policies, and you do see this corresponding step up. How do you then explain, in the last March quarter of 2010, which is the most recent statistics I had when I put this draft together, a sudden spike leading to an 89% increase in violence in our community? Is there another 10% extra coppers?

**Ms LAWRIE:** Again, what both the police and the justice officers who do the statistical data gathering advise me, is that there has been a significant increase in alcohol-fuelled assaults across our regional centres, and what they say is that that is a result of people coming into our regional centres, including our capital of Darwin, following the pathways of grog; 60%-plus of our assaults is alcohol-fuelled, so they are saying there are more people ...

**Mr ELFERINK:** She is not talking about the right output group ...

**Ms LAWRIE:** ... coming to town, more people coming to town ...

**Mr ELFERINK:** Correct me on this if ...

**Ms LAWRIE:** You have been champing at the bit to have this debate. We are in the policy coordination area ...

**Mr ELFERINK:** I am waiting for you to give me a straight answer and, at the moment, your very first success indicator on the reduction of violent offences is sitting in tatters.

**Mr CHAIRMAN:** Just a reminder that the Attorney-General has the call.

**Ms LAWRIE:** You keep interrupting me. No, it is not in tatters, because ...

**Mr ELFERINK:** You have failed the people of the Northern Territory ...

**Ms LAWRIE:** Well, you know, that is your ...

**Ms WALKER:** A point of order, Mr Chairman!

**Mr ELFERINK:** ... changing your policy ...

**Ms LAWRIE:** That is your rhetoric, it is pathetic rhetoric and people see through it.

**Mr ELFERINK:** You have failed the ...

**Mr CHAIRMAN:** The member for Nhulunbuy has the call.

**Ms WALKER:** A point of order, Mr Chairman! The minister has been asked a question. These questions are not always short in answer. She is endeavouring to answer and is constantly being interrupted by the member for Port Darwin. I ask him to cease interjecting.

**Mr CHAIRMAN:** Thank you, member for Nhulunbuy, it is a very good point. Estimates are conversational in nature and can, at times, like all conversations, there can be some interruptions; however, Standing Order 51 does say that there should be no interruption of the minister answering the question, and you have asked a question of the Attorney-General and she is now endeavouring to answer it. I would ask for courtesy both ways in terms of answering and asking of questions. You have the call, Attorney-General.

**Ms LAWRIE:** Next question.

**Mr ELFERINK:** Your strategic plan does not offer any mechanism by which a reduction in violent offences can be monitored. All of the statistics that are produced are explained away, but they do not deal with a reduction in violent offences, which is the underlying driver here; so you run campaigns like the *Stop the Hurting, Start the Healing* campaign, can you advise how you measure success in that campaign?

**Ms LAWRIE:** Going to the strategic plan, it is not about just violent offences, it is about the outcomes, so there is a raft of government initiatives dealing with the ambition of reducing offences. You are talking about the domestic violence campaign that we have in place. Equally, I could refer to the Enough is Enough raft of policy reform to tackle alcohol-fuelled violence across our community.

**Mr ELFERINK:** Let's just use the example of the domestic violence campaign. There is a 1300 number and people are encouraged to telephone. That is the 1300 number for Men's Line, which is based in Victoria. Is that correct?



**Ms LAWRIE:** In terms of that campaign, you would have to ask the Minister for Children and Families because that...

**Mr ELFERINK:** Are you capable of answering any questions that deal with public safety, Minister for Justice?

**Ms LAWRIE:** You love being rude, don't you. You know that we have portfolio areas of responsibility, we have programs within those portfolio areas, and domestic violence falls within Children and Families. You do not have to show your rudeness in doing that.

**Mr ELFERINK:** Surely, the Department of Justice is aware, considering it spends over \$1m a year on these sorts of campaigns, and I presume it is the Department of Justice paying the bills on this campaign?

**Ms LAWRIE:** No, it is Children and Families running the domestic violence campaign.

**Mr ELFERINK:** Do you have any interest at all as the Minister for Justice for the outcomes of this program?

**Ms LAWRIE:** I am very interested in the work the Minister for Children and Families is doing in terms of domestic violence mandatory reporting campaign

**Mr ELFERINK:** Interested enough to ask a question?

**Ms LAWRIE:** I am delighted to see the advertising on television and, anecdotally, from the feedback I have had, it is very noticeable and I am pleased to see they are putting the issue front and square and centre into the public awareness.

**Mr ELFERINK:** As the Minister for Justice, have you even bothered to enquire how many phone calls have been made to Men's Line in Victoria as a result of that campaign?

**Ms LAWRIE:** I will leave that one up to you.

**Mr ELFERINK:** Why don't you answer the question. It is not in your portfolio – surely, as the Minister for Justice, you would have some interest in it.

**Ms LAWRIE:** I will leave that one up to you, John.

**Mr ELFERINK:** You clearly do not care about being open, honest, and accountable, and it is the process that is much more important than your actual successes.

**Ms LAWRIE:** As I said, if you want to ask questions in terms of the number of phone calls through to the Men's Line as a result of the 1300 number being displayed on the advertising being run out of the Department of Children and Families to raise awareness on domestic violence, I am sure you are capable of asking the Minister for Children and Families that.

**Mr ELFERINK:** Have you asked her?

**Ms WALKER:** A point of order, Mr Chairman! The minister responsible for that is Mr Vatskalis.

**Mr CHAIRMAN:** We are here for Estimates Committee, which goes to the budget. Each minister has responsibility for a part of the budget. This part of the budget is the responsibility of a minister who is not present at the moment. I suggest that this Committee should ask questions relevant to this portfolio and where those outputs lie.

**Mr ELFERINK:** I would hate to think for one second that as a matter of policy, which is the output area we are talking about, that the minister does not have an interest and has not bothered to find out the answer to this question. I am very disappointed in a procedural response to somebody who wants to, and claims to be, open, honest, and accountable, and cannot produce so much as a simple answer to a simple question.

**Ms LAWRIE:** You are embarrassing yourself in front of many public servants.

**Mr ELFERINK:** I am not embarrassing myself. I am waiting for you, as the Minister for Justice, to take on the role.

**Ms WALKER:** A point of order, Mr Chairman! The minister has answered the question. She has directed the member for Port Darwin as to where he might put that question several times now, and I suggest we need to move forward.

**Mr CHAIRMAN:** Thank you, member for Nhulunbuy. I also remind the committee of Standing Order 114, which is repeating questions. A question fully answered cannot be renewed. We have gone over that question several times now and I suggest the committee moves on. The member for Nhulunbuy will be taking the chair briefly.

**Mr ELFERINK:** Minister, I am disappointed. I am not going to repeat myself over this issue. Your first success indicator is a reduction in violent offences and you have no way of describing to me or anybody else in the Northern Territory how you are going to meet that success indicator. You are not meeting that success indicator and, Madam Deputy Chair, as a consequence, I have no further questions because the minister has nothing further to offer.

**Ms LAWRIE:** I clearly pointed out that the policy initiative of Enough is Enough, in terms of the alcohol reforms is designed to reduce assaults, including those violent assaults referred to by the member for Port Darwin.

**Mr ELFERINK:** The problem is that it is in the next output group, and I have to wait until then to ask those questions.

**Ms LAWRIE:** You will be able to ask those questions then.

**Mr ELFERINK:** Why are you taking such a long time to produce your crime statistics?

**Ms LAWRIE:** We are not taking such a long time. We produced the September quarter just recently. I was advised ...

**Mr ELFERINK:** So where is the December quarter?

**Mr WOOD:** A point of order, Madam Deputy Chair! Have we moved to Output 4.3?

**Madam DEPUTY CHAIR:** We are finishing 10.1, as I understand.

**Mr WOOD:** Are we on 4.1?

**Mr ELFERINK:** No, it is 10 ...

**Madam DEPUTY CHAIR:** 10.1.

**Mr ELFERINK:** It comes up as 10.1 (inaudible).

**Mr WOOD:** Okay, keep going, I am sorry.

**Madam DEPUTY CHAIR:** So ...

**Mr WOOD:** No, keep going.

**Madam DEPUTY CHAIR:** ... are you finished with 10.1? Member for Nelson, do you have questions in Output 10.1 Community and Justice Policy?

**Mr WOOD:** It is all right, I have different numbering on this page.

**Mr ELFERINK:** You do.

**Mr WOOD:** Yes, sorry about that.

**Mr ELFERINK:** I have yours, Gerry.

**Mr WOOD:** Okay. Well, you do not want to come back to that question on 10.3?

**Mr ELFERINK:** Well, I do, but I suspect I am going to get redirected to statistics. But why is it taking you so long to produce the statistics?

**Ms LAWRIE:** We will move on to when we get there, that is fine, member for Nelson.

**Madam DEPUTY CHAIR:** We are concluding 10.1.

**Mr WOOD:** Okay, I have one question on 10.1.

**Madam DEPUTY CHAIR:** Thank you.

**Mr WOOD:** Okay. Minister, in the budget you estimate that you will have spent \$17m this financial year and another \$17m roughly for the oncoming year to develop, implement, monitor, and evaluate alcohol management and public safety strategies. Could you show what real outcomes have been achieved in social and economic terms with hard data and, if not, can you show why it has not worked? In other words, my question, minister, is you are spending money on these particular issues and you are going to spend another \$17m, how are you evaluating whether that money is well spent?

**Ms LAWRIE:** We have set up an evaluation and monitoring unit within the Department of Justice to have a look at the outcomes of the *Enough is Enough* alcohol reforms. We are going to be having a look at a raft of different datasets to evaluate how many people are being placed on the automatic banned system; how many people are being referred to the tribunal; how many people are being processed by the alcohol court, the SMART Court, which deals with alcohol and other drugs; and we will look to the statistics in terms of what we hope to see is a reduction in crime.

**Mr WOOD:** All right. Am I able to ask how much is spent on the 2009-10 budget? Was that a similar amount for; there was an estimate of \$19m that ended up being \$15m? Did someone evaluate that amount of money that was being spent to see whether there were any positive changes or were there negative changes and if they were negative – if you can have negative changes – were there appropriate changes to policy based on that? I know we have a new alcohol policy, but was it based on – could I say – failures of previous policy?

**Ms LAWRIE:** In terms of the evaluations, what we focussed on was evaluations of actual specific alcohol management plans which we can go into in greater detail when we get to the alcohol policy area of the outputs. So we focussed our evaluation effort on the alcohol management plans themselves. With regard to an analysis of those evaluations and how it informed the *Enough is Enough* alcohol reforms, yes, it did inform it. What we did was have a look at the success rates in crime reduction in areas where alcohol management plans were in place or, indeed, where we saw some shift in patterns of crime. So, for example, in Groote Eylandt when we saw about a 70% reduction in crime as a result of the permit system there, clearly that was a good indicator that where you have, at point of sale, an ability to refuse sale to someone, you can have quite a dramatic effect in the reduction of purchase, consumption, and the consequences of crime data.

We saw similar data coming out of Nhulunbuy as well, again where it had a permit system which actually dealt with refusal at point of sale. So, in short, yes, the evaluations of what has occurred to date in alcohol management in the Territory did inform the new *Enough is Enough* alcohol policy.

**Mr WOOD:** Would it be fair to say that previous policies, then, were not working?

**Ms LAWRIE:** I would not say that. We have seen quite a lot of reduction and we have jumped out of an area. I am quite happy to debate the alcohol stuff when we get to that.

**Mr WOOD:** What about public safety strategies?

**Ms LAWRIE:** Okay, public safety strategies.

**Mr WOOD:** Has that been working or have you changed tack? How are you ...

**Ms LAWRIE:** Yes, we are reviewing that at the moment. Regarding the raw data, the Return to Country has seen a lot of use in the various patrol services. It is different across the different regions. The public safety models are being reassessed now in the light of the *Enough is Enough* alcohol reform process. We want to go back in and have a look at what that public safety model could/should look like sitting alongside the fairly significant policy changes in the *Enough is Enough* reforms.

**Mr WOOD:** Where does the Return to Country Program come under? This particular section?

**Ms LAWRIE:** Yes, the Return to Country, we have a few providers ...

**Mr WOOD:** Do we have figures over the last, say, three years to show ...

**Ms LAWRIE:** I only have some more current figures than that; I do not have the last three years. For example, the Return to Country from July 2010 to March 2011 regarding Larrakia Nation who run the Darwin and Palmerston patrol, 3504; in Katherine, Mission Australia run that, again the same period July 2010 to March 2011, it is 581; and a similar number in Alice Springs - Tangentyere Council run that service ...

**Mr WOOD:** Does that break it down into the repeats? In other words, do we have any idea ...

**Ms LAWRIE:** No, I do not have a repeat, recidivist figure in that. I have, separate to that, what they call local transport figures, which is the movement within that environ. Then, separate to that, there are case plans, referrals, and accommodation placements.

**Mr WOOD:** Minister, is it possible, considering itinerants have been a big issue this year, especially in the Darwin CBD, to get three years of figures in relation to a Return to Country?

**Ms LAWRIE:** Yes, sure.

**Mr WOOD:** Can I put that as a question on notice?

**Mr CHAIRMAN:** Will you take that on notice?

**Ms LAWRIE:** Yes.

---

#### **Question on Notice No 1.6**

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

**Mr WOOD:** Could you provide Return to Country data for the last three years for the Northern Territory?

**Mr CHAIRMAN:** That is question No 1.6.

---

**Mr CHAIRMAN:** That concludes questions to Output 10.1.

#### **Output 10.2 – Legal Policy**

**Mr CHAIRMAN:** Do we have any questions to Output 10.2?

**Mr ELFERINK:** Yes, I need to ask some.

**Mr CHAIRMAN:** Are you asking any more questions of the Attorney-General?

**Mr ELFERINK:** Yes I am, if I get time.

**Mr CHAIRMAN:** No worries. You have concluded 10.2.

#### **Output 10.3 – Research and Statistics**

**Mr CHAIRMAN:** Output 10.3 - Research and Statistics.

**Mr ELFERINK:** Yes. Minister, why is it taking you so long to produce the crime statistics?

**Ms LAWRIE:** As I said in public statements, a fair amount of resources of the department were involved in pulling together the priority Enough is Enough alcohol reforms, so the statistics were delayed. We issued them recently.

**Mr ELFERINK:** You are over a quarter late. Could you tell us where the December quarter statistics are and how long we have to wait for the March quarter statistics, respectively?

**Ms LAWRIE:** Yes, I am advised the department still has to do the analysis on the next quarter. I am hopeful they will be there in about three weeks time. I am saying about three weeks because it is ...

**Mr ELFERINK:** Conveniently after Estimates?

**Ms LAWRIE:** It is not a before or after Estimates scenario; it is about giving officers of the agency the time to do the analysis ...

**Mr ELFERINK:** They have all been done in the past.

**Ms LAWRIE:** They also have not been pulled on to a massive policy reform that the Enough is Enough alcohol reforms has been. I absolutely take my hat off to the Department of Justice because, with very little additional resources they have pulled off a significant policy and legislative body of work.

**Mr CHAIRMAN:** That concludes the shadow Output 10.3. Member for Nelson, do you have any questions to that output?

**Mr WOOD:** No. I am just checking to make sure I have not missed anything.

#### **Output 10.4 – Community Benefit Fund**

**Mr CHAIRMAN:** We will now proceed to Output 10.4, Community Benefit Fund.

**Mr ELFERINK:** I thought at 3.30 pm we were going to alcohol?

**Mr CHAIRMAN:** We only have two outputs left.

**Mr ELFERINK:** In that case, in deference to my colleague, I will ask no further questions, whilst I had a few.

**Mr CHAIRMAN:** Member for Nelson?

**Mr WOOD:** Just a quick question.

**Mr CHAIRMAN:** I note that, in goodwill, we were meant to go on to ...

**Mr WOOD:** Just quickly about the money collected under Community Benefit Fund. Has it been reduced this year and how much by?

**Ms LAWRIE:** Yes. The Community Benefit Fund obviously comes out of the gaming tax. What we have seen is a reduction in the taxes as a result of the introduction in the smoke-free gaming venues. I have been keeping the sector informed of that. I am happy to hand up a Community Benefit Fund table for you, member for Nelson, which has the breakdown for the 2008-09 period, the 2009-10 period, and the 2010-11 period as at March 2011.

**Mr CHAIRMAN:** You are tabling that?

**Ms LAWRIE:** I will, but just in talking to that, the community organisation grants; for example, were \$710 000 back in 2008-09, they are down to \$414 000 now. The gambling amelioration grants were at \$1.1m in 2008-09, but they are at \$1.2m now. There are some swings and roundabouts in this grant bucket. In 2009-10, we received a total amount of \$3.19m, this is down to \$2m, so we have obviously dropped over a million as a result of the smoke-free gaming venues, but our experience interstate has been that in time they pick up and we see recovery. That is not yet the case. Hopefully, it will happen in the next few quarters.

#### **Output 10.5 – Community Justice Grants**

**Mr CHAIRMAN:** That concludes consideration of Output 10.4. We move on to Output 10.5. The opposition have no questions to Community Justice Grants.

**OUTPUT GROUP 11 – LICENSING, REGULATION, AND ALCOHOL STRATEGY**  
**Output 11.1 – Licensing, Regulation, and Alcohol Strategy**

**Mr CHAIRMAN:** If nobody else has any questions, we can now proceed to Output Group 11.0 - Licensing, Regulation, and Alcohol Strategy, Output 11.1 - Licensing, Regulation, and Alcohol Strategy, and we have our new shadow.

**Ms LAWRIE:** If you do not mind, if we could just have a very short break.

**Mr CHAIRMAN:** No problem. That is actually a reasonable point. We will take a five-minute spell there.

---

The committee suspended.

---

**OUTPUT GROUP 11.0 – LICENSING, REGULATION AND ALCOHOL STRATEGY**  
**Output 11.1 – Licensing, Regulation and Alcohol Strategy**

**Mr CHAIRMAN:** Welcome back. We will start with Output Group 11.0. Output Group 11.1 – Licensing, Regulation and Alcohol Strategy. Member for Sanderson.

**Mr STYLES:** Thank you Mr Chairman. It is obviously the old 5.1.

**Mr CHAIRMAN:** There are documents at the back there which list the order, and they have been provided to all shadows and ministers and they have the output order. Does that make sense?

**Mr STYLES:** It makes sense now. Thank you, Mr Chairman.

Minister, given the introduction of smoking legislation, has an impact study been done on the true extent of premises that have been affected by smoking legislation?

**Ms LAWRIE:** The tobacco legislation falls under the Minister for Health, so any analysis of that would be done by the health department. That being said, what we keep a track of is the reporting data which comes in regarding the gaming revenue, so we have seen reductions in gaming revenue since the introduction of the smoke-free venues in both clubs and hotels. So, I can talk through that data, but if you want a broader report or study that would be under the Department of Health which has responsibility for the legislation.

**Mr STYLES:** It is really under the licensing area, we are looking at licensed premises and the impact on licensed premises of anything ...

**Ms LAWRIE:** You are talking about the financial impact?

**Mr STYLES:** Yes, the financial impact on licensed premises and, more specifically, in relation to the financial costs on licensed premises – how many workers are employed from that point until now? There is anecdotal evidence out there that there has been a reduction in staff in various areas; there has been some quite heavy duty financial impact.

**Ms LAWRIE:** The only data we collect as the regulator here, as I said, is in relation to the gaming machine turnover for player loss, so that is the data we collect, that is within our purview. The broader issues, as I say, in terms of the implications of the *Tobacco Control Act* would fall under the Department of Health.

I can give you the gaming machine turnover and player loss data. I am happy to have a discussion about that.

**Mr STYLES:** I believe at some stage in the future it may pay, through the Licensing Commission, because if you start to change the balance in relation to what is happening in licensing it obviously has an impact out there in what is happening in the community.

**Ms LAWRIE:** With regard to licensed venues, my experience has been this: they knew that, at some stage, the Territory government would introduce smoke-free venues, and that, at some stage, the Territory

government would introduce controls on the outdoor smoking areas of venues – the rest of the nation was already there. In the impact on venues, they have had a few years of smoking in venues when the rest of the nation was smoke free in venues. Equally, they have had some time where the outdoor restrictions have not been in place as well.

I have had a constructive working relationship with the clubs and the pubs through the period of the *Tobacco Control Act* restrictions being brought into place - first of all regarding the indoor venues and, then, the outdoor smoking areas. They have all, essentially, recognised they would have reductions in revenue. They have been engaged in discussions with me. I have not had anyone from the Australian Hotels Association or clubs say they have had to lay off staff. What they have said is it has been a combination of factors hitting the industry all at once in their revenues. First of all, there is the impact of the change of the smoke-free venues, the high Australian dollar is affecting the tourist trade significantly, and a tough regulatory environment as well has been pretty tough on that sector. Overall, it is all of those factors coming together that have had an impact on venues; it is not just the smoke-free venue.

That being said, our government certainly makes no apology for bringing in the smoke-free environments both indoors, but also controls on the outdoor environments. What we have seen experienced in other jurisdictions is there is a period of recovery for the industry in how long it takes them to recover from the smoke-free venue. Patrons who do not like the smoky venues start to come back in, in improved numbers.

We have seen a reduction, though, in gaming machine turnover and player loss. If you look at your community venues, turnover is down 1.3%, player loss is down 0.29%. SKYCITY, interestingly, is not in negative numbers, but they moved earlier than a lot of the other venues in creating smoke-free and smoking environments. They got their patrons used to the smoking bans before they came in. What we have seen is a reduction in gaming machine turnover - not one that would cause the closure of a venue, or be seen even significantly as catastrophic. What it has meant, though, is that, without doubt, the smaller clubs probably have done it the toughest in the reduction in their revenues.

**Mr STYLES:** Minister, are there any proposed plans to restructure or assist, in particular, small community clubs? You are right; the smaller clubs are struggling out there. Are there any plans for the government to look at any way they can assist smaller groups, especially community clubs?

**Ms LAWRIE:** What we did to assist them was we actually gave them a taxation concession, a couple of years ago now. They are paying less tax than they would have otherwise paid. That is pretty significant.

**Mr STYLES:** There is no future plan that is in the pipeline at the moment?

**Ms LAWRIE:** If you ask the club industry of the Territory what they are most focused on at the moment - along with this government, of course - is what I refer to as the Wilkie reforms; the national debate around gaming machines in pubs and clubs. They would be looking with a very keen eye as to what the future impact of those reforms would be on their venue. That is the most significant threat coming their way.

**Mr STYLES:** I do not blame them. There has been a substantial increase in the cost of living, in particular housing and accommodation etcetera, which has had the effect of reducing people's disposable income. That has had a major impact, especially ...

**Ms LAWRIE:** CPI is actually holding pretty low in cost of living.

**Mr STYLES:** I am simply relating what people tell me as I go around and talk to them, and why people are leaving town ...

**Ms LAWRIE:** CPI is under 3%.

**Mr ELFERINK:** What? For Darwin or the Northern Territory?

**Ms LAWRIE:** Darwin.

**Mr ELFERINK:** There you go! After 4% for how long?

**Mr STYLES:** The issue is, minister, irrespective of what figures you want to give, there is anecdotal evidence out there as to why. People are simply saying they cannot afford it. That is probably a discussion

for a different day. You rightly pointed out that our strong dollar, the reduction in tourist numbers is having a big impact. I would ask that you consider looking at some sort of packages for small community groups. I do not know what they are saying to you, but they are certainly saying to me that they are struggling. I know, through previous exchanges we have had in the House, that what people tell you is apparently different to what they tell me. So we have ...

**Ms LAWRIE:** We have already given them tax concessions.

**Mr STYLES:** Some time ago your government placed a cap on the total number of gaming machines in NT clubs and pubs. Where are you at with any gaming machine transfer scheme, and what financial impact will that have on the NT government?

**Ms LAWRIE:** We are currently finalising the draft of the proposed trading scheme for the gaming machines. That will then go out for consultation with the sector. We will then come back in and make a final decision in terms of the trading scheme. We are close to a final draft at this stage for consultation.

**Mr STYLES:** Any idea when that is likely to occur?

**Ms LAWRIE:** In ...

**Mr STYLES:** I know you say you are close, but weeks, months, before Christmas?

**Ms LAWRIE:** Definitely before Christmas.

**Mr STYLES:** When you say it will go out for consultation, will that be to the public as well as service providers?

**Ms LAWRIE:** The first phase will be industry consultation to look at the workability of what we would propose and, ultimately, public consultation. We have created an industry gaming reference group, which is important, obviously, given the national debate on gaming, so when I am happy with a final draft, I will run that through the industry reference group first and foremost for their informed views on that. That will then come back into government. We will make a decision to then put that out to a broader consultation, but it is always good in terms of a trading scheme to test the workability of any proposed scheme with industry first.

**Mr STYLES:** I would accept that you may choose not to answer this, but I will ask it because it has been asked of me and requested that I actually ask this to you. What measures or plans are in place with clubs and hotels who want to sell or lease their gaming machines to other operators? Are you prepared to give any of that away at this point in time?

**Ms LAWRIE:** That will obviously be part of the trading scheme.

**Mr STYLES:** Yes.

**Ms LAWRIE:** There are a few different things you consider in any trading scheme. Clearly, there needs to be a regional-based scheme, and then there is that fundamental issue of whether we allow trade between venues, between pubs and clubs.

**Mr STYLES:** Do you see a lot of stamp duty changing hands in that process?

**Ms LAWRIE:** There are a few different models that you could take in terms of a trading scheme. I will obviously be discussing options on that with industry.

**Mr STYLES:** In relation to alcohol buy-backs, have there been any alcohol licence buy-backs to date and, if so, what was the financial impact on the budget?

**Ms LAWRIE:** Two licence buy-backs, both have occurred in Alice Springs. No impact on our budget. Funded by the Commonwealth.

**Mr STYLES:** So money going to come back, or are there any further funds for buy-backs from the Commonwealth?



**Ms LAWRIE:** The Commonwealth have funded for one further buy-back in Alice Springs which we are in the process of negotiating. We have finalised two. They have been signed off. The final one is in negotiations, and they are all fully funded by the Commonwealth.

**Mr STYLES:** Does ...

**Ms LAWRIE:** No intention for any further buy-backs.

**Mr STYLES:** Is that in the immediate future, or is that in the long-term future?

**Ms LAWRIE:** No, that is full stop.

**Mr STYLES:** Full stop. All right. In relation to racing, I note that in Budget 2010-11, Budget Paper No 3, \$12m was allocated to the racing industry. That figure has been increased to \$12.6m for the 2011-12 budget year. Can you explain the break-up of that allocation?

**Ms LAWRIE:** I am advised it is output group 5.2. Sorry, I have five and you have 11. It depends whether you want to skip around or follow the output groups. I am just conscious that the member for Nelson may have a few questions. We were on gaming machines.

**Mr STYLES:** We are just getting into Racing under what is now 11.1.

**Mr CHAIRMAN:** 11.1 is fine, but in relation to 11.2, we need to go to the member for Nelson first.

**Mr STYLES:** I still have some to go on 11.1. Minister, what is the amount of revenue you expect to raise in 2011-12 from Racing and Gaming?

**Ms LAWRIE:** You are talking in reference to Gaming 11.1?

**Mr STYLES:** I am actually talking about taxation revenue on page 283, Budget Paper No 3, under Lotteries, Gaming, and Wagering.

**Ms LAWRIE:** That is a question that goes to me as Treasurer, not under RGL.

**Mr CHAIRMAN:** Page 283 is in the taxation revenue, so we are on page 91 in Budget Paper No 3, if that is of assistance.

**Mr STYLES:** So, we do not want to discuss how much we reckon we are going to get from this portfolio.

**Ms LAWRIE:** That is Treasury. I told you that last year though.

**Mr CHAIRMAN:** The way we work here is, we have an agenda for the Estimates Committee, and the agenda for the Estimates Committee is Budget Paper No 3, and we break that up and number it, so we have an agenda to go by. We are currently at 11, which is Licensing, Regulation and Alcohol Strategy, which is pages 90 and 91 of Budget Paper No 3.

**Ms LAWRIE:** For example, the member for Nelson was asking me questions this morning on the corporate bookmakers' tax.

**Mr STYLES:** How do you discuss under the previous one, Community Benefit Fund under 10.4, and you discuss page 283 in that one?

**Ms LAWRIE:** The administration of the Community Benefit Fund falls under the Department of Justice. It comes within our grants.

**Mr STYLES:** All the figures you are discussing are on page 283, which is what the Chairman just said. It is just an interesting point we can discuss.

**Ms LAWRIE:** I let you know last year as well, member for Sanderson, that that was a Treasury question.

**Mr STYLES:** Things can swap and change.

**Mr CHAIRMAN:** Do you have a question for 11.1? I am just trying to ascertain. You have the call.

**Mr STYLES:** Minister, in relation to security guard licensing, can you please advise the average length of time it takes to obtain a security guard licence.

**Ms LAWRIE:** I will get Micheil Brodie to answer you because there is no data available, but he can explain the process.

**Mr BRODIE:** Thank you, minister. There are probably three things in security guard licensing that account for the length of a licence application. The first is that applicants are required to present criminal history checks. If they have always been an NT resident, that process is fairly quick and straightforward and can take just a couple of weeks to come through for the applicant. If they have lived in other jurisdictions, that sometimes takes longer, depending on the amount of pressure on the national criminal history check database and the applications flowing through that national system. That is not necessarily dependent on what is going on in the NT at a particular point in time.

That leads to the question about the relative complexity of the application. If someone does have a criminal history, then that significantly alters the time frame associated with an application and if that person has relevant criminal history, sometimes that means the commission will be required to refuse the application in the first place and then they need to go to the courts and make an application for an exemption from the courts in relation to that particular criminal history. So, the act requires the commissioner under specific circumstances to refuse an application, but the courts have discretion to decide to let that person into the industry.

From the point of view of someone with a straightforward application where there is no criminal history and they have given us all the information they need in the first instance, that can go through the system in a couple of weeks depending how long it takes them to get the criminal history check through and for us to get the certificates so that we can process it. Of course, some of the matters where there is a court matter needed can take a very long time to get through the system.

**Mr STYLES:** Obviously, there are reasons why we ask questions like this and there is a problem with some people who do not have criminal histories, who might have a traffic conviction or two. There is a problem there with a delay and, in some instances, it is quite substantial, some of them up to eight weeks.

**Ms LAWRIE:** It is pretty important from our perspective to make sure that due process is followed and appropriate levels of checks and balances are put in place because they do actually have some enforcement powers. You cannot short circuit that system.

**Mr STYLES:** That is all right, minister. I do not disagree with that but when you are talking about systems that can be put in place to speed that up, I have had some experience with being able to push those things through from time to time in a very quick manner. There are people out there whose jobs depend upon these checks, as there are with taxi drivers and a range of people who are being held up for weeks and weeks and cannot get a job.

**Ms LAWRIE:** If you are ever aware of any individual circumstances, you can contact my office. That would provide confidentiality for the person who has approached you. I would then pass that directly on to the agency.

**Mr STYLES:** Very good. That is all.

**Mr CHAIRMAN:** Questions to Output 11.1. Member for Nelson?

**Mr WOOD:** Minister, in relation to Budget Paper No 3, page 91, it says there has been a budget development of 30 alcohol management plans. Could you say where these 30 are located? Where are the 17 that were signed off in 2010-11 and who manages the plans? The Department of Justice or the Liquor Commissioner?

**Ms LAWRIE:** The Department of Justice in Racing, Gaming and Licensing and I will refer to Micheil Brodie for that answer as he is intimately involved in the work.

**Mr BRODIE:** Thank you, minister. The full list of 30 alcohol management plans or thereabouts is ...

**Ms LAWRIE:** I think you should table it.

**Mr BRODIE:** Yes. All right.

**Mr WOOD:** That would be easier.

**Mr BRODIE:** It certainly saves that problem.

**Ms LAWRIE:** It is a pretty lengthy list.

**Mr WOOD:** Because I am on a time limit, you see.

**Mr BRODIE:** Yes. So sign-off means the community has agreed to the document and committed themselves to participating and finding ways to make that work so that will always include: police, if they are located in that community; health clinics; and other key players like local government in that community. With each community, that shifts and changes depending on the nature of service providers and the nature of community organisations involved. Community sign-off means the community has said: 'Yes, we are willing to do these things and pursue this pathway'. That often then means there is also a requirement for government to engage some resources and do some things in order to support that plan. Those can sometimes be Commonwealth government matters and sometimes they are Northern Territory government matters and those things are negotiated as part of the process of sorting out the alcohol management plan and signing it off.

**Mr WOOD:** Now we spoke again about the strategic plan being about outcomes. What measurements have do you have to show that these management plans are producing positive outcomes?

**Ms LAWRIE:** Yes, Micheil?

**Mr BRODIE:** Thank you, minister. From the point of view of some of the bigger alcohol management plans like Alice Springs and Katherine, there have obviously been large-scale evaluations done of those and they are public documents. They have shown some improvement in circumstances in those communities - in the early stages of those plans, very substantial improvements.

For some of that longer list of communities we have just provided, each of those plans has a clear set of objectives and performance measures associated with them. If that local community has seen significant problems with the number of call-outs to a drinking paddock, the focus for that community will be on how they manage that issue and how they reduce the number of those call-outs for police. Each plan is very different in the way it attacks the problem. In each of those locations we facilitate local community groups - alcohol reference groups, we call them. Their job is to track the plan and ensure it is doing the things it was supposed to, and modify the plan as we go forward. That is, basically, the management task we undertake in relation to those plans.

---

### **Answer to Question on Notice No 1.3**

**Ms LAWRIE:** I have an answer to a Question on Notice No 1.3, so I will table that.

**Mr WOOD:** Can I ask questions about the Liquor Commission?

**Ms LAWRIE:** Yes, Licensing Commission.

**Mr WOOD:** Yes, Licensing Commissioner. He does the same thing, does he not? Minister, how many times since Christmas have liquor inspectors visited premises in Mitchell Street?

**Ms LAWRIE:** Licensing inspectors!

**Mr WOOD:** Licences premises in Mitchell Street, not just any old premises. Could you please show a record of the number, the names of the premises, and the dates and times visited?

**Ms LAWRIE:** On that, we do have a very detailed database which has that level of information on it. I am advised it would take weeks to extract that data information, member for Nelson. The next question then, obviously, we would need to work through is the confidentiality of the provision of that data. I am happy to offer a confidential briefing of that data for you. I know you have shown a particular interest in inspection activities in Mitchell Street.

**Mr WOOD:** The reason I ask the question - and it may be even a little simpler – is I have been told there have been very few liquor inspections of liquor premises.

**Ms LAWRIE:** No, they have operations pretty well every weekend - this weekend just gone by. What we have started to do is rotate inspectors across the regions so, more and more, we can undertake covert activity because, of course, using the same inspector on a regular basis, the licensees get to recognise them. We have undertaken a body of work lately which rotates our inspectors across regions so they are not recognised.

**Mr WOOD:** Will it show you the times they visit, so that they do not go down at 5 pm ...

**Ms LAWRIE:** No, they do all hours of the night, early morning. Quite deliberately, they do those inspections at times when we would expect to see potential breaches. I am aware of that work because I have industry on a regular basis come and complain to me about the activities of the licensing inspectors.

**Mr WOOD:** If I could take up in-confidence meeting to look at those figures?

**Ms LAWRIE:** Absolutely, we will get that organised.

**Mr WOOD:** Okay. In relation to casinos - I will step back one point. I have been looking at these figures in the report to the Minister for Racing, Gaming and Licensing. I just need to get an explanation - and I will tell you why I am asking this question as we go along. I am looking at page 16 in that document, under Table 11. I just need to get an understanding of what 'handle' and 'player loss' means? In this table, it says:

*Under 2009-10, the handle for poker machines is \$1 036 781 072; the player loss was \$87 126 562.*

Can you explain what those figures mean and how much has been spent and lost by poker machine people?

**Ms LAWRIE:** Micheil Brodie.

**Mr BRODIE:** The bottom line of it is that 'handle' means the amount of money that goes through our gaming machines. If you put \$10 into a gaming machine and press the button, whatever configuration that was - maybe your bet was \$1 - you then might win \$1.50 or you might win 50¢. As you play with that \$10, that original stake, you will do what is called turnover, or from a casino perspective, that will be handled - how much money does the player and the casino handle over time. That usually represents something like eight to 10 times the amount of money that is actually lost by a player. So, the player loss figure is the amount of money that is given up by consumers to the casino in the form of a revenue stream to the casino.

**Mr WOOD:** So the casino made \$87 126 562.

**Mr BRODIE:** Yes.

**Mr WOOD:** The reason I ask that, then I go over to another set of tables, Table 12, which gives you Lasseters Casino performance; it therefore made out of the poker machines in 2009-10 \$22 538 194. Why is it that Lasseters is asking for 100 more poker machines when it is already making \$22 538 194, much of which is from Indigenous people?

**Ms LAWRIE:** I cannot answer as to why. I can say I have had a meeting with Lasseters. I have indicated to them that the position of government is categorical. We do not believe it is acceptable for us to be seeing another 100 machines go into Alice Springs. That is very clearly the position of the Northern Territory government, and I have conveyed that in very clear terms to the management at Lasseters. I have indicated to them that I do have some leverage; whilst the casino licence agreements struck and entered into by the CLP do not have caps on gaming machines, I have other levers at my disposal which would give me the ability to negotiate and leverage with Lasseters. At this stage I am not going to flag the extent of that, because there are legal consequences to each of those, but I am categorical that this government will not accept 100 gaming machines going into Alice Springs.

---

**Answer to Question on Notice 1.4**

**Ms LAWRIE:** I will have the answer to Question No 1.4 around the native title for you, member for Nelson.

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

**Ms LAWRIE:** I will table that answer.

---

**Mr WOOD:** Another area of explanation I would like, in the same book, it relates to Alice Springs. It comes under wholesale alcohol supply. It is on page 34, Table 39, where it talks about the wholesale PAC. I was not sure what that meant? What does PAC in relation to supply of wine mean? Wholesale PAC, supply of wine, Alice Springs, and it shows figures from 2002 to 2009 for wine casks. From 2002 to 2004, the amount of wine casks was 38 336, up to about 34 317. Then there was a spike for two years up to 135 000, and then it came back to 16 000, 19 000, and it is now up to 23 000. What does that spike represent? Why is there a huge variation in the consumption of wine casks over two years?

**Mr BRODIE:** PAC is an acronym that stands for Pure Alcohol Content. This data is all reported, not in litres of beverage, but litres of alcohol in the beverage, so if a product is a 375 ml can of beer with 4.8% alcohol, then it reports as that lower percentage of alcohol, not the 375 ml. Predominantly, what you are seeing in that track of consumption of alcohol products, particularly wine casks in Alice Springs, is that, prior to 2005, that upswing is a variation driven by pure consumption patterns in the community.

**Mr WOOD:** Four times the amount in one year.

**Mr BRODIE:** Yes, it is difficult to say absolutely what drove that, but those are the things that anecdotally led the Licensing Commission to make the decisions that it did in controlling the availability of four-litre wine casks and the quantity of two-litre wine casks that were available in Alice Springs. It did that in 2007, and that is why you saw the crash in consumption of cask wine in that community.

**Mr WOOD:** Minister, if you take the figures from 2007 to 2009, it nearly halved the consumption of pure alcohol from 2006. I will give you the figures – 2006, 184 866 PAC of total wine, and in 2009, 86 740 PAC. Do you see a similar drop off in violence in relation to those drastic decreases in wine consumption?

**Ms LAWRIE:** No, there is not a direct correlation between a reduction in pure alcohol content sales and the crime statistics. There are other influences brought to bear in the crime statistics area. For example, around the same period, we were seeing increasing numbers of police in Alice Springs. In some areas, you will get a shift to spirits, for example, or an increase in cider sales, so it is not a direct correlation.

**Mr WOOD:** I know I have limited time, so I might quickly go into questions about the banned drinker register, if that is all right?

**Ms LAWRIE:** What we did see during that period, to be fair, was about a 21% reduction in serious assaults; those particularly violent trauma cases that go into your accident and emergency of Alice Springs Hospital. That is a figure that came out in an evaluation undertaken by Menzies into the alcohol management plan.

**Mr WOOD:** I obviously need more time to evaluate some of those figures. In relation to the banned drinker register, minister, how much is it expected to cost to administer? I might ask you a range of questions and maybe you can answer them all. Where is that cost in the budget? How much will the card swipe system cost to install and maintain? What happens if a machine breaks down? Can the bottle shop still ...

**Ms LAWRIE:** Is this 11.3? We can deal with it at 11.3 as the last output.

**Mr WOOD:** It does not come under licensing as such?

**Mr CHAIRMAN:** Alcohol Reform Program.

**Mr WOOD:** I can see that. I can wait until 11.3.

**Mr STYLES:** Before you go off that, Mr Chairman, in Budget Paper No 3, Alcohol Reform Program actually sits under and after 11.2, but the actual figures are sitting back in 11.1.

**Mr CHAIRMAN:** On page 92, after Licensing and Regulation grants, and that is how we have it in the order of the outputs. We have Licensing and Regulation grants 11.2; Alcohol Reform Program 11.3; over the page, Alcohol Reform program. So it follows the same order.

**Mr STYLES:** But the figures for the Alcohol Reform program is sitting back and I want to ask a few - is the minister happy to...

**Mr CHAIRMAN:** That is the list of all three outputs. See how it says Licensing, Regulation and Alcohol Strategy, then it says Licensing Regulation Grants, then it says Alcohol Reform Program. That is the agenda.

**Mr CHAIRMAN:** We are at 11.1, and the member for Nelson has just finished, and we are now going to 11.2, which is your call.

**Mr STYLES:** In relation to 11.2, minister, in relation to the \$12m 2010-11 year and the budget \$12.6m. Can you enlighten me briefly on the break up of that please?

**Ms LAWRIE:** For the 2010-11 financial year, for Thoroughbred Racing NT: of the \$11.17m, \$10.5m to operational, \$650 000 to capital, \$20 000 to non-registered clubs, and a further payment to the Darwin Greyhound association of \$451 000 operational, capital of \$45 000, and they got \$1.4m in a one-off project to fix up a whole lot of things that were about to fall over. Kennels, starter's box – one-off to repair some dilapidated gear out at the greyhounds. They were very appreciative.

**Mr STYLES:** In relation to the Darwin Greyhound Association, is there any anticipated future funds going out there. There is still a lot of work to be done on infrastructure. In fact, right across the racing industry there is a huge cry out for infrastructure but you say that is just a one-off and that is it.

**Ms LAWRIE:** It definitely was a one-off. They understood it as a one-off and, like any organisation, I am sure, from time to time they will come forward with a request. It will be considered on its merits at the time. They were incredibly appreciative of the \$1.4m one-off we gave them.

**Mr STYLES:** I have no doubt, they are. There is also a need at the Fannie Bay racetrack for infrastructure. In fact, right throughout the Territory, as I have travelled and spoken to people, they are begging for infrastructure to increase their amenities so they can actually generate more wealth within that industry and also pay some more tax.

**Ms LAWRIE:** The industry, with regard to thoroughbred racing, has said to me that they are extremely appreciative of the \$66m five-year funding package that we have signed off for the industry. It gives them the five-year certainty that they need to grow the industry. They recognise that they do not want to continue to come 'cap in hand' to the government, for their capital requirements. They are master planning their capital requirements. I have indicated that I want to see the outcomes of the master plan and, indeed, the business plan they have to support any additional request for capital. They know I have been a minister with a constructive working relationship with them and I will continue to have a constructive working relationship with them but they also know they have a responsibility to get their own house in order, to take advantage of the opportunity that the industry has in terms of its locality to Asia. They are doing a great deal and we will continue to work constructively.

**Mr STYLES:** I notice that there is roughly about a 5% increase. There are no plans; the information I have is that the whole industry needs a substantial amount of money right across the Territory to be spent. I hear you say that there is \$66m over five years.

**Ms LAWRIE:** \$6.7m, yes.

**Mr STYLES:** In relation to bush race meetings, I note that the budget paper says there was 127 meetings. Racing in regional and rural Northern Territory has a huge impact on the social fabric. My information is that there is insufficient money in the game to actually increase the number of race meetings in country areas.

**Ms LAWRIE:** We are providing \$20 000 to non-registered clubs.

**Mr STYLES:** I am sure they really appreciate that, and if I was in those clubs I would tell you how much I appreciated it.

**Ms LAWRIE:** I look forward to your announcements next year, in the lead-up to the election, in what you will be funding for racing because there was not any in the last election. None. They were not on your radar. Ask the racing industry which government has given them the most support. Ask them. They are saying that the Labor government has given them the most support in the sustainability of the industry.

**Mr STYLES:** That is an easy statement to say when your budget over the last 10 years has increased substantially. I think you could say that with anything really. You have given more money because you have had more money to give. That is a no-brainer really.

**Ms LAWRIE:** Make some promises at election time for the first time and we will cost them.

**Mr STYLES:** That is all I have in 11.2, Mr Chairman.

**Mr WOOD:** Just a point of clarification under the annual report for the Licensing Commission. On page 21, it talks about the gaming tax for hotels and the figure next to it is community benefit levy. Those two figures are stand-alone figures? You add the two together and that is how much has come from?

**Ms LAWRIE:** That is right.

**Mr WOOD:** Yes. That is the figure we will obviously see go down this year.

**Ms LAWRIE:** Yes.

**Mr CHAIRMAN:** That concludes Questions to 11.2.

### **Output 11.3 – Alcohol Reform Program**

**Mr CHAIRMAN:** We now proceed to Output 11.3 Alcohol Reform Program.

**Mr STYLES:** Minister, how many prohibition orders have been issued in Alice Springs in the past 12 months please?

**Ms LAWRIE:** One hundred and sixty-six.

**Mr STYLES:** Can you tell us how many attempts to purchase alcohol have been denied over the past 12 months?

**Ms LAWRIE:** The Alice Springs ID system refusals for the period 1 July 2010 to 31 March 2011 have been 1405 attempts to exceed product restrictions refused. I have some Katherine data if you want them.

**Mr STYLES:** Yes, that would be good too, thanks.

**Ms LAWRIE:** Attempts in the Katherine ID system refusal, same period 1 July 2010 to 31 March 2011, attempts by persons on court-based restrictions refused, 63; attempts to exceed product restrictions refused, 3454.

**Mr STYLES:** That is interesting, when the assaults have gone up in both Alice Springs and Katherine.

**Ms LAWRIE:** Thank God there were that many refusals.

**Mr ELFERINK:** Not quite how it works. This is supposed to lower that rate.

**Mr STYLES:** All the rhetoric is we reduce the alcohol consumption and we take it out of these people's hands, and we reduce the number of assaults ...

**Ms LAWRIE:** And you have a question? Have you a question?

**Mr STYLES:** Minister, have these purchase denials had any measurable impact on the level of alcohol sales in Alice Springs - in relation to the Alice Springs numbers obviously?

**Ms LAWRIE:** With 1400 refusals of two-litres, there is 2800 alcohol litres of wine that was not sold.

**Mr STYLES:** Sounds like a guess, that one.

**Ms LAWRIE:** I do not have the data in front of me; I am doing the calculations on the run.

**Mr STYLES:** We cannot measure the impact? Right. Has there been any attempt to actually measure that impact?

**Ms LAWRIE:** We did an evaluation of the Alice Springs Alcohol Management Plan which the Menzies report showed the 21% reduction in serious assaults.

**Mr STYLES:** Are you saying there is a 21% reduction in serious assaults in Alice Springs as a result of this?

**Ms LAWRIE:** The Menzies report that evaluated the alcohol management plan for the period 2006 to 2008 ...

**Mr STYLES:** 2006 to 2008.

**Ms LAWRIE:** ... showed a 21% reduction in serious assaults in Alice Springs. It is an interesting commentary that doctors from the Alice Springs Hospital came out and supported that data, and said there had been a reduction in stabbings coming through A&E.

**Mr STYLES:** That is 2006 to 2008?

**Ms LAWRIE:** That is right.

**Mr STYLES:** What about between 2008 and current to date?

**Ms LAWRIE:** There has not been a further evaluation.

**Mr STYLES:** What about the crime statistics?

**Ms LAWRIE:** We have moved past the crime statistics period. Department of Justice ...

**Mr STYLES:** You are saying that between 2006 and 2008 we have had a 21% reduction, yet when I ask you about the crime statistics between 2008 ...

**Ms LAWRIE:** I am talking about an evaluation undertaken by Menzies on the Alice Springs Alcohol Management Plan.

**Mr STYLES:** The crime statistics tell a different story to your reduction and how great that is. I will take that as 'we do not really know'.

How many occurrences have there been of individuals taken into productive custody three times in six months or more over the past 12 months throughout the Northern Territory?

**Ms LAWRIE:** That is police data, you should ask the minister for Police.

**Mr STYLES:** But this is about alcohol policy.

**Ms LAWRIE:** That is right, but you are asking a police data question.

**Mr STYLES:** So you will not even take that on notice?

**Ms LAWRIE:** It is police data.

**Mr STYLES:** Okay.

**Mr CHAIRMAN:** You need to direct the question to the minister responsible for the expenditure.

**Ms LAWRIE:** You should know you that, you are former police officers.



**Mr ELFERINK:** We hopelessly expect that the minister for Justice might care.

**Ms LAWRIE:** You should know that the police keep the protective custody data. You should know that one.

**Mr CHAIRMAN:** I might just remind people on the test of relevance. Any questions going to the operations or financial positions of the departments and agencies who seek funds in the estimates are relevant questions for the purpose of Estimates hearings, so obviously that comes under the operations and financial action of a different minister, and the witnesses that are present would obviously have information for their particular agency and what they particularly do.

**Mr ELFERINK:** We get it, we understand, Mr Chairman, and know an obfuscation when we see one.

**Mr STYLES:** I suppose if I asked the question, how many individuals over the past 12 months have been summonsed or charged in relation to alcohol-related offences, I would get the same answer?

**Ms LAWRIE:** That is right.

**Mr ELFERINK:** Do you care?

**Ms LAWRIE:** Are you a fool?

**Mr ELFERINK:** No, do you really care about this stuff?

**Ms LAWRIE:** Do you seriously ask that question?

**Mr ELFERINK:** Do you care?

**Ms LAWRIE:** You are a fool.

**Mr ELFERINK:** You would care to find out, would you not, as the Justice minister? This is your policy.

**Ms LAWRIE:** I know exactly what the data sets are, but it is with the police.

**Mr ELFERINK:** Why do you not table them and stop being difficult.

**Ms LAWRIE:** Because we have a set of standing, no, no, I do not have a problem with the answers. I have been all over the data sets, I have actually constructed reforms around understanding data sets, but clearly, we have a set of standing orders about how Estimates operates and I am not going to deviate from that because I set the format for ministers going forward. I am not embarrassed by the answer at all.

**Mr ELFERINK:** You should be embarrassed by the answer.

**Ms LAWRIE:** I have been out there publicly discussing on numerous occasions, you clearly were not paying attention in Question Time in parliament on all the occasions I have mentioned the numbers.

**Mr CHAIRMAN:** I was going to suggest that the committee could continue to argue over the process or the shadow could ask the question of the output.

**Mr STYLES:** Minister, you have budgeted for 150 completed treatment orders. How many of these orders do you predict will include residential treatment components?

**Ms LAWRIE:** We will not have a breakdown in terms of residential treatment because it is based on the needs of the clients, so the tribunal will determine the treatment needs around the individuals. The advice I have received from clinicians in creating the model is that some will have ambulatory case management treatment models around them that deal with primary health care intervention; some will be better suited to rehabilitation programs per se, some may need residential, some may need day program. It goes to the individual and the clinical assessments made around the individual.

**Mr STYLES:** I note under the key deliverables on page 92, Budget Paper No 3, the number of alcohol bans issued, the projection is 2300. I have been given a figure at briefings that they are looking at about 800 absolute habitual drunk problem people in the Territory. If you give those people three or four notices

each, we have automatically got to 2400 with three notices, and out of that it is anticipated that we will get 150 treatment orders. Do you think that is a little bit underestimated?

**Ms LAWRIE:** No, we have worked through the KPIs across several agencies, obviously getting advice from the Department of Health, so that is the view of the agency in terms of the KPIs.

**Mr STYLES:** I sincerely hope they are right.

**Ms LAWRIE:** There is a six-month period where we have bans being issued without the tribunal in operation, so I think that is fairly close to the money.

**Mr STYLES:** How many residential treatment beds are currently in the system in the Northern Territory?

**Ms LAWRIE:** If you include sobering-up shelter, there is over 300.

**Mr STYLES:** When we talk about treatment beds and sobering-up shelters, are you saying they are the same thing, because I am looking at treatment beds, not sobering up shelter beds?

**Ms LAWRIE:** I do not have that data with me. The Department of Health will have that.

**Mr STYLES:** How many extra beds will be provided through the new era in Corrections capital works?

**Ms LAWRIE:** New Era is a Corrections initiative. You will have to ask the minister, Gerry McCarthy, minister for Corrections.

**Mr STYLES:** In your portfolio, regarding the alcohol reform stuff you talk about, you have no idea how many extra beds will be provided for the use of your department?

**Ms LAWRIE:** No, I exactly know the numbers, but they are for other ministers to respond to.

**Mr STYLES:** In relation to the banned drinker's register, minister, for those parts of the Territory where an identification checking system already exists with regard to the purchase of takeaway alcohol, how will the banned drinker's register interact with that system?

**Ms LAWRIE:** We are going to initially go for complementary database systems because we recognise the permit system has been effective in those areas. They have local permit committees and we do not want to crash in against that, which is an integral component of the alcohol management plans, so will we have a complementary database system. We will see how that rolls out.

**Mr STYLES:** Can you briefly explain how that is going to work in relation to ensuring that the integrity of the two systems are kept separate, because one records volumetric consumption, I believe?

**Ms LAWRIE:** There is a good example in Alice Springs. There literally are two database systems and, Anne Bradford, could I get you to explain how those technology systems are both integrated but separate databases.

**Mrs BRADFORD:** When someone goes into a takeaway outlet, as the console operator looks at the screen during the scan of the ID, there will be a button they push to say is this part of a permit system. As soon as it goes there, it goes to a separate location.

**Mr STYLES:** The current system records data about the volume of alcohol sales purchased by an individual ...

**Ms LAWRIE:** No, not in the permit areas. In Alice Springs and Katherine, where there are supplier restrictions in place, yes. But, in the permit areas; for example, Nhulunbuy and Groote, no.

**Mr STYLES:** In the alcohol management plan areas; for instance, Alice Springs ...

**Ms LAWRIE:** No, it does not record volume, it records whether or not they have bought that restricted product that day. It does not record volume, it records whether they have bought that restricted product that day, because the product restriction is that they can only buy it once that day.

**Mr STYLES:** How long is that data retained?

**Ms LAWRIE:** Twenty-four hours.

**Mr STYLES:** Then it is dumped? We have an assurance that the new system is quarantined from the old system to give assurance that no data will be recorded by the banned drinker's register?

**Ms LAWRIE:** That is right.

**Mr STYLES:** How much longer will the scanning process take in those towns where the dual system will operate?

**Ms LAWRIE:** No additional time. It is the one scan, less than seven seconds, I have timed it.

**Mr STYLES:** Minister, will the banned drinker's register record data about banned individuals who attempt to purchase alcohol.

**Ms LAWRIE:** No.

**Mr STYLES:** Can you tell me how much is it costing for the advertising campaign regarding the introduction of the banned drinker's register?

**Ms LAWRIE:** We are in the midst of the campaign, so the final figures are not in.

**Mr STYLES:** No idea at all at this point in time?

**Ms LAWRIE:** We are in the midst of the campaign. It is not unusual to be in the midst of a campaign and not have final figures in.

**Mr STYLES:** Is there any budgeted ...

**Ms LAWRIE:** What we do know is that alcohol related harm causes the Territory \$642m per annum, so a comprehensive public awareness campaign to inform people of the most comprehensive changes in the nation's history to the sale of alcohol, is probably worth the expenditure.

**Mr STYLES:** Thanks, minister. There are obviously some unintended consequences of the requirement to have photo ID scans to obtain alcohol.

**Ms LAWRIE:** Such as?

**Mr STYLES:** I will get to those. But before we do that ...

**Ms LAWRIE:** Is that the good looking woman who leaves the bottle shop who could be stalked scenario that you had on radio, which is wrong, because the scanning system and the banned drinker register monitor does not show up their address. It is name and date of birth, not their address. So your stalker scenario is wrong.

**Mr STYLES:** Okay.

**Mr ELFERINK:** Is there an address on your driver's licence?

**Ms LAWRIE:** Yes, but the system, the monitor, does not show up the address.

**Mr ELFERINK:** But if someone reads it before they put it in the machine ...

**Ms LAWRIE:** It is like going anywhere where you have to show ID, someone could read it. Really, it was a bit of a stretch to have the stalker scenario. It was a little irresponsible.

**Mr STYLES:** When you say it is wrong ...

**Ms LAWRIE:** Then again you did say that there is a negligible link between crime and alcohol. Unbelievable!

**Mr STYLES:** No, no, no. You have taken that out of context.

**Ms LAWRIE:** And then a couple of weeks later when Tony Abbott said there was a clear link, you had to issue a media release correcting yourself.

**Mr STYLES:** Mr Chairman, I am trying to ask a question here and the minister is just ...

**Mr CHAIRMAN:** Shadow, you have the call and you may ask a question.

**Mr STYLES:** Thank you, Mr Chairman. Given that you have made the statement that it is wrong, if a young lady is sitting in her car, or a person is sitting in a car, and hands their driver's licence over to take to the scanner the person obviously needs to look at that licence for a couple of reasons. One is because if I go in there and I take someone else's licence in there, are you telling me that they are not going to actually look and check that driver's licence?

**Ms LAWRIE:** What they do in that scenario is look at the photo to make sure that the photo matches up with the face of the person sitting in the car so there is a visual photo check. They take the licence. They put it through the scanner. Up on the monitor appears name and date of birth, not address. Name and date of birth.

**Mr STYLES:** So if I had a driver's licence out of the state ...

**Ms LAWRIE:** You are clutching at straws to try a scare campaign around bottle shop attendants becoming stalkers. You are seriously clutching at straws.

**Mr STYLES:** It is a shame, minister, that I only have a number of minutes left but I will take it up again with you in debate further because ...

**Ms LAWRIE:** I look forward to it.

**Mr STYLES:** ... I think there are many people out there ...

**Ms LAWRIE:** And I am going to let all those bottle shop attendants out there know that you think they are stalkers.

**Mr STYLES:** ... who have enormous concerns. There are many things that go on out in the world that you do not understand, and it would be interesting one day to have the debate to give you some of that information. Anyway, we will move on.

**Ms LAWRIE:** No wonder you only were a school-based constable.

**Mr STYLES:** I take offence at that, minister. There is a reason why I remained a school-based constable because I had three kids to raise on my own and I find it offensive that you said that.

**Ms LAWRIE:** You should hear what the kids at Sanderson say how you were.

**Mr CHAIRMAN:** Can I suggest that we take a moment and return to output 11.3? Shadow minister, if you want to ask the question.

**Mr STYLES:** Thank you, Mr Chairman. In relation to this ID stuff that we have, what happens in relation to people such as military, police, intelligence agencies, etcetera? Same thing?

**Ms LAWRIE:** The same as every other member of the public.

**Mr STYLES:** When they want to buy alcohol on the way home or whatever, they do not have to, at this point, show ID. From 1 July, they will. I have been contacted by many people ...

**Ms LAWRIE:** Hang on a second. Under the Territory's traffic laws, you have to have a driver's licence on you to be driving on the road in the first place.

**Mr STYLES:** Correct.

**Ms LAWRIE:** And this system takes driver's licences.

**Mr STYLES:** That is correct.

**Ms LAWRIE:** So they just show their driver's licence like everyone else.

**Mr STYLES:** But they have addresses on there and they don't want that sort of stuff, so what do they have to do, minister?

**Ms LAWRIE:** Show their ID like anyone else.

**Mr STYLES:** They normally only have to show their driver's licence to police upon demand and they have to carry it. They do not have to produce it.

**Ms LAWRIE:** They do not have to show it if they check in at Qantas?

**Mr STYLES:** No, they can use some other form of identification.

**Ms LAWRIE:** They show it like everyone else. You know what? We have had discussions with Defence and they have not raised any concerns. You are the one raising this concern, not Defence. Anne Bradford, do you want to inform the shadow spokesperson on discussions with Defence?

**Mrs BRADFORD:** In fact, a number of discussions were held with both COM NORCOM and the Brigade Commander and both have expressed a desire to support the initiative and are very comfortable that no separate ID would be for Defence personnel.

**Ms LAWRIE:** Okay. So, a completely different view from COM NORCOM and Brigadier Robbo to your own self there.

**Mr STYLES:** It would be interesting to see how some of the people in very sensitive intelligent areas - I am sure the average AJ probably does not have a problem with that ...

**Ms LAWRIE:** I back Commander NORCOM and Brigadier.

**Mr STYLES:** He probably does not have a problem with that. Do these ID scanners detect expired driver's licence, etcetera?

**Ms LAWRIE:** No.

**Mr STYLES:** They do not. For instance - and this comes from employees - if there is a fraudulent use of driver's licences, are they responsible in any way?

**Ms LAWRIE:** No.

**Mr STYLES:** Good. If you put in an expired licence or something in the ID scanners, and something happens to these people when they drive out of the hotel, is there any obligation on the employees to report - apart from a general requirements that if someone is obviously drunk, then they should take it as a good community person to ring the police and remind them of that. If they see that the licence is expired and people drive off, is there any requirement on them to do anything further other than just understand that?

**Ms LAWRIE:** Not as a consequence of these reforms.

**Mr STYLES:** Minister, information is that the banned drinkers register will operate via the IJIS system. This is the same system that includes the person's details in regard to court suspension for drink-driving, etcetera. The Department of Justice also has access to MOVERS, the Motor Vehicle Registry database, which contains the data on status of a person's licence, so one would assume the scanning process will include all of the above factors ...

**Ms LAWRIE:** MOVERS is a separate database.

**Mr STYLES:** Thank you. Where does the banned drinkers registers get its ID from for the person? Where does that come from? Is that straight off the BAT notice?

**Ms LAWRIE:** Yes, off IJIS.

**Mr STYLES:** There are problems with people having multiple IJIS numbers and identities - same person. There can be up to two or three. Some people - half a dozen different identities. Which one will this one be linked to?

**Ms LAWRIE:** Anne Bradford, do you want to talk on the technical aspects of this system?

**Mrs BRADFORD:** You are absolutely right; there are some data corruption issues with names, especially with some of our Indigenous people. The aim will be that the first time someone goes through the system, if there is a confusion with the ID and the name, it will come up with, 'you can proceed with the sale', but the licensee or the person at the takeaway outlet is able to correct any incorrect spelling or things like that which is misread by the scanning device.

**Mr STYLES:** So there are some issues in relation to that; that this could take longer than seven seconds?

**Ms LAWRIE:** Only if they want to go in and do that manual entry. I get where you are going. We saw this campaign scaremongering on the scanning in Alice Springs and Katherine prior to ID going in there. It did not work because most people, very quickly within weeks of those systems being in place, understood the scaremongering around the length of time for ID swipes was literally that: just scaremongering; it had no substance to it.

**Mr STYLE:** Minister, there is information that approximately 1200 to 1500 new IDs have been created just on the IJIS system alone. You do not think that it is a legitimate question to ask, or you are just doing scaremongering?

**Ms LAWRIE:** I am just pointing out that if you want to do scaremongering, it has been proven to be scaremongering in Alice Springs and Katherine. That ID system is in place there.

**Mr STYLES:** Proven to whom? I do not know.

**Ms LAWRIE:** The community there.

**Mr STYLES:** Mr Chairman, I believe the member for Nelson has a question.

**Mr CHAIRMAN:** Member for Nelson, questions to Output 11.3, Alcohol Reform Program.

**Mr WOOD:** Thank you, Mr Chairman. Having done the nightclub tour, I had to hand my licence in and have my photo taken to go into Discovery. I thought at my age I should have been safe but obviously ... It does happen and the kids were all lined up with their licences, I must admit ...

**Ms LAWRIE:** And the older ones.

**Mr WOOD:** Yes, and the older ones.

**Ms LAWRIE:** And the Defence guys.

**Mr WOOD:** I would like ask a few more questions on the scanner. Do you have any indication of how much the scanner system is going to cost to install and maintain?

**Ms LAWRIE:** In terms of capital, our estimate is \$4.9m.

**Mr WOOD:** That is for the scanners?

**Ms LAWRIE:** Yes.

**Mr WOOD:** Any idea of installation and maintenance costs?

**Ms LAWRIE:** I will take the maintenance costs on notice. We are extrapolating out the maintenance costs currently for Alice Springs and Katherine.

---

**Question on Notice No 1.7**

**Mr WOOD:** Could the minister provide information on the cost of installing and maintaining, and the cost of the equipment, the scanner systems, in hotels in the Northern Territory?

**Mr CHAIRMAN:** That is question No 1.7.

---

**Mr WOOD:** What happens if the scanner breaks down, can the bottle shops still sell liquor?

**Ms LAWRIE:** Yes, they can.

**Mr WOOD:** Will drinkers need to swipe their ID inside the pub if they want a drink across the bar?

**Ms LAWRIE:** No, they will not.

**Mr WOOD:** Okay. Can a pub ask for that voluntarily?

**Ms LAWRIE:** Alice Springs, three licensees have as a result of the adverse publicity they got, being described as animal bars. They are obviously under a fair amount of pressure, including a Licensing Commission hearing, so they volunteered to put ID scanners on premise. I have been on the public record as saying it is not the intention of this government to do that across the Territory, that they are exceptions, not the rule.

**Mr WOOD:** When I was on Bathurst Island this year looking at the housing, I was approached by a Tiwi who was banned at Milikapiti who was complaining he would not be able to drink in Darwin. How will you connect a ban on the Tiwi Islands with the banning notices that you are bringing in on 1 July 2011?

**Ms LAWRIE:** Micheil Brodie.

**Mr BRODIE:** The Banned Drinker Register itself is capable of receiving bans from a range of different sources. If a licensee has used section 121 of the *Liquor Act* to make that ban, say at the Milikapiti Club or at Nguui Club, then that can flow through into the BDR. Where an inspector makes the decision to apply that ban more broadly, it can even apply in the Darwin region, based on an accord or something like that. So, from the technology itself, it is certainly capable of supporting that kind of wider area ban for an individual if that is warranted.

**Mr WOOD:** So it is not automatic?

**Mr BRODIE:** The tribunal could do that as well, so the tribunal might make a ban for a range of areas in relation to particular venues, but no, it is not automatic in terms of the flow through of those bans if it is under the *Liquor Act*. But if it is a ban that is been made out under either SMART or PACSM, and those are the two new pieces of legislation that have been introduced just recently, then obviously those bans are Territory-wide and operate automatically.

**Mr WOOD:** So if a policemen gives a banning notice to someone on Milikapiti, that is Territory-wide?

**Ms LAWRIE:** Yes.

**Mr WOOD:** If the club gives a banning notice, then that is subject to a decision by the Liquor Commission?

**Ms LAWRIE:** Tribunal.

**Mr WOOD:** Tribunal.

**Mr BRODIE:** That depends. It might be that the police officer makes a referral, or the club makes a referral to the tribunal, and the tribunal then makes a ban that would be Territory-wide. If the club decides they want to ban that person from the club for a period of time, they would use section 121 of the *Liquor Act* to do that. That would normally only apply to the club itself, but they can certainly communicate with the inspectorate to get that ban made more widely in the community. So you might want to pick up all of the

Tiwi clubs because of the mobility of that person, or if there is a suspicion that they are going to come into Darwin, there might be specific venues in Darwin where that person could be picked up under a ban as well.

**Mr WOOD:** Could the club go to the local police officer and ask for that ban to apply?

**Ms LAWRIE:** Yes, the club can go to the local police officer. The police officer can make a referral to the tribunal, the tribunal can apply the ban Territory-wide.

**Mr WOOD:** The police officer does not apply the ban, they have to go to the tribunal?

**Ms LAWRIE:** They advise the tribunal. Unless there is an infringement-related, an offence-related, a criminal offence.

**Mr WOOD:** In relation to liquor shop attendants. There is probably going to be a bit of argy bargy when this comes in. What support will government give to making sure the people on the front line are looked after and supported?

**Ms LAWRIE:** Good question. There is a training program being rolled out to all liquor outlets affected and all staff are being trained. There is a twenty-four hour call number being set up. There is point of sale information; hand out materials, as well as posters and a manual.

**Mr WOOD:** How will you know, if you have a takeaway place down the back end of nowhere, that the person there is actually bothering to swipe the cards?

**Ms LAWRIE:** Because the system reads the activity on the system. It reads when the power is down, for example. It reads the activity on the system. Based on the activity on the system, licensing inspectors will obviously have a view as to whether or not they need to undertake some inspections.

**Mr WOOD:** Are you talking about power failure? What I am saying is ...

**Ms LAWRIE:** Actually activity as well.

**Mr WOOD:** If someone deliberately does not ask for ...

**Ms LAWRIE:** They can match it against wholesale sales data as well.

**Mr WOOD:** So they would expect to see.

**Ms LAWRIE:** Absolutely.

**Mr WOOD:** How do you match something that does not record it? If you are not a banned person and the proprietor has not swiped the card. Even though the person is not banned, you have to swipe it for everybody.

**Ms LAWRIE:** If a licensee is not swiping the cards, but just selling. Is that the scenario you are talking about?

**Mr WOOD:** Yes.

**Ms LAWRIE:** Wholesale data.

**Mr WOOD:** If they have not actually sold it to a person who is banned, the only offence is they have not swiped the card.

**Ms LAWRIE:** That is right.

**Mr WOOD:** How would you know what they bought if there is no register of that person?

**Mr BRODIE:** The system itself does not track individual purchase data. But, it can certainly detect information transiting between the two points in the system. From the BDR located at a central place and the point of sale device in the licensee. The licensees do not report their wholesale data. That comes from their wholesaler. If they are selling alcohol, but there is no transactions on the system, that will give us a



sense that there is a variation between what they are selling or what activity they are engaged in, in those two systems, and that would be a trigger for us to investigate further in relation to the activity of that licensee.

In places like Alice Springs and Katherine, where the system exists now, there have been circumstances where we identified licensees who were not swiping, and they have been in front of the Commission. It is not an impossible task to detect these things and the systems are there to follow that up.

**Ms LAWRIE:** On the whole, most licensees do not circumvent the system.

**Mr WOOD:** Just moving onto another area, the SMART court, does that come under here in relation to alcohol reform program? When I say does it ...

**Ms LAWRIE:** The policy setting is here, but the operation of the court comes under the courts.

**Mr WOOD:** It is a bit hard to separate those two. This was more about, minister, you may or may not answer, but I was thinking the SMART court was giving people who had committed an offence involving alcohol the opportunity to either go to prison or do a rehabilitation course. I think you said in public that that would include sex offences or violence offences?

**Ms LAWRIE:** Would not include them - no.

**Mr WOOD:** But would it not depend, in the case of violent offences, on the relativity of the violent act.

**Ms LAWRIE:** It picks up very low-levels assaults, does not pick up aggravated assaults. Aggravated assaults are excluded because they are violent offences.

**Mr WOOD:** I must admit, minister, I did not hear that in the debate.

**Ms LAWRIE:** Low-level assaults are in. Aggravated assaults, which are violent offences, are out.

**Mr WOOD:** Thanks.

## **OUTPUT 12.0 – WORKSAFE**

### **Output 12.1 – Regulation of Occupational Health and Safety**

**Mr CHAIRMAN:** The committee will now proceed to Output Group 12.0 - WorkSafe, Output 12.1 - Regulation of Occupational Health and Safety.

**Ms LAWRIE:** Thank you, Mr Brodie. I introduce the Director of WorkSafe, Laurene Hull.

**Mr ELFERINK:** Minister, I want to start where we left off last year and I know it seems such a minor thing but in relation to some questions that were asked last year by the member for Fong Lim, there was an issue with a receptionist being available. Has that issue been remedied at this stage?

**Ms LAWRIE:** Laurene Hull.

**Ms HULL:** There are eight people in our organisation responsible for answering reception calls and attending to front counter inquiries.

**Mr ELFERINK:** So, there is not a specific receptionist. It is the business of the buzzer still out the front and people picking up whatever comes to the counter.

**Ms HULL:** We have enhanced security at WorkSafe as we do in many other buildings with public servants throughout the Northern Territory. We now have a little telephone arrangement, or we have a buzzer, so there are two options.

**Mr ELFERINK:** So there is no actual receptionist. There is someone in the office and whoever is there picks up the phone, or the buzzer, or whatever?

**Ms HULL:** There are eight people responsible for answering the phone or the buzzer.

**Mr ELFERINK:** Okay. If memory serves me, that was a recommendation of a report. What was that report called again? The Bellin Report or something?

**Ms HULL:** Yes, there was a report called that.

**Mr ELFERINK:** Was that one of the recommendations in the Bellin Report?

**Ms HULL:** I am not sure. I would have to check on last year's. I think it was provided to you; recommendations were provided in response to a Question on Notice last year.

**Mr ELFERINK:** Just jog my memory. What was the Bellin Report about again?

**Ms HULL:** There was a report. Bellin is a consultant who was hired to assist with, I guess, change management processes at WorkSafe.

**Mr ELFERINK:** I see, and what were the results of that consultancy?

**Ms HULL:** The result was the report which was provided in answer to a Question on Notice last year.

**Mr ELFERINK:** That the report was provided?

**Ms HULL:** The recommendations from the report were certainly provided.

**Mr ELFERINK:** Okay. What about the report itself? Is that available?

**Ms HULL:** The report was the subject of a freedom of information application recently made. I think you made that application.

**Mr ELFERINK:** If memory serves me, it is either that or a Question on Notice, but it may well have been a freedom of information application.

**Ms HULL:** I am not sure if you made that personally, or not. Ah, Opposition Leader. So that is being handled through that freedom of information process.

**Mr ELFERINK:** I see. Okay. So, what was the upshot of that report?

**Ms HULL:** The report made a range of recommendations, including as to organisation, as to training for staff and I just checked on the information that was provided last year and, yes, there was a recommendation to hire a receptionist.

**Mr ELFERINK:** So why has that not been done?

**Ms HULL:** Because the recommendation was not accepted.

**Mr ELFERINK:** I thought there was a commitment last year in this place to accept those recommendations. I will see if I can find it.

**Ms HULL:** Many recommendations were certainly accepted but that was not one of them.

**Mr ELFERINK:** Okay. Do you have that list of recommendations in front of you at the moment?

**Ms HULL:** Yes, I do.

**Mr ELFERINK:** May I get a copy of those, please? How many recommendations ...

**Ms HULL:** They were certainly provided to you as a response to a Question on Notice last year.

**Mr ELFERINK:** How many recommendations were there?

**Ms HULL:** I would have to refresh my memory.

**Mr ELFERINK:** I know, it goes back a long way.

**Ms HULL:** Yes, the memory goes back a long way but this issue is actually quite old and in terms of it being a human resource issue I do not really understand the focus but anyway there are 13.

**Mr ELFERINK:** Thirteen recommendations. Are you sure there are no further recommendations than the 13?

**Ms HULL:** That is what is before me on the paper that was provided to you. I am afraid my memory does not serve me any better than that.

**Mr ELFERINK:** Did the report identify any shortcomings at all in the department?

**Ms HULL:** The report was a result of a range of interviews with a number of staff at NT WorkSafe. Staff were told they could have a confidential chat with this consultant; the results of their chat would not be revealed. A number of people, as you would in that circumstance, had a few things to say.

**Mr ELFERINK:** Last year, a similar question was put to you and you responded:

*He certainly made a series of recommendations. Whether you would identify them as shortcomings or not, I am not sure. I would not describe them in that way.*

Was that an accurate assessment of ...

**Ms HULL:** I believe that is true.

**Mr ELFERINK:** Indeed. Mr Shanahan, you said:

*It is like the Executive Director answered it; it is more he made suggestions on how to improve things.*

You then made some other comments, then Mr Tollner said:

*So, he had no sort of identified concerns with management?*

To which you replied:

*Not particularly, no. There were general concerns of the ways of improving the way they went about their business, which is what we worked on.*

That is still an accurate assessment of what was in that report?

**Mr SHANAHAN:** As far as I can recollect, yes.

**Mr ELFERINK:** Just to help honourable members, I seek leave to table an organisational assessment report and the 17 recommendations for WorkSafe leadership teams submitted by Mr Walter Bellin, Chairman and CEO of Corporate Crossroads.

Leave granted.

**Mr ELFERINK:** Can we just pass that on to the minister, and have it confirmed that is the same report we are talking about?

**Ms LAWRIE:** I cannot confirm it without going back and cross-referencing every page. I cannot confirm it here. I am being serious. I am receiving a document; if you wanted a confirmation as to whether it is the actual true reflection of the report, you would have given it to me before Estimates. I could have cross-referenced it.

**Mr ELFERINK:** Yes, I am concerned ...

**Ms LAWRIE:** I cannot do it on the spot.

**Mr ELFERINK:** That is fine, but I am concerned about some elements of it ...

**Ms LAWRIE:** In terms of accuracy I cannot ...

**Mr ELFERINK:** If this turns out to be an accurate document, or an accurate copy of the document, then of course I am surprised there are 13 recommendations. We have just been advised there are 13 recommendations when the cover of this document talks about 17 recommendations.

**Ms LAWRIE:** I will be able to cross-reference the paper you have just provided me with, with the recommendations the Executive Director WorkSafe has after Estimates when I have time to cross-reference them. If you were fair dinkum about it, you would have given me a copy ...

**Mr ELFERINK:** Perhaps the Executive Director would like to at least confirm for me that on the face of it that is the same document?

**Ms HULL:** I am ...

**Ms LAWRIE:** No, I will not hand over ...

**Ms HULL:** I am not able to do that, I am afraid. I no longer have a copy of the document.

**Mr ELFERINK:** Recommendation 1 is that WorkSafe establish a formal training and mentoring program to ensure that a large variety of knowledge and skills needed to successfully execute a submission are passed on to all staff. Has that recommendation been met as part of one of the recommendations you just tabled?

**Ms LAWRIE:** Laurene.

**Ms HULL:** Has it been met?

**Mr ELFERINK:** Yes.

**Ms HULL:** Yes, certainly.

**Mr ELFERINK:** Good. Recommendation 2, that [a person] be given formal responsibility for leading the process of designing and implementing the above training and mentoring program the staff and the other directorates who cannot find information or guidance within their electorate be encouraged to seek out Neil's advice. Has that recommendation been met?

**Ms LAWRIE:** What I want to flag is the confidentiality which is the subject of FOI ...

**Mr ELFERINK:** I am just reading out the recommendations.

**Ms LAWRIE:** Are you ready? What I do want to flag is the confidentiality which is the subject of the FOI application. My understanding is confidentiality was provided by the author of the report to staff of WorkSafe. What is in the public domain currently are recommendations that do not identify individuals, so I will stick with that and not breach confidentiality, as will the officers at the table with me.

If you want to talk about recommendations that do not go to the nature of individuals, I am happy to have that discourse. However, I will not breach confidentiality at this Estimates hearing - confidentiality which is currently subject to an FOI application and being tested appropriately through those processes.

**Mr ELFERINK:** Mr Bellin's report found and I quote:

*... that the average ranking of the operation of WorkSafe and services of its internal management on a staff survey was 1.5 between very poor and poor ...*

Which is what drove those recommendations. Is that your recollection of the matter, minister?

**Ms LAWRIE:** We do not have the report in front of us, so, you know ...

**Mr ELFERINK:** I am asking if it is your recollection.

**Mr CHAIRMAN:** Just a question I have, obviously you have not had a chance to look through that report that has been tabled, but you mentioned concerns around confidentiality. At this stage, because we have tabled that document, it is automatically authorised to be published, so if there are confidentiality

concerns in that document, can I suggest, as a committee, at the moment we do not authorise that publication until I hear otherwise.

**Mr ELFERINK:** The tabler sought leave to table it and there was no objection.

**Ms LAWRIE:** Well then, I will object, because if there are confidentiality issues in there, it should not be tabled.

**Mr CHAIRMAN:** If I can just clarify, it is tabled. The committee has it. There is a difference between it being tabled and it being automatically published. So, it has been tabled now, which is fine, it has been tabled.

**Mr ELFERINK:** This is the problem I have with this government.

**Mr CHAIRMAN:** I am the Chair and I am speaking at the moment please, member for Port Darwin. All I am saying is, if there are confidentiality concerns in that document, which have just been expressed by the minister, then I am suggesting that we do not automatically publish it.

**Mr ELFERINK:** And I am suggesting otherwise.

**Mr CHAIRMAN:** Okay. Well, in that case, I am moving that if there are confidentiality concerns I do not want to be responsible for this committee to put that out there. I think that is a very reasonable position.

**Ms LAWRIE:** Look, you have to go back to the heart of the issue, is that, you know, the author of the report sat down with individuals and said you can tell me things on a confidential basis. It is not for us to breach that.

**Mr ELFERINK:** But what if it is not breached?

**Ms LAWRIE:** Well, if it is published, it well may be breached. I urge ...

**Mr CHAIRMAN:** I am happy for it to be tabled for the committee, and that has now happened, but I am moving that it is not automatically published. So can all those in favour of it not being automatically published say aye? All those against?

**Mr ELFERINK:** No.

**Mr CHAIRMAN:** I believe the ayes have it.

**Mr ELFERINK:** Well, there you go. Welcome to our open, honest, and accountable transparent government.

**Ms LAWRIE:** But also, what about responsibility, what about responsibility to confidentiality?

**Mr ELFERINK:** Can I have a list of those recommendations, Mr Chairman, which has just been tabled so I can marry them up?

**Ms LAWRIE:** You are talking about public servants who sit down and get interviewed and are told it is confidential. What you tell me is confidential.

**Mr ELFERINK:** So there was a list of 13 tabled recommendations. Where has that list gone?

**Mr WOOD:** It was not tabled.

**Ms LAWRIE:** It was not tabled. You said it was tabled last year.

**Mr ELFERINK:** So you are not going to table it now? So you are happy to table it one year, but not the next.

**Mr WOOD:** I do not think it was asked for.

**Mr ELFERINK:** Well, I did ask for it, but in any instance, I am asking for it now. Thank you. Okay, question ...

**Ms LAWRIE:** What I am advised is that, last year, Question No 1.21, the question was: Please provide a copy of the Walter Bellin organisational assessment recommendations as they were provided to staff, and that was what was provided.

**Mr ELFERINK:** Recommendation 3 was that, as part of Neil's responsibility in designing and implementing the training and mentoring program, Neil be given the authority to establish relevant standards of technical work. Has that recommendation been implemented, minister?

**Ms LAWRIE:** As I have said, I will not go to debate around recommendations that are going to identify individuals. I have raised my concerns with breach of confidentiality, the space you want to enter, I will not enter.

**Mr ELFERINK:** Well, this report from Mr Bellin identifies fundamental and substantial problems inside the organisation. I figured you would have been concerned to ensure that those recommendations have been actually implemented. I am curious as to why I have a list, there is a list of 13 rather than 17, which appears on the cover of the report that has been passed on to me.

*Recommendation 4 - that recruiting in the future for this and any other executive level position within WorkSafe, people management and leadership skills be considered at least as important as intelligence and technical skills; and that, in accordance with this, there should be much direct evidence of a candidate having successfully managed and led groups with a number of staff and the level of staff experience, within the business unit they are being recruited to lead.*

Has that recommendation been implemented?

**Ms LAWRIE:** Answer it on the professional development aspects.

**Ms HULL:** Mr Chairman, as I understand it, the recommendation - and you might want to read it again because I do not have it in front of me - was for executive level staff who are recruited to leadership positions to have significant experience leading staff. That recommendation was implemented and is continually implemented to my knowledge.

**Mr ELFERINK:** Have you designed and implemented a formal leadership training and development program focussing on emotional intelligence for all leaders and directors?

**Ms HULL:** The Northern Territory Public Service has a range of leadership development programs. NT WorkSafe currently has two people who graduated from a Department of Justice internal leadership program, and three people participating this year. There are leadership programs at both the Department of Justice level and at the OCPE service-wide level. Those programs have been well-utilised in NT WorkSafe, as they have in other divisions of the Department of Justice.

**Mr ELFERINK:** Recommendation 6 was that the management group and team leaders make it an official policy to be on the lookout for NT WorkSafe staff with potential leadership ability and that they begin mentoring them and encouraging them to take leadership initiatives even before a leadership position opens or is created. Could you table that policy if that recommendation has been implemented?

**Ms HULL:** The answer that I gave to the last question is an answer about that. The Department of Justice leadership programs are designed specifically for that purpose and they identify people with leadership capacity and aim to develop them into leadership roles. As I said, NT WorkSafe has had two people graduate from that program, and three people participating this year. The commitment of NT WorkSafe to leadership development is evident, as it is for every division in the Department of Justice.

**Mr ELFERINK:** One of the key shortcomings outlined in the Bellin Report was communication in the organisation. Recommendation 8 said that management group was to make a formal decision to do much more extensive consultation with staff and it went on to include three suggestions. Has that been implemented within your organisation?

**Ms HULL:** That recommendation was made in the context of a formal consultation protocol already being in place. I am happy to provide that, it is provided to all staff on commencement at NT WorkSafe, is publicly available, and it is actually was in place prior to the recommendations.

**Mr ELFERINK:** Okay.

**Ms HULL:** I have a view about the quality of Mr Bellin's report, which may or may not be useful to talk about here. I have also a view about Mr Bellin that may or may not be useful to talk about here.

**Mr ELFERINK:** Please, please, please enlighten us as to your view of Mr Bellin.

**Ms LAWRIE:** I am more interested in the issues regarding occupational health and safety, and occupational health and safety regulation in the Territory.

**Mr ELFERINK:** So am I, and unfortunately ...

**Ms LAWRIE:** There you go ...

**Mr ELFERINK:** ... according to this review, the very organisation which has care and command of occupational health and safety is critical about some of its own occupational health and safety practices, and ...

**Ms LAWRIE:** As would be any organisation, if any group of employees sat down, and this is normal, if any group of employees sat down and said: 'Say whatever you want to say, it is confidential'. Of course they would bring out criticism, constructive or otherwise. That is normal. It is also normal for a range of recommendations to come forward, it is also normal for some recommendations to be actually off the mark, some of them to be on the mark, and there to be a critical analysis undertaken within an organisation, the Department of Justice, about which ones are getting implemented because which ones are sensible and which ones generally speaking are actually off the mark ...

**Mr ELFERINK:** Which is why I have to sit here ...

**Ms LAWRIE:** ... all of the analysis we have done.

I am very satisfied with the operation of NT WorkSafe, I am satisfied with the operation of NT WorkSafe under the leadership of the Executive Director. I have regular and quarterly meetings, not just with the Executive Director of NT WorkSafe, but also with Chris Young from the Chamber of Commerce who heads up the NT WorkSafe Advisory Council in terms of occupational health and safety. It has been my experience that Chris Young from the Chamber of Commerce has nothing but good to say about the operation of NT WorkSafe, albeit in an environment where there are significant resources challenges because of occupational health and safety harmonisation that is occurring across our nation, which are significant challenges that we have confronting us in terms of the roll out of the occupational health and safety.

**Mr CHAIRMAN:** Can I also just remind the committee of Standing Order 112(3)(a) that questions should not ask for an expression of opinion.

**Mr ELFERINK:** That is why I am asking specifically which recommendations have been implemented, because we have been told officially that 13 recommendations came out of this report. It appears as though, whilst I ask questions about recommendations people are starting to remember the report, because they are now answering questions in relation to the report which contains 17 recommendations. So now I am attempting to discover which of those recommendations have been implemented and which ones, I might say, have been overlooked in relation to the reports to this Estimates Committee.

**Ms LAWRIE:** Just on that, just as a point of clarification, I very clearly said that the answer in the Estimates last year indicated that 13 recommendations were communicated to staff. Okay? That is what was provided in the Estimates last year. Now 13 recommendations communicated to staff because they do not breach confidentiality. Let us be clear about that.

**Mr ELFERINK:** It is all too cute by half because that is not the way it has been presented.

**Mr LAWRIE:** I am not trying to be cute by half. I am trying to be fair and reasonable.

**Mr ELFERINK:** I specifically asked about the 13 recommendations and now we find out that certain recommendations are being withheld.

**Ms LAWRIE:** No, no you can make your hysteria about it ...

**Mr ELFERINK:** Withheld, minister.

**Ms LAWRIE:** But we take seriously commitment given to individuals of confidentiality.

**Mr ELFERINK:** The report also, I am just trying to lay my hands on it, recommends an apology be given to staff. Has such an apology been issued? If so, has it been written down and can it be tabled?

**Ms HULL:** What was the context?

**Mr ELFERINK:** Recommendation 9:

*... immediately after announcing recommendation eight, reverse the closed door policy discussed above, acknowledge that it was a mistake and apologise for not having consulted staff before making the decision. The reversed decision combined with the apology will go a long way to begin the process of the management group gaining credibility about the consultancy policy announcement.*

Can you advise as to whether that apology was given, and if the apology was written and, if so, can a copy be tabled, please?

**Ms LAWRIE:** As advised, the formal consultation processes are in place at WorkSafe now and are followed.

**M ELFERINK:** Can you advise whether or not that apology was made, whether it was written and, if so, could you have a copy to be tabled, please?

**Ms HULL:** The context of this recommendation is an indicator of the quality of the report in my view. The recommendation relates to a decision to close the back door of the tea room. This is hardly of great impact for the occupational health and safety of workers in the Northern Territory and, as I said, it is illustrative of the quality of the report and issues that were dealt with it. This was a decision for security reasons to close the back door to the office because we hold confidential information about people including medical information and it is important that we have a secure environment. The issue was explained to staff and they agreed with it and there is no further issue to explore. I would take the opportunity to remind people that this is a report from three years ago.

**Mr ELFERINK:** Okay. So was the apology given. If so, was it written down and can you table a copy?

**Ms LAWRIE:** Time to move on.

**Mr ELFERINK:** I take it the answer to that, then, is no.

**Ms LAWRIE:** Let us get real.

**Mr ELFERINK:** A quote from the report, minister:

*On the face of it, this looks like it should be a small issue ...*

This is the reference to the door.

*... but it turned out to be a source of daily irritation to many non-smoking staff ...*

Apparently the issue was about whether or not you can smoke outside the door:

*... many staff arrive and leave work carrying a lot of equipment. I was told how they now have to carry all of this stuff down (or up, depending on whether they are coming or leaving) two flights of steps, across a very busy street and use another flight of stairs to get to their cars. Some staff interviewed felt that this was an OH&S issue, since while carrying all the stuff the stairs were often wet, the street was extremely busy, etc ...*

**Ms LAWRIE:** I can assure you as minister I have absolutely no issue with the back door to the tea room being secured.

**Mr ELFERINK:** I realise that but the point is that the recommendation for an apology and the one thing I want to know is whether the apology was made to staff.

**Ms LAWRIE:** I put on the public record my thanks



**Mr ELFERINK:** And was that one of the recommendations which was not tabled on the list of 13.

**Ms LAWRIE:** Put on the public record my thanks to WorkSafe for securing that work environment by closing the back door to the tea room.

**Mr ELFERINK:** Recommendation 10 was that the management group make a decision to hire a receptionist. We have covered that.

**Ms LAWRIE:** We have. There are eight.

**Mr ELFERINK:** There are not eight receptionists.

**Ms LAWRIE:** Yes, there are eight people with receptionist duties.

**Mr ELFERINK:** Mr Chairman ...

**Mr WOOD:** Mr Chairman, would I be able to get a question in, in the last three minutes?

**Mr CHAIRMAN:** Only if the member for Port Darwin relinquishes the questions, if that makes sense.

**Ms LAWRIE:** All-important tea room questions.

**Mr ELFERINK:** The point is that a report that is being withheld describes the ...

**Ms LAWRIE:** You have a copy of it.

**Mr ELFERINK:** ... describes an organisation in a very difficult situation:

*Currently WorkSafe is haemorrhaging staff at an alarming rate, and if WorkSafe continues along this current path, more are likely to leave.*

*The reason for these valuable employees leaving all have to do with their perception overall of how WorkSafe is being managed.*

*The 17 interviews I conducted the great majority were very critical of the way that WorkSafe was being managed and, as a result, WorkSafe was declining as a workplace ...*

**Ms LAWRIE:** Mr Chairman, is there any question in this? Is there any question whatsoever? I have absolutely responded to say I have every confidence in the way WorkSafe is being managed. I have talked to Chris Young who is the CEO of the Chamber of Commerce. I meet with him on a quarterly basis. He recognises the good work the regulator is doing in occupational health and safety regulation in the Territory; doing that good work albeit under challenging conditions where we have national harmonisation of occupational health and safety legislation and regulations. We are down into the devil of the detail with the regulations, working constructively across all industry sectors, engaged with industry sectors and unions in understanding the requirements of occupation health and safety, and the changing regulatory environment in the Territory.

The opposition can wallow around in a three-year-old report that has a problem with a door at a tea room, or we can get on and get real and ask questions about the WorkSafe regulator.

**Mr ELFERINK:** The problems are more substantial than that, minister. I will remind of your own CEO's comments last year:

*It is like the executive director answered it. It is more he made suggestions on how to improve things and WorkSafe actually undertook to implement those.*

**Ms LAWRIE:** Yes, the ones that were sensible.

**Mr ELFERINK:** Those are the recommendations. We have been told in this House that those recommendations - 17 of them - were going to be implemented ...

**Ms LAWRIE:** No, no, no. No, you are putting words in peoples' mouths. You always put words in peoples' mouth.

**Mr ELFERINK:** The complete list has not been tabled under some spurious excuse ...

**Ms LAWRIE:** No, you were not told that.

**Mr ELFERINK:** ... and as far as we are concerned ...

**Mr CHAIRMAN:** Shadow, shadow.

**Ms LAWRIE:** Clearly what I have said, as the minister, is with any recommendation we go through ...

**Mr ELFERINK:** Will you make a commitment to implement all 17 of the recommendations of the Bellin report?

**Ms LAWRIE:** With any recommendations that come to government, we go through and do an analysis of what ought to or ought not to be implemented. We have done that with that report. We have implemented the ones that ought to be ...

**Mr ELFERINK:** I realise we are running out of time, Mr Chairman. I have one last question.

**Ms LAWRIE:** ... and unlike the member for Port Darwin, the rest of us have moved on.

**Mr ELFERINK:** I have one last question, Mr Chairman. Will you now recommit to implementing all 17 recommendations of the Bellin report as guaranteed last year?

**Ms LAWRIE:** I am not going to unlock the door to the tea room.

**Mr CHAIRMAN:** There is a minute remaining, member for Nelson.

**Mr WOOD:** I will just cut these questions down to one, and it might reflect a concern I have. Is WorkSafe the people that require all government buildings to have those tags on electricity cords?

**Ms HULL:** Test and tag of electrical equipment is one of the requirements under the legislation we administer.

**Mr WOOD:** How much does it cost the Northern Territory government to have every cord in every building right throughout the Territory tested and tagged on an annual basis?

**Ms HULL:** I am afraid I do not know the answer to that question.

**Mr WOOD:** Before decisions are made about that, should someone look at the total cost and see whether it is a practical outcome?

**Ms LAWRIE:** Regulatory impact assessments are made of those sorts of considerations. I can advise, though, when it comes to electrical safety, people err on the side of safety over the economic impacts.

**Mr WOOD:** Clearly, it has to be common sense for static cords that do not move such as on computers?

**Ms LAWRIE:** I will defer to electrical experts when it comes to setting the regulatory environment. In workplace safety, you do not get any greater requirement than electrical ...

**Mr WOOD:** If we are looking at outcomes then what change has occurred by the implementation of a very expensive process? Has it made any difference?

**Ms LAWRIE:** There would be a reason behind the tag and test regime that would stem back to, I would suspect, a workplace fatality.

**Mr WOOD:** I am not saying it should not, but I wonder whether it needs to be 100%.

**Mr CHAIRMAN:** Member for Nelson, it is now 5.30 pm, so we thank the Treasurer and the Attorney-General for her time today and all the witnesses who appeared from the various departments, thank you.

**MADAM SPEAKER'S PORTFOLIO  
DEPARTMENT OF THE LEGISLATIVE ASSEMBLY**

**Mr CHAIRMAN:** We now move on to the Speaker of the Legislative Assembly. The member for Nhulunbuy is taking the Chair.

**Madam DEPUTY CHAIR:** I welcome Madam Speaker and staff from the Legislative Assembly and invite you, Madam Speaker, to introduce the officers who are accompanying you this evening.

**Madam SPEAKER:** Thank you very much, Madam Deputy Chair. Assisting me at the table today are the Clerk, Mr Ian McNeill PSM; the Deputy Clerk, Mr Michael Tatham; the Director of Parliamentary Services, Ms Vicki Long; and the department's Acting Chief Financial Officer, Mrs Sarah Giannikouris.

**Madam DEPUTY CHAIR:** In relation to the proposed expenditure contained within the Appropriation Bill 2011-12, Madam Speaker, do you wish to make an opening statement with regard to the Department of the Legislative Assembly of the Northern Territory?

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

Madam Deputy Chair, it has been another very busy year for the Department of the Legislative Assembly. In relation to the budget, the Legislative Assembly is subject to the same range of requirements which apply to all agencies funded by the government, such as finding efficiencies through reprioritisation and a staffing cap. I am pleased to report that each of the department's work units has worked within their allocated budgets, and a cost-saving working group has ensured that unit heads have measures in place to ensure they are working within the requirements of the Northern Territory Treasury. Items outside the department's allocation, such as the regional sittings in Alice Springs, are the subject of an agreement for a Treasurer's Advance, as the dates have been changed from August this year and new financial year to March.

As members would be aware, an organisational review of the Department of the Legislative Assembly has been conducted during the reporting period. Members were invited by a letter from the Clerk sent during February this year to comment on the draft organisational review which contained a number of recommendations. I am expecting a final draft of the review document and a series of recommendations and advice on the work done so far on the interim recommendations. I will be considering the matters suggested for implementation early in the new financial year and members will be further contacted at that point.

I am pleased to advise that in addition the department has recently completed the functions and facilities manual for Parliament House, which includes all usage of the building.

During the year a by-election took place for the division of Araluen and the Assembly welcomed a new member. The Clerk and departmental staff were active in preparing the incoming brief and familiarisation for the new member with the Assembly and related matters.

During March, the department delivered the Alice Springs regional sittings of the Assembly and I place on the record my personal thanks to the Clerk and the staff for delivering another successful regional sitting. The logistics involved in duplicating the service we receive in this purpose-built environment here in Darwin to a temporary space in Alice Springs requires enormous effort and the Clerk and his team are to be commended for once again delivering a terrific outcome for the people of Alice Springs.

The department's Education and Outreach Program continues to deliver a high level of service for schools, as well as public tours of the building. During the year, the education unit reached 5502 Territory school students through Parliament House tours, organised activities such as role play exercises, Commonwealth Week, and the Alice Springs' sittings. The Open Day and regular public tour programs saw another 2812 people engaging with the Assembly during the year to the end of May. The unit also works closely with the Electoral Commission to enhance students' understanding of parliamentary democracy.

Staffing has remained relatively stable during the period with two significant recruits settling in. The former Deputy Clerk, David Horton, retired at the end of June 2010 and after an open selection process, the department recruited the former Executive Officer to the Statehood Steering Committee to take on this important role. This change, along with the recruitment of a new senior position of Clerk Assistant Committees, has provided the department with a more consolidated senior management structure that enhances its succession planning prospects. The creation of a position of Clerk Assistant Committees

provides an additional senior officer to work at the Table, as required, and means that the senior team for the Chamber is comprised of the Clerk, the Deputy Clerk, and the two Clerk Assistants. This is also underscored by a development program to provide Table experience for other officers in the agency, so we can expand on those who are competent to step into, not only providing relief work during sittings, but hopefully into substantive Chamber positions over the longer term.

The department continues to be the lead agency for the Statehood project, as well as for the Council of Territory Cooperation. Both these significant projects are delivered through staff employed in specific contractual positions to deliver against the project goals.

Finally, I should indicate that the three-year project of the replacement of the sound and vision system has been completed for the Chamber and the Litchfield Room will be completed in September. The total cost for the project is \$3.5m.

In summary, I thank all members for their cooperation this year and the Clerk and his staff in striving towards delivering excellence in parliamentary service. I welcome questions.

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

#### **Agency Related Whole-Of-Government Questions**

**Madam DEPUTY CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2011-12 as it relates to the Department of the Legislative Assembly of the Northern Territory. I note that questions on Statehood expenditure can be answered by the Speaker today as part of the funding for Parliamentary Committees.

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

**Mr MILLS:** Yes, there are. Thank you, Madam Deputy Chair.

My first question relates to last year's Estimates where you stated that savings as a result of the 3% efficiency dividend on the department would be made through operational efficiencies. Can you advise what general operational efficiencies were made?

**Madam SPEAKER:** The agency was required to reprioritise \$189 000 in 2010-11, and the \$189 000 was utilised to cover Building Management projects. Current cost-saving strategies which have been achieved: the establishment of a cost-saving working group which is made up of three members, the Deputy Clerk, the Director of Parliamentary Services, and the Chief Financial Officer; the establishment of a monthly resource management meeting to monitor budget and expenditure with unit heads; the inclusion of monthly expenditure tracking as a standard item at each resource management meeting; ongoing vigilance to manage spending by reviewing and rationalising the purchase of goods and services in line with the allocated budget; the tightening of human resources and financial delegations for the approval of overtime, higher duties, recruitment actions and all expenditure greater than \$3000. The delegations have also been lifted for the approval of staff travel and hospitality expenditure.

**Mr MILLS:** Those measures you described, have they been successful in allowing the objective to be reached?

**Madam SPEAKER:** Yes, I understand they have been.

**Mr MILLS:** You mentioned last year an agency-wide review of IT communication and office equipment. Can you describe what cuts or changes were made in that area?

**Madam SPEAKER:** I will ask Ms Vicki Long, the Director of Parliamentary Services, to respond to this question.

**Ms LONG:** We have reviewed the number of devices we have across the agency and rationalised those in a number of areas.

**Mr MILLS:** What does that mean? Could you be more specific as to the review of devices and what they actually mean?

**Ms LONG:** Oh, I see – particularly in relation to printers. We have rationalised the number of printers we have. We have looked at areas where people perhaps have had larger monitors and we have reduced those in size or where some staff might have had two monitors we have reduced it to one. So it was done down at unit level for each unit head to look at how they can reduce that.

**Mr MILLS:** And the objective was to contribute to the 3% efficiency dividend?

**Ms LONG:** Yes.

**Mr MILLS:** And that helped?

**Ms LONG:** Yes.

**Mr MILLS:** Does it help within the year or is that a benefit identified over two years? Does it come at the time of a contract renewal or is it ...

**Ms LONG:** The leasing management costs for the devices are done on a monthly basis so the effect is pretty well immediate.

**Mr MILLS:** Did any of these measures flow through to the electorate offices?

**Ms LONG:** As you would be aware there are very tight regulations in relation to what is provided to members in electorate offices so there really is no capacity for reducing expenditure in that area.

**Madam SPEAKER:** And you would be aware, Leader of the Opposition, the entitlements of members and their staff relate to the remuneration tribunal and not to this kind of reprioritisation and, of course, there are separate issues to do with IT which I am sure you would be aware of in electorate offices, yes.

**Mr MILLS:** That is right; I just thought I should ask. You mentioned last year that one of the savings you would make was that there would be no backfilling of non-essential positions where this is manageable. Did this occur and which departments were affected?

**Madam SPEAKER:** Yes, Leader of the Opposition, it was up to unit heads as to whether or not that would happen and I understand it was successful.

**Mr MILLS:** So how many non-essentials were lost as a result of this efficiency dividend?

**Madam SPEAKER:** I will ask Ms Long to respond to this.

**Ms LONG:** I do not have those details at the moment. Some positions were not filled pending the organisation review which has just been finalised but we could get that information if you want it.

**Mr MILLS:** At this stage I do not require it on notice but could you help me understand the difference between an essential and a non-essential position?

**Ms LONG:** I do not know whether we would use the term 'essential' in that context but wherever possible we try to manage by covering positions within rather than recruiting someone from outside to backfill.

**Madam SPEAKER:** Leader of the Opposition, I have been handed a document which indicates that there are three vacant positions, if that is what you are talking about. One was an AO4 position, an admin officer in committees; an AO5 Assistant Editor of Debates; and AO7 Research Officer. The AO5 Hansard position is expected to be advertised in the near future, and the AO4 and the AO7, the committees' positions, pending the finalisation of the organisational review.

**Mr MILLS:** You also suggested last year, Madam Speaker, that encouraging the use of excessive and recurrent recreation leave would be another way you would save costs. Can you advise of action in that area?

**Madam SPEAKER:** I am sorry, I am having a bit of trouble hearing that.

**Mr MILLS:** I am sorry.

**Madam SPEAKER:** I think it is my hearing not you, Leader of the Opposition.

**Mr MILLS:** No, that is all right; I will come closer to the microphone.

You suggested last year, Madam Speaker, that encouraging the use of excessive and recurrent recreation leave would be another way of saving costs. Can you advise what action there was in this area?

**Madam SPEAKER:** I will ask Ms Long to respond to that as well.

**Ms LONG:** Staff have been encouraged to take leave wherever possible. At the moment, under the conditions of a new enterprise agreement, we are in the process of asking staff to identify when they can utilise the excess leave they still have in place. The other option, if they are not able to, is to actually take that excess leave in cash.

**Mr MILLS:** I would like to go to - maybe so I can get clear on this. Parliamentary Services is one output group or ...

**Madam DEPUTY CHAIR:** It is Output 1.1.

**Mr MILLS:** Okay, Assembly Services. The security contract; I would like to ask Madam Speaker some questions ...

**Madam DEPUTY CHAIR:** Can I just check if there are any questions around whole-of-government before we move on to outputs, Leader of the Opposition?

**Mr MILLS:** Oh, I see.

**Ms SCRYMGOUR:** I would like to seek clarification. I have a question about electorate officers. Would that be under, rather than there, Output 1.2?

**Madam SPEAKER:** Offices or officers?

**Madam DEPUTY CHAIR:** Offices or officers?

**Ms SCRYMGOUR:** Officers, yes.

**Madam DEPUTY CHAIR:** Output 1.2.

That concludes consideration of agency related whole-of-government questions on budget and fiscal strategies, and we will now move onto Output Groups.

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

**Mr MILLS:** Madam Speaker, I would like some information on the security contract. Was the only reason that Wilson's was awarded the Parliament House security contract because they were the cheapest?

**Madam SPEAKER:** Certainly, they were the cheapest, but I imagine that in a tender process a large number of things are looked at as well, Leader of the Opposition. It was a saving of \$42 277 per annum in choosing the new security people. The tender process is a very lengthy and detailed process. I am wondering who the most appropriate person is to talk about the security because I am not directly involved with the tender process.

**Madam DEPUTY CHAIR:** Madam Speaker, could I just seek clarification. Is this particular question related to Output 1.1 or Output 1.3?

**Madam SPEAKER:** Output 1.3.

**Mr MILLS:** Oh dear. What do we do now?

**Ms SCRYMGOUR:** It is Assembly Services we are on now.

**Mr WOOD:** The question needs to be answered now, do not duplicate it.

**Madam SPEAKER:** I am quite happy to answer it now.

**Mr MILLS:** I will not ask it again then.

**Madam SPEAKER:** I will ask the Deputy Clerk, Mr Michael Tatham, to assist with this question.

**Mr TATHAM:** Michael Tatham, Deputy Clerk. I understand there are 48 criteria for the panel to consider, and price was one of those criteria. I would need to get some more advice on the other 47 criteria for you if you wanted that sort of level of detail.

**Mr MILLS:** Generally, what made them cheaper than the current? Was it staffing?

**Madam SPEAKER:** It would be fair to say, Leader of the Opposition, that in an open tender process nobody knows what the other person is going to give as a price, including the officers in my department. That was just one of the things which had to be included in the decision-making.

**Mr MILLS:** Given the time and the fact that I have jumped in and asked a question in the wrong category, I will leave that, but this one might, I think, fit in the right category. This year, you face another cut and the application of yet another efficiency dividend. What is the dollar figure impact on the Legislative Assembly's budget?

**Madam SPEAKER:** Leader of the Opposition, we have been exempted from the reprioritisation for the next financial year.

**Mr MILLS:** Right, so there is no dollar value? Though there has been a ...

**Madam SPEAKER:** We have been exempted, I am being advised. I will ask the Acting Chief Financial Officer to assist with this answer.

**Mrs GIANNIKOURIS:** Sarah Giannikouris, Acting Chief Financial Officer. Assembly Services has incurred a decrease in general parameter adjustments, including CPI and EBA growth and a 3% efficiency dividend that was applied to that. That comes to a total of \$2000.

**Mr MILLS:** \$2000?

**Mrs GIANNIKOURIS:** \$2000 effect on the agency.

**Mr MILLS:** Right, how are you going to do that?

**Madam SPEAKER:** Not a lot.

**Mr MILLS:** Another device or two?

**Members** interjecting.

**Mr WOOD:** There will not be anything in the Speaker's fridge, there will be no Mars Bars.

**Mr MILLS:** All right, I will leave that, that is good news. I think you will be fine with that one, I hope you are.

**Madam SPEAKER:** It is good news.

**Mr MILLS:** I have a question about assets, is that Assembly Services? It is building, I guess. Functions, are they a part of this output group?

**Madam SPEAKER:** Functions is in this one.

**Mr MILLS:** This is it, okay? Madam Speaker, how many functions were held in Parliament House and on the grounds of Parliament House in 2010-11? This question is asked each year.

**Madam SPEAKER:** Do you just mean parliamentary functions?

**Mr MILLS:** No, that includes weddings and whatever else.

**Madam SPEAKER:** All functions?

**Ms SCRYMGOUR:** It is always a good thing when there is a wedding here.

**Mr MILLS:** Yes. Do not assume that because I am asking the question I disapprove of having weddings here. No, this is just an opportunity for this information to be made available.

**Ms SCRYMGOUR:** I am not saying that you are being critical, Terry.

**Madam SPEAKER:** From 1 July 2010 to 31 March 2011, there were a total of 434 functions held in Parliament House. Of these, 82 were Northern Territory government-hosted functions, coordinated by the Protocol Unit of the Department of the Chief Minister. Other functions included Northern Territory Library functions; the 41<sup>st</sup> Presiding Officers and Clerks Conference; and, weddings, ceremonies, and photographs.

In addition, I hosted functions which, as part of those, a farewell function for Ms Carney; a morning tea for the Ambassador to the Holy See, Mr Tim Fischer; the Portrait of a Senior Territorian Art Award function; the renaming of the Nitmiluk Lounge function; the Jawoyn Association and Nitmiluk Park Board morning tea; Speaker's Christmas drinks; morning tea for students following the opening ceremony of parliament this year; condolence motion morning tea for the late Mr Maurice Rioli; luncheon for members of the Statehood Steering Committee and the Statehood staff following the tabling of the Statehood Steering Committee final report; budget day morning tea for members of the public and seniors' groups, the Darwin Legacy War Widows' luncheon; and most recently, a morning tea for Ms Margaret Somerville.

**Mr MILLS:** Thank you. For Territory government agencies that ran events in Parliament House, are you able to outline which agency was responsible for each of the events, and the date and the nature of the events?

**Madam SPEAKER:** I do not have that list here.

**Mr MILLS:** I am happy for that to be tabled. Take it on notice, if that is ...

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

---

#### Question on Notice No 2.1

**Madam DEPUTY CHAIR:** Could you just repeat the question, please, Leader of the Opposition?

**Mr MILLS:** Please outline, Madam Speaker, which agency was responsible for each of these events, the date of the event, and the nature of the event.

**Madam DEPUTY CHAIR:** That is question 2.1.

**Mr MILLS:** Thank you. In addition to that, were there any additional security measures associated with these events?

**Madam SPEAKER:** I will take that on notice because I do not know.

**Madam DEPUTY CHAIR:** Can you repeat that question, please?

**Mr MILLS:** Were there any additional security costs associated with any of these events and, if so, please outline the additional security costs for each event and who was responsible for the payment.

**Madam DEPUTY CHAIR:** We will include those all under 2.1.

---

**Mr MILLS:** Next question, Madam Speaker, is how many of these functions were paid for by a Territory minister?

**Madam SPEAKER:** Eighty-two were Northern Territory government hosted functions, so they were paid for by the Northern Territory Chief Minister's Department.



**Mr MILLS:** So that information ...

**Madam SPEAKER:** There were 434 functions overall, but that includes library functions and all kinds of things.

**Mr MILLS:** I understand. So there were 88?

**Madam SPEAKER:** Eighty-two were Northern Territory government-hosted functions.

**Mr MILLS:** The specifics around that would be covered in the questions that you have just taken on notice.

**Madam SPEAKER:** We only know the details about the rooms and proposed numbers of people. We do not know how much the function costs because we do not organise those functions at all. We only provide the room. You would need to ask the Chief Minister about the functions.

**Mr MILLS:** But, you understand that if you are able to tell me there are 82, the event had to be booked so ...

**Madam SPEAKER:** Yes, we can give you that information.

**Mr MILLS:** There are not events happening in here that you do not know about, are there, Madam Speaker?

**Madam SPEAKER:** Certainly not.

**Mr MILLS:** That is right. I would have thought that. So there is a reason for asking this.

**Madam SPEAKER:** That is right. As far as I am aware, there are 82 Northern Territory government-hosted functions coordinated by the Protocol Unit.

The Clerk is pointing out to me that there may well be sponsored functions as well, but they would be part of the 434 functions sponsored by a minister, for example, or myself. That is a different kind of function.

**Mr MILLS:** Can you explain those?

**Madam SPEAKER:** That is a function where a community group, a non-profit group - I will give you a good example. I am sponsoring a function for the Red Cross. They are launching a DVD to do with Tiwi Islanders and I am sponsoring that function, but I am not paying for the function. I am sponsoring the function in the room. Members, guests, and I will be attending but I do not in any way pay for that function, except for the provision of the room. If it is in the daytime, security is already included, but if it was in the evening, they would have to pay for extra security and anything else that was happening, and all catering. That is a sponsored function, as opposed to a function which is totally hosted by a minister, or the Speaker, or yourself, for example.

**Mr MILLS:** Thank you, Madam Speaker. In the interests of time, I have colleagues here who would like to ask other questions. Going back to the efficiency dividend, I should have thought to ask this at the time. Why is it that the Legislative Assembly is exempt from the efficiency dividend?

**Madam SPEAKER:** I think the reason would be that we are a small agency and most of the things we have to pay for are covered by a remuneration tribunal, which accounts for 60% or more of our budget. There is no efficiency dividend on it because the remuneration tribunal determines that a member is paid such and such, they have to have an office, they have to have a certain amount of equipment, and they have to be able to travel. We cannot put any kind of efficiency dividend on that or I would be having a lot of complaining members. It is only that other part of the department, which is actually a much smaller part of the budget, which can have the efficiency dividends, and it can be quite difficult. If you actually placed it on the entire budget, it would be a real problem. That is the reason.

**Mr MILLS:** Thank you, Madam Speaker. I assumed that would be the answer because it actually demonstrates one of the problems with efficiency dividends. In a small operation, there is only so much you can do and so much tightening that can take place. So, if you do your maths, you can keep it up for a number of years and then you do not get anything. Thank you, Madam Speaker.

**Madam SPEAKER:** Leader of the Opposition, I have just been given something to clarify. Apparently it is exempt from the budget re-prioritisation but not the efficiency dividend but that would only be on the amount, not on the members' output.

**Mr MILLS:** For the reasons you explained?

**Madam SPEAKER:** Yes.

**Mr MILLS:** So, 3% is applied to which line?

**Mrs GIANNIKOURIS:** The efficiency dividend is applied to Output Group 1.1 which is Assembly Services and also Building Management which is Output 1.3.

**Mr MILLS:** So the 3% has resulted in a \$2000 ...

**Mrs GIANNIKOURIS:** Just for Output 1.1.

**Mr MILLS:** Okay. I will have to go back and think about that one. Were there any events that were provided free of charge in Parliament House?

**Madam SPEAKER:** Where a member had sponsored a room? Is that what you mean?

**Mr MILLS:** And it being covered by the Legislative Assembly?

**Madam SPEAKER:** The only one that I can think of is where I sponsored the Nitmiluk Lounge for an ABC journalist to use the room to do an interview with someone. That is the only one as opposed to a sponsored function.

**Mr MILLS:** I understand. That is the only one you recall that there was no charge? Yes, okay.

The Council of Territory Corporation, Madam Speaker. What is the actual cost of this in 2010-11?

**Madam SPEAKER:** You are asking me how much it costs?

**Mr MILLS:** Yes, what is the total cost?

**Madam SPEAKER:** Expenditure figures at the end of April 2011: operational expenditure was \$88 931, salaries expenditure was \$392 722, and CTC members' travel under the RTD was \$13 714.

**Mr MILLS:** Thank you, Madam Speaker. What was paid in remuneration to witnesses before CTC hearings?

**Madam SPEAKER:** Nothing.

**Mr MILLS:** How many hearings were held?

**Madam SPEAKER:** Twenty-nine.

**Mr MILLS:** Twenty-nine hearings?

**Mr WOOD:** It says 34 here.

**Mr MILLS:** It is impressive. How many *in camera* hearings were held?

**Mr WOOD:** It has 34 on the annual report. Anyway.

**Madam SPEAKER:** There were two *in camera* meetings held.

**Mr MILLS:** What was the subject of these *in camera* meetings?

**Madam SPEAKER:** Can I just clarify perhaps with the member for Nelson, who is the Chair of this committee, whether that information should be made public, if they were *in camera* meetings?

**Mr WOOD:** The subject would not be *in camera*.

**Ms SCRYMGOUR:** One was probably child protection.

**Mr WOOD:** I cannot think what the other one was.

**Ms SCRYMGOUR:** The other one was housing when we had an *in camera* discussion.

**Madam SPEAKER:** I am being advised by members it was child protection and housing.

**Mr WOOD:** And most of the SIHIP was cleared afterwards.

**Mr MILLS:** That will do, thank you, Madam Speaker. I will allow my colleagues to ask further questions. Thank you for that.

**Ms SCRYMGOUR:** Any other members speak on CTC?

**Mr MILLS:** Excuse me, questions are this way.

**Madam DEPUTY CHAIR:** Any further questions, please, for Output 1.1? Member for Nelson.

**Ms SCRYMGOUR:** Do I go before him for Assembly Services?

**Madam DEPUTY CHAIR:** Assembly Services? You have a question for Assembly Services?

**Ms SCRYMGOUR:** Is this 1.2?

**Madam DEPUTY CHAIR:** No, 1.1.

**Ms SCRYMGOUR:** Oh, sorry. I am jumping the gun.

**Mr WOOD:** Madam Speaker, for the Statehood committee, the estimate for 2009-10 was \$1m. What was the actual amount to date please?

**Madam SPEAKER:** I will defer to the Secretary of the Statehood Constitutional Convention Committee, Mr Michael Tatham, on this one.

**Mr TATHAM:** The budget for 2010-11 was \$405 000 for employees and \$609 000 for operational. The year-to-date spend at the end of April; I only have percentiles at the moment, which are 105% of employee expenses were expended at the end of April, and 97% of operational was expended, making around 100% overall of the spend by the end of April. So, the budget was on track and it was ...

**Madam SPEAKER:** I have since been handed a document which indicates that \$909 197 has been expended.

**Mr WOOD:** Will that figure be broken into expenses at some stage, as suggested - as in wages, travel, and payments to members?

**Madam SPEAKER:** We have the figures somewhere. That is just the gross figure.

**Mr WOOD:** Can I put the question on notice, Madam Deputy Chair?

**Madam DEPUTY CHAIR:** Are you happy to take that question on notice?

**Madam SPEAKER:** Yes.

**Madam DEPUTY CHAIR:** Could you just repeat the question please, member for Nelson?

**Mr WOOD:** Could I have the breakdown of what expenditure has occurred to date for this financial year in regard to the Statehood committee?

**Madam SPEAKER:** There are two committees here. There is the Statehood Steering Committee which finished in December, and now there is the Constitutional Convention Committee. Is it that you want the costings for both of them?

**Mr WOOD:** The Statehood committee, I think.

**Madam SPEAKER:** The Statehood Office.

**Mr WOOD:** Well, the one that was travelling around the Northern Territory ...

**Ms SCRYMGOUR:** The Statehood Steering Committee.

**Madam SPEAKER:** Perhaps you really want the office because it has been funded to continue.

**Mr WOOD:** The Statehood Steering Committee is ...

**Madam SPEAKER:** That completed in December, and now there is a Constitutional Convention Committee, but there is also an office which is the Statehood Office.

**Mr WOOD:** Madam Speaker, I will scrap the question and give it to the Speaker writing at another time, so I am clear on which ...

**Madam DEPUTY CHAIR:** There is no question on notice, member for Nelson?

**Mr WOOD:** No. Madam Speaker, when is the Statehood Convention to happen, and what money has been allocated in this year's budget for that convention?

**Madam SPEAKER:** I have to say, member for Nelson, later this week the Constitutional Convention Committee will be making the full announcements. It is a bipartisan committee with the Legal and Constitutional Affairs Committee. Given it is being announced on Friday and we have third parties coming to that, I would rather not make that announcement right now. I am happy to give you a very detailed briefing after that. I can assure you there has been a huge amount of work going into it. I will say there will be an election process, and that a convention will be held next year.

**Mr WOOD:** Has any money been allocated in this year's budget for that convention?

**Madam SPEAKER:** No, what we do have is an agreement for a Treasurer's Advance; the reason being that Cabinet had made decisions about it after the budget had been formulated, but we have an agreement through the Chief Minister that it will be funded by a Treasurer's Advance.

**Mr WOOD:** Have there been any polls done in relation to support or otherwise for statehood, and I refer to a, I suppose I might call it a dubious scientific statistical analysis by the *NT News* on September 2010 that claimed only 42% of respondents supported statehood, less than those who wanted to legalise brothels. So has there been any other slightly more serious analysis of what people think in relation to for or against statehood?

**Madam SPEAKER:** The Statehood Committee has not done any polling, but I would say, member for Nelson, that, over the last year, there actually has been a lot more interest in statehood than there has been previously. We, as the Legal and Constitutional Affairs Committee, the Statehood Steering Committee, and the Constitutional Convention Committee, have all been putting in a huge effort. In the last year, for the first time after a very long time, people are actually starting to talk about statehood in a serious way. We have recently had the Chief Justice of the High Court actually talking about statehood. A number of us on the Legal and Constitutional Affairs Committee, when we visited Canberra, then did subsequent interviews across the country on statehood. I would have to say, there has been an increased interest. And just in relation to polling, the only poll that I am aware of, and I do not suspect it is a very scientific poll, was done by the *Sydney Morning Herald* and *The Age* newspapers online polling and, as I recall, about 74% or 75% of people who responded, which was a considerable number of people, were for statehood, and there was a group of people who were ambivalent, and some opposed.

While it has not been a barbecue stopper in the past, I have actually had people talking to me about it, and in relation to people living in Aboriginal communities, there is a real interest in those areas, and they certainly did not respond to the *NT News*' poll, as indeed I did not either.

**Mr WOOD:** Moving on to just another subject, Hansard, does that come under ...

**Madam DEPUTY CHAIR:** That is fine, I am just reminding that we have two more outputs to go in 15 minutes.

**Mr WOOD:** *Hansard*, especially old copies of *Hansard* that are not in an IT format, or am I wrong in saying that all *Hansard* from the days of the Legislative Assembly is now on IT format? The question I was going to ask was: have we recorded all of the *Hansard* in a format that is accessible on the website?

**Madam SPEAKER:** There is an ongoing project where we are putting all the old *Hansards* online, but I do not think it is completed.

**Mr WOOD:** I will follow that up then.

In relation to the annual report, there are a couple of areas that the Legislative Assembly has been promoting. One is the Know Your Parliament, which is a program you have developed. You are also trying to develop a program called Step Up, Be Heard and Democracy at Work program, could you give us some indication of how those programs are going; where those programs have been taken to; and how have people accepted those programs?

**Madam SPEAKER:** I will ask Caroline Cavanagh from Parliamentary Education to give us more specific information on that.

**Ms CAVANAGH:** Caroline Cavanagh. The programs again, Mr Wood, were ...

**Mr WOOD:** Know Your Parliament, Step Up, Be Heard, and Democracy at Work.

**Ms CAVANAGH:** Know Your Parliament is programmed specifically for community organisations, for adults. It is arranged by providing the organisation with a list of topics, just general topics, and then being much more flexible for whatever information that community organisation may want. For example, some organisations want to know about how to present a petition to the parliament. Most organisations want to know just what the role of an MLA is, and how to contact their MLA.

*Step Up Be Heard* is a revised version of Youth Parliament. It is unique in Australia. It has never been run as we are conducting it. For example, it has an election campaign that leads up to having a group of parliamentarians, for want of a better expression, and they actually sit in the Chamber and decide their own bill and debate their bill. We ran that for the first time this year with Darwin High School.

The last one was *Democracy at Work*. That is also a new program that is specifically directed towards new Australians, as in ESL adults. We have run that as a pilot program late last year with CDU students. It is run in conjunction with the Supreme Court and the NT Electoral Commission and the whole idea is to give participants an understanding of our parliamentary democracy, as well as their role as a citizen in having to vote and be on the electoral roll, but also to understand how the court system fits in with parliamentary democracy as well.

**Mr WOOD:** Thank you, Madam Speaker.

**Madam DEPUTY CHAIR:** That concludes consideration of Output 1.1.

### **Output 1.2 - Members and Clients Services**

**Madam DEPUTY CHAIR:** We will now proceed to Output 1.2 Members and Clients Services.

**Mr MILLS:** The question is about folding machines. I understand and you would know that opposition electorate officers have requested that electorate offices be issued with a folding machine, but you have said no. Why?

**Madam SPEAKER:** I am a tough woman, yes. The reason I have said no is - in fact, the member for Katherine knows why I have said no to this - because of the cost of them and also because they are quite unreliable. I know a little about folding machines and considered purchasing one and the most basic ones cost between \$2000 and \$4000. Members can use their electorate allowances to purchase one if they wish to but the ones that actually work and are reliable cost somewhere between \$12 000 and \$17 000.

The cost of that and then the maintenance of them is quite considerable. If we are going to have that as part of the general equipment of electorate offices, then not only do we have to purchase them which is 25 members - and we are in a situation where we do not have an increasing budget - by say \$12 000 is quite a lot of money and then they break down. They are very unreliable.

What I have said to members and, in fact, the member for Katherine is aware of this as well, is that you can use your printing allowance to have a commercial printer fold whatever it is that you are producing, even if you have it printed in your own office and that can be part of that printing allowance.

It is not simply that I am anti-folding machines, although I do think they are very temperamental, it is really the, I beg your pardon?

**Mr MILLS:** And noisy.

**Madam SPEAKER:** They are very noisy but they are an extremely expensive item and to buy one for an electorate office, you would want one which was very reliable and we simply do not have the budget either.

**Mr MILLS:** So, drawing upon your own experience and it sounds as though you have had some bad experiences with folding machines ...

**Madam SPEAKER:** I have had some very bad experiences with folding machines.

**Mr MILLS:** But was there an assessment done or a report or an inquiry around this decision?

**Madam SPEAKER:** No, but it was because I knew quite a bit about folding machines. The first time I was asked about it, we found out the costs of some folding machines and that was in that range of \$2000 to \$4000 which is still a large amount of money when you are looking at 25 members. They really do not last very long so it would be a recurrent cost, I can assure you, and also the maintenance of those. So that was the initial costing and then the other ones which were much more expensive. I assure you that members can use their printing allowance to have things folded.

**Mr MILLS:** Yes. Thank you, Madam Speaker. I just thought in the interests of efficiency, it could be like an efficiency dividend because you have electorate officers spending a whole day folding up bits of paper and they could be employed meeting the needs of constituents rather than ...

**Madam SPEAKER:** They could but they could also just ring a printer and just ask: 'Can you fold this for me, please?'

**Mr WOOD:** And bring the constituents to fold them, of course.

**Madam SPEAKER:** That is what I do for my electorate things and it costs about \$40.

**Mr MILLS:** That will do me, Madam Speaker, for the Members' Services on account of time and other colleagues here want to ask some questions.

**Mr WOOD:** One question. What is the idea of developing a newsletter for members - I think it was in the annual report? Did that ever go ahead? All right. We have to scrap that question and go back to the government. Sorry, I just thought. She is here sometimes, gone other times. It is not a very stable government.

**Ms SCRYMGOUR:** Thank you, Madam Deputy Chair. Madam Speaker, are you able to provide the committee with details of any separations relating to electorate officers since 1 January 2010, including their name, electorate, period of service, and details on any separation payments made?

**Madam SPEAKER:** Member for Arafura, I do not have that kind of information here.

**Ms SCRYMGOUR:** Would you take it on notice?

---

#### Question on Notice No 2.2

**Madam DEPUTY CHAIR:** Madam Speaker, will you take that question on notice?

**Madam SPEAKER:** I will take part of the question on notice. It would be my policy that we do not broadcast electorate officers' names in this way. I would be happy to just identify by member but not by the electorate officer. That would be inappropriate.

**Ms SCRYMGOUR:** All right. How about if I rephrase? If you are willing to take this on notice, are you able to provide the committee with any details on any separations relating to electorate officers since 1 January 2010, electorate, period of service, details on any separation payments made? So it completely de-identifies individuals? But electorates and period of service? Are you happy to take that on notice, Madam Speaker?

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

**Madam DEPUTY CHAIR:** That is question 2.2.

**Madam DEPUTY CHAIR:** Any further questions?

**Ms SCRYMGOUR:** I am all right, and I do have some for the office ...

**Mr WOOD:** No move on to the next one.

**Madam DEPUTY CHAIR:** Okay, so that concludes consideration of Output 1.2.

### **Output 1.3 – Building Management Services**

**Madam DEPUTY CHAIR:** We move to output 1.3 Building Management Services. Leader of the Opposition.

**Mr MILLS:** Madam Speaker, what major works are planned for Parliament House this year?

**Madam SPEAKER:** For Parliament House, Building Management System expansion; expansion of the audio visual system to the Litchfield Room, which then completes that project; LED lighting replacement program; purchase new carpet; disabled access to the Chamber; and work on Braille signage.

**Mr MILLS:** And electorate offices, Madam Speaker? Is there work scheduled for any EOs this year?

**Madam SPEAKER:** There are various electorate office refurbishments and that covers a range of electorate offices, and also the proposed relocation and fit out of the Nhulunbuy electorate office.

**Mr MILLS:** Are you able to provide some specifics around the work that is being done in electorate offices.

**Madam SPEAKER:** That have been finished? Or proposed?

**Mr MILLS:** For 2010-11 and what is planned for 2011-12.

**Madam SPEAKER:** In 2010-11, projects were in - do you want to know in every electorate office?

**Mr MILLS:** I am happy for that to be tabled, Madam Speaker, rather than read out. That is 2010-11 and 2011-12.

**Madam SPEAKER:** In 2010-11 it is \$350 313 and it covers a variety of projects in many electorate offices, many of which are covered security, including your own, Leader of the Opposition. I am happy to table that document.

For 2011-12, I will ask Ms Long to give details of that.

**Ms LONG:** The process for minor new works for electorate offices is that we go out to all members to ask what works they would like for the coming year. We then get estimated costs for those works from the Department of Construction and Infrastructure. That list then goes to the Speaker. Once the Speaker approves that list, we then get final official costings. Once that is done, that then goes out to each individual member to say this is the definitive cost and whether they are happy for that to proceed. At this stage, we are in the process of getting those definitive costs, so the program is not finalised.

**Mr MILLS:** That will do me for now.

**Madam DEPUTY CHAIR:** Member for Arafura, any questions under Output 1.3?

**Ms SCRYMGOUR:** I will not fight Gerry over it.

**Madam DEPUTY CHAIR:** Member for Nelson.

**Mr WOOD:** As we have not much time: the annual report says energy consumption was reduced by 3000 kW. Can anyone say how much that is in dollar terms?

**Madam SPEAKER:** We have to do a bit of maths here, member for Nelson.

**Mr WOOD:** I should have brought my calculator. I am not sure what they charge for electricity.

**Madam SPEAKER:** Apparently, the power cost in 2009-10 was \$647 525, and the projected power costs \$653 000. On the other hand, the power went up in cost in the actual amount per kilowatt. While we have used less power, it still cost a bit more.

**Mr WOOD:** Quickly, as we are running out of time. I gather, according to your annual report, you are looking at putting solar panels and wind turbines on the roof of this building. I know that might sound good – it was in the annual report, there was some thought of doing that – is that still going to happen and, if so, is someone going to do a fairly detailed report of whether any greenhouse gases would be saved on the overall life of all this equipment? How much savings would you expect in electricity costs, or has the program been scrapped?

**Madam SPEAKER:** I am not quite sure where it says we were going to use wind turbines or solar panels ...

**Mr WOOD:** Page 50 of your annual report, Madam Speaker. It says:

*Arising from an energy audit by the Office of Sustainability during the reporting period, we will investigate the potential of installing photovoltaic cells on the roof of Parliament House and, in conjunction with Power and Water, investigate the possibility of turbine wind power.*

Which probably could be run from inside the Chamber as well.

**Madam SPEAKER:** Solar and wind power projects have been investigated. However, at this stage, both types of renewable power generation are not cost-effective. Legislative Assembly staff, in conjunction with DCI and Power and Water Corporation staff, have extensively investigated the potential of renewable solar and wind energy into the design of Parliament House. The feasibility of renewable energy is based on the investigation of: the intensity of solar radiation in Darwin; the degree of overshadowing if any over the proposed location of the panels; the potential energy generated from solar photovoltaic cells and wind turbines; the cost of installing solar photovoltaic cells and wind turbines; the potential for the energy savings to recoup the costs of installing the solar cells and wind turbines over 20 years. Although subsidies are not considered in these costs, it is not expected that the photovoltaic panels could even come close to a payback period of 20 years, even in the event of significant subsidies, so we are not pursuing it.

**Mr MILLS:** That is it. I have another question. I had it in the wrong category and this is actually the right category, it is *Legionella*.

**Madam SPEAKER:** We do not have any.

**Mr MILLS:** You do not have any. Have you been checking, and how often are the tests done?

**Madam SPEAKER:** So, it is, do we have any?

**Mr MILLS:** No. The specific questions are: when were they last tested for *Legionella*, the cooling towers?

**Madam SPEAKER:** It is tested monthly.

**Mr MILLS:** Okay. What were the results?



**Madam SPEAKER:** There were no *Legionella*.

**Mr MILLS:** Sorry, there were no results?

**Madam SPEAKER:** There was no *Legionella*.

**Mr MILLS:** None at all. Are you able to table the results?

**Madam SPEAKER:** No positive readings of *Legionella* have been detected this year. I do not have the results with me.

**Mr MILLS:** Right, but are those results able to be provided?

**Madam SPEAKER:** DCI actually does them on our behalf, so we do not actually have them, but I imagine we could get them for you, Leader of the Opposition.

**Mr MILLS:** I would appreciate that.

---

**Question on Notice No 2.3**

**Madam DEPUTY CHAIR:** So we will take that as a question on notice. If you could just repeat that question, please?

**Mr MILLS:** Could you please table the results of the testing of the Parliament House cooling towers for *Legionella*, the monthly tests?

**Madam DEPUTY CHAIR:** That is Question on Notice No 2.3.

---

**Madam DEPUTY CHAIR:** Given that it is after 6.30 pm, on behalf of the committee, I thank you, Madam Speaker, for attending. I also thank officers from the Department of the Legislative Assembly who have provided advice today.

That concludes proceedings for today of the 2011-12 Estimates Committee public hearings. We will resume tomorrow morning at 8.30 am.

---

The committee suspended.

---