

CHIEF MINISTER

In Committee in Continuation:

Mr CHAIRMAN: Ladies and gentlemen, colleagues, it being 9 am, I propose that we continue this Estimates Committee. I reflected overnight, as I suppose most people have, about our progress. I will not go into that again. It is, in a way, a little like a cricket match. We really have to cooperate with one another to try to get through the two innings.

A member: Is it a test match or a one day?

Mr CHAIRMAN: No, this is a test match. We have a ...

Ms Martin: We could have penalties.

Mr CHAIRMAN: Well, that is right.

A member: We need five days then.

Mr CHAIRMAN: Maybe. No, this is the Sheffield Shield. I would exhort everybody involved to try to get through our business as speedily as possible. We were aiming to have three ministers today. We are about half way through the Chief Minister and we still have the member for Nhulunbuy to go. By my estimation makes four-and-a-half. So let us go to it.

The first business overhanging from last night was in relation to Output 03.10, which was the NT Railway. It has been confirmed to me that that will be dealt with by Minister Henderson. That leads us onto Output 04.10 which is Support to Executive, Ministers and Leader of the Opposition. Once again, the member for Brennan has asked most of the questions here and I put it in his hands.

Mr WOOD: Mr Chairman, did you get a ruling on those questions about the railway ...

Dr Lim: 65 and 81.

Mr WOOD: Was it 65 and 81?

Mr CHAIRMAN: I was just informed that all that set of questions will be directed to and accepted by Minister Henderson.

Mr WOOD: Thank you.

Mr CHAIRMAN: Output No 04.10, Support to Executive, Ministers and Leader of the Opposition.
Support to Executive, Ministers and Leader of the Opposition

Mr BURKE: Mr Chairman, before I ask the first question I pick up on what you said about having this process move expeditiously. It is disappointing, to say the least, that after one day of questions in an Estimates Committee - an Estimates Committee that was supposed to be conducted in a cooperative fashion - that we listened to the comments by the Deputy Chief Minister on radio this morning threatening to cut down the process and table documents without any explanation. That follows on what, essentially, was a threat to the member for Nelson evidenced by his comments last night.

I remind you, Mr Chairman, that it is our job as members of parliament to examine the budget, and we are doing that within the process that your own government put in place. I also remind you that this process is not based on written questions. I refer you to the resolution of the parliament that put this process in place. The motion talked about questions and eventually states that members may – and I

stress 'may' - submit written questions. We did submit written questions but we have made it perfectly clear that we consider that that is only part of the process; that we would have other questions. We also warned you, I remind you, that the process would take some time.

When the Deputy Chief Minister says it took 41 hours tops in the past, that was when the Labor opposition at the time had two hard-working members: Mr Bailey and Mr Bell. When those two were at full speed on their own it took 41 hours. You now have 10 hard-working members of a very experienced opposition, and we intend to examine this budget within the confines of the resolution of the parliament. To do otherwise is contemptuous of our parliament. If the Deputy Chief Minister wishes to proceed along that line, I remind you it is contemptuous. However, that is within your and the government's prerogative. If you proceed along that way, that is the end of any claim to open, honest and accountable government.

We will do our best to get the answers and we will move as quickly as possible.

Mr CHAIRMAN: Leader of the Opposition, on those issues, what I would be hopeful of, where possible and appropriate, is that you might accept the written answers to some questions and focus on others. However, that is your prerogative and I will leave it in your hands. I ask that ministers be as short and concise as they can to the question, and that we avoid repetitious questioning. You have made your statement, Opposition Leader and we have heard what you said. If we could proceed, please.

Mr BURKE: Thank you. Question 144 and 88, the same question essentially: what is the budgeted 2002-03 expenditure for the employment of six staff at the Office of Central Australia? How does it compare to the cost of running that office in the previous financial year?

(a) How much of the expenditure is allocated to the employment of existing staff?; how much is allocated to the employment of more staff?; how much is allocated for consultants? (b) apart from salaries, what are the additional costs of maintaining that office?; (c) how many vehicles are allocated to that office and where are they housed?; and (d) what allocation exists for other expenditure such as entertainment and functions?

Ms MARTIN: The budget for the Office of Central Australia is incorporated into the budget of the Office of the Chief Minister. In order to facilitate comparison between 2001 and previous years, the various figures that I will mention are met at department line overheads.

The budgeted 2002-03 expenditure for the Office of Central Australia is \$690 000. In 2001-02, the cost of running the Office of Central Australia from 27 August 2001 was \$435 814. This figure only includes 10 months of the financial year and does not include the previous government. In addition, the office was only fully staffed late in the year.

Specific to (a) \$517 000 is allocated to the employment of existing staff; (b) the operational costs of the Office of Central Australia are estimated at \$173 000 for 2002-03; (c) three vehicles are allocated to the Office of Central Australia - one is housed by the senior ministerial officer and the other two vehicles are housed on a rotational basis between the other staff; and (d) any entertainment and hospitality expenditure will be met from the wider Office of the Chief Minister expenditure.

There was a tiny difference between 88 and 144. Yes, there is a consultant question in 144. There are currently no specification allocation for consultants. Any consultant expenditure required would come from the wider Office of the Chief Minister expenditure.

Mr BURKE: So all of the costs of that office are picked up within the Office of the Chief Minister?

Ms MARTIN: Yes.

Mr BURKE: No costs are borne by the department?

Ms MARTIN: Not for that office.

Mr BURKE: Question 92: what is the 2002-03 budget cost of providing video conferencing facilities from the Office of Central Australia to meet the election promise that video conferencing would be provided? How many video conferences have been held and what was the cost of these? When did video conferencing first commence? What was the reason for any delay? Which ministers have participated in video conferences?

Ms MARTIN: The cost of purchasing and installing the video conferencing facility was \$58 009. This provided equipment for both Alice Springs and Parliament House in Darwin. The system was installed in July. The video conferencing facility between Parliament House and Alice Springs has been installed to support the business of government, and will generally be used by government to enable meetings to take place without the cost associated with travel. While not intended for general community use, it will be used to facilitate discussion between government and members of the community, business and organisations generally. The annual cost of leasing telephone lines to provide the service is estimated between \$7000 and \$10 000, depending on usage. There are four lines at a cost of \$870 each per year.

Usage costs are governed by the time spent using the facility, the time of day and the distance. The facility has been used by me, by Minister Toyne and Minister Ah Kit. This included Minister Toyne participating in a Cabinet meeting from Alice Springs.

Mr BURKE: Question 96: how much was spent on advertising *Inside Our Parliament* in 2001-02? How much will be spent in 2002-03? I imagine the full year figures will be the same.

I would remind the Chief Minister of her comments in *Hansard* which she went at length to describe how unfair we were in government at the time as we did not include the business of opposition in *Inside Our Parliament*. Do you still hold that view? If you do, how do you intend to rectify it to afford with those views, or have you changed them?

Ms MARTIN: As at the end of August, \$1789 has been spent in 2002-03. *Inside Our Parliament* advertising expenditure for 2001-02 was \$11 232. 2001 for the previous year was \$13 234.

I am very committed to having *Inside Our Parliament* provide information to the community about what is in fact happening inside the parliament. We have reduced the amount of expenditure by only having half page advertisements where possible, and not a full page. That is a saving of \$1200 in the *NT News*, for example.

We give any commitment to opposition bills that have the status of private members' bills, as is the practice of parliaments around the country, and we now have a website with more detailed summaries of each bill. For people who do not have Internet access or do not know how to use it, the newspaper notice refers them to the Territory Library for assistance.

Mr BURKE: So you have now changed your view?

Ms MARTIN: In what way?

Mr BURKE: If you look at the *Hansard* record, and I could get someone to find it for you, we can refer to it, you went at lengths to say that the opposition conducted important business, matters of public importance, any other motion that might have been there, censure motions, and should have been included as part of *Inside Our Parliament*, particularly motions put forward by the opposition. You have obviously changed your view on that.

Ms MARTIN: We have not had any MPIs from the opposition.

Mr BURKE: You have had a whole number of motions, you have had a number of ...

Ms MARTIN: You have not had any MPIs.

Mr BURKE: I said to you 'including motions', you said, put forward by the opposition ...

Ms MARTIN: Well, I think MPIs are a very important component of parliamentary business, and we have not had any.

Mr BURKE: You are not listening to the question. I said to you that in your own words the business of the opposition including motions that the opposition put, including general business day business by the opposition, including matters of public importance, including bills that are put forward for debate by the opposition should all be included in *Inside Our Parliament*. I have not seen one piece of business by the opposition included in your *Inside Our Parliament* publication. Do you intend to do what you said you would do?

Ms MARTIN: I welcome MPIs that the opposition raises, that is appropriate. We do not include censures, either side. The matters of public importance, yes. Government motions are not there.

Mr BURKE: Mr Chairman, you see why we are taking time in this session. I ask a very simple question and the Chief Minister refuses to move past one issue of the MPI.

Mr CHAIRMAN: With all respect, member for Brennan, you have made your point for the opposition; the Chief Minister has made her point. I would just like us to move on because we have gone over this a couple of times now and the interchanges has been the same.

Mr BURKE: For the record, the Chief Minister has now changed her view entirely from the view she held whilst Leader of the Opposition as to how the *Inside Our Parliament* publication should be produced.

Mr CHAIRMAN: That is your view ...

Mr BURKE: It is in *Hansard*, Mr Chairman.

Mr CHAIRMAN: That is your view, member for Brennan, but I ask if we could just move on. We have spent time on this. You have made your point. I would ask that we could move on, please.

Mr BURKE: Question 131: how many staff are employed by the minister in their ministerial office, including Alice Springs, or any other centre? How many of these staff are paid for by the Department of the Chief Minister, and how many are paid for by the minister's agency or department?

Ms MARTIN: As at 31 August there was a total of 29 staff employed within the Office of the Chief Minister; six of these staff are based in the Office of Central Australia; all of these staff are paid for by the Department of the Chief Minister.

Mr BURKE: Question 142: what is the 2002-03 budget cost of providing video conferencing facilities from the Office of Central Australia to meet the election promise that video conferencing would be provided? That is a repeat, sorry.

Ms MARTIN: Yes, that is a repeat. Question 144 we dealt with.

Mr BURKE: Question 184: what is the budgeted 2002-03 expenditure to meet an election promise to

employ seven ministerial officers, one to represent each minister in the office in Alice Springs?

Ms MARTIN: I am assuming this is the Alice Springs question, isn't it, the Office of Central Australia? The office was set up so that there are better opportunities for people of Central Australia have input into government decision-making. The budgeted 2002-03 expenditure for the Office of Central Australia which is included with the Office of Chief Minister is \$690 000, as I have said before. That figure does not include departmental overheads. Six ministerial officers are employed. Once we formed government it was assessed that six officers could well service Central Australians, as well as contributing to the savings we sought across government. The Minister for Central Australia also has a strong presence there himself, of course.

Mr BURKE: Question 192: what was the total staffing paid for by the Chief Minister's department for each ministerial office as at 1 July 2001, and as at 1 July 2002?

Ms MARTIN: Starting with 1 July 2001: ministerial staffing for yourself was 29; Minister Reed – 6; Minister Baldwin – 7; Minister Manzie – 4; Minister Palmer – 5; Minister Dunham – 5; Minister Lugg – 5; Minister Adamson – 6; Minister Lim – 6; as Opposition Leader, I had 7 staff. That came to a total of 80.

Ministerial staffing as at 1 July this year: Office of the Chief Minister – 29; Minister Stirling – 7; Minister Toyne – 6; Minister Henderson – 7; Minister Ah Kit – 6; Minister Aagaard – 6; Minister Vatskalis – 8; you as Opposition Leader – 4. That comes to a total of 73.

Mr BURKE: How many additional staff do you have there that are not paid by the Office of the Chief Minister?

Ms MARTIN: There are a number of departmental liaison officers – seven.

Mr BURKE: Seven in total?

Ms MARTIN: Yes, six or seven.

Mr BURKE: Question 195: what was the comparable figure spent by the office of the Leader of the Opposition in 2000-01 and 2001-02 and the estimate for 2002-03? What was the amount expended by the office of the Leader of the Opposition in the period 1 July 2001 to 27 August 2001?

Ms MARTIN: The figures that I am going to quote do not include departmental overheads to facilitate those comparison between years. In 2000-01, the expenditure of the Leader of the Opposition was \$798 000. For 2001-02, the combined expenditure of me as Leader of the Opposition and you is \$759 000. This was divided between \$240 000 for me and \$519 000 for you. The 2002-03 allocation for Leader of the Opposition is \$730 000. This is an approximate full year increase of \$110 000 based on September 2001 to June 2002 expenditure. It recognises that 2001-02 was a transitional year where we focussed on reducing the overall cost of government. I have kept pressure on costs. We now have a responsible and prudent budget for 2002-03.

Mr BURKE: I will have a look at those figures after.

Question 197: how much has been saved by the department in 2001-02 caused by the reduction in the number of ministers? What were these savings and how were they achieved?

Ms MARTIN: We have met our election commitment to save \$2m by reducing the number of ministers and, importantly, changing the way we operate and manage our ministerial offices. Restraint by my government during the first 10 months, together with our election commitment to reduce ministerial offices expenditure by \$2m, has delivered a 2001-02 savings of \$2.13m. That saving has been calculated by comparing ministerial office expenditure for 2000-01 to 2001-02 expenditure less the

\$1.2m change of government costs. The relevant figures are 2000-01 ministerial office expenditure of \$11.407m minus the 2001-02 expenditure of \$9.280m, resulting in a savings of \$2.13m.

Mr BURKE: Question 201: how much has been spent on terminations, redundancies or dismissals of ministerial staff in 2001-02, excluding the amount paid for staff of the previous government, and how much has been expended on this category so far in 2002-03?

Ms MARTIN: The amount spent on terminations, redundancies or dismissals and separation entitlements for ministerial staff during 2001-02 includes the following: \$991 239 for staff of the previous government, and \$28 301.85 for staff of the current government. The amount expended during 2002-03 is \$11 252.42.

Mr BURKE: So, just to clarify, essentially the termination of the best part of 80 staff in my government cost - what was the figure?

Ms MARTIN: The best part of a million.

Mr BURKE: And the termination of your staff so far has cost how much?

Ms MARTIN: \$28 301.85.

Mr BURKE: How much has been expended on bringing staff from interstate, and were any given periodic trips to their place of recruitment during their employment, and what was the cost of this to the taxpayer?

Mr CHAIRMAN: What number question is this?

Mr BURKE: It is a supplementary to 201.

Mr CHAIRMAN: There is a bit of detail in that question, member for Brennan.

Ms MARTIN: If you submit that as a written question, we will answer it. I do not think we have that detail.

Mr BURKE: Question 204: how much has been allocated to each minister's office for 2002-03?

Ms MARTIN: Each ministerial office for 2002-03 is as follows: for my office - \$4.63m; Minister Stirling - \$875 000; Minister Toyne - \$795 000; Minister Henderson - \$810 000; Minister Ah Kit - \$730 000; Minister Aagaard - \$730 000; Minister Vatskalis - \$730 000; Leader of the Opposition - \$730 000; and independent members - \$70 000.

Mr BURKE: Question 211: how many staff are employed in the Chief Minister and ministers' offices, including the Office of Central Australia?

Ms MARTIN: As at 31 August this year, the ministerial staffing levels were: for my office – 29, including the Office of Central Australia; Minister Stirling – 7; Minister Toyne – 7; Minister Henderson – 7; Minister Ah Kit – 6; Minister Aagaard – 6; Minister Vatskalis – 7; and Opposition Leader – 4. That is a total of 73.

Mr BURKE: Question 212: how much was expended by each ministerial office, including the Chief Minister's Office and the Office of Central Australia, in 2001-02, and how did this compare with the budget allocated to each minister's office by your government in 2001-02?

Ms MARTIN: As I have said in the previous answer, we have delivered on our election commitment to

save \$2m in ministerial expenses with the reduction of two ministers and a change in the way we operate and manage our ministerial offices. That was a final sum of \$2.13m. Notwithstanding the high expenditure by the previous government of \$2.4m for the period 1 July 2001 to 26 August 2001, the total expenditure of \$9.280m for 2001-02 was achieved and that saving was \$2.13m.

Mr BURKE: It does not answer the question. How much was expended by each ministerial office, including the Chief Minister's Office?

Ms MARTIN: Sorry, let me go to the next page. So to look at ...

Mr BURKE: 2001-02, and how did this compare to the budget allocated?

Ms MARTIN: For 1 July 2001 to 26 August 2001, under that period, mini-budget \$2.4m, and that was the actual expenditure. From 27 August 2001 to 30 June 2002, there was a difference in expenditure from the mini-budget, which was \$6.027m to \$6.88m.

The breakdown of that is: for the Chief Minister's Office, mini-budget \$2.682m and actual expenditure in 2002 - and these are on cash terms. We did these calculation on cash and cash. So you have \$2.682m and the actual expenditure was \$2.976m; Minister Stirling, \$482 000, actual expenditure \$655 000; Minister Toyne, \$482 000, actual expenditure \$501 000; Minister Henderson \$488 000, actual expenditure \$612 000; Minister Ah Kit, \$457 000, actual expenditure \$533, 000; Minister Aagaard, \$457 000, actual expenditure \$451 00; Minister Vatskalis \$457 000, actual expenditure \$515 000; Leader of the Opposition, \$457 000, actual expenditure \$519 000; and for Independent members, the actual expenditure was \$8000. For Cabinet meetings the mini-budget had \$65 000, actual expenditure \$111 000. That total all up: \$8.427m was in the mini-budget and overall, \$9.28m.

Mr BURKE: Just based on those figures it would seem the Leader of the Opposition came in closer to his budget than any of your ministers; notwithstanding the fact that you claimed you would all come in within budget, and ridiculed me for heralding the fact that I could not.

Ms MARTIN: As I said in my answer to a previous question, we looked at trying to achieve savings of \$3m for ministerial offices based on the \$6.027m provided in the budget. That proved to be optimistic because of the base that was used. Taking into account the final expenditure for ministerial offices of \$6.88m, an overall saving, inclusive of the \$2.4m for the previous government, of \$2.12m was achieved in 2001-02.

Mr BURKE: Question 458: the mini-budget allocated \$15.23m in 2001-02 for Government Business Support. How much was spent? What is the cash figure allocated for 2002-03? How does that compare with \$15.23m? How is the figure of \$14.834m arrived at?

Ms MARTIN: An amount of \$15.943m was spent in 2001-02. The 2002-03 budget figure of \$14.834m is in accrual terms and includes the normal operational budget for this area. It is not a cash figure and, therefore, is not comparable with the mini-budget cash amount. This output group includes all ministerial offices, Parliamentary Counsel, Cabinet Office, Protocol and the former Government Communications Office for the end of year expenditure.

The key issue here is the \$2.13m savings in ministerial office expenditure in 2001-02 compared to the previous financial year. This was in spite of that heavy expenditure in July and August by the previous government of \$2.4m. The relevant figures are ministerial office expenditure in 2000-01 of \$11.407m, compared to \$9.28m in 2001-02, once change of government costs are excluded which was largely payout of former ministerial staff.

Mr BURKE: The question, Chief Minister, referred to how you went with your own budgetary effort in relation to your own mini-budget. With regard to the answer, what is the figure that does line up with \$15.23m?

Ms MARTIN: We have an accrual figure and we have a previous cash figure. In the terms that you want to look at, which is what is the difference in real terms, the real terms difference between that expenditure, and the key one - as I said, Government Business Support takes into account a wide variety of things: Parliamentary Counsel, Cabinet Office, Protocol, your former Government Communications Office and ministerial offices. Just isolating the ministerial offices component, the expenditure difference between 2000 and 2001 - and these are apples/apples figures - are \$11.407m under your government, and in the last year, \$9.28m. That is for ministerial offices. So it is a difference of \$2.13m.

Mr BURKE: When it suits you, you want to give a cash figure and when it does not suit you, you will not give a cash figure. You give an accrual figure and say: 'It does not line up'. The question is very simple ...

Ms MARTIN: I did indicate that we would have two exceptions and looking at these ministerial office expenditures was very important. We did those calculations. As I said, the other cash figures are being audited now and will be ...

Mr BURKE: So the exception is if I am trying to find numbers, figures or amounts that are hidden in other areas I cannot find them because the figures do not line up, but you will only give me the ones that suit you. I think I understand where you are going with this.

Question 446: (1) what promotional activities of the Northern Territory's history, attractions or resources in any form, including electronic media advertising, books and general printed matter, have been funded by the Department of the Chief Minister or any of its agencies, where the person or body engaged to do the work was not a full-time employee of a government department or agency in the period 1 September 2001 to 1 September 2002?

(2) what were the titles of all the promotional activities referred to in question 1 and who were the persons or person engaged to undertake them?

(3) what was the total amount spent on the promotional activities referred to in question 1 by the Department of the Chief Minister and its agencies?

(4) of the promotional activities referred to in question 1, which were assisted by a) payments in advance; b) use of government facilities at no charge; and c) use of government administration support at no charge.

(5) what was the total value of the assistance rendered in each promotional activity?

(6) which of the promotional activities contained provisions for payments of future royalties to the person or body responsible for carrying out the promotion?

(7) how many, and in which, of the promotional activities were provisions for the costs incurred by the Northern Territory government or its agencies to be offset against future royalty income?

(8) in how many, and in which of the promotional activities were expressions of interest or tenders called before a person or body was engaged to carry out that promotion?

Ms MARTIN: Okay, just to work through those questions. One, there are too many promotional activities to read out so I will table a document that provides the details. The document tabled lists the titles of the promotional activities that deals with question 2.

Question 3, the total cost of promotional activities is \$493 469. Question 4, of the promotional activities listed in the tabled document, a) there were no payments in advance; b) Wana Ungkunyitja was given the use of the old government-owned Repco building which was vacant and provided a

suitable location for headquarters of Outback Central 2002; and c) there was no administration support provided at no charge.

Question 5 - the total value of assistance provided for each promotional activity is nil. Question 6 - none of the promotional activities contained provisions for payment of future royalties. Question 7 - there were no provisions for costs incurred by the Territory government to be offset against future royalty income. and question 8 - the final part of the question, the tabled document shows the promotional activities for which tenders were sought. The majority of the activities cost less than \$3000 and therefore did not require the calling of tenders.

Mr BURKE: In relation to question 2 of that question, does that table include the persons engaged to undertake them?

Ms MARTIN: Yes.

Mr CHAIRMAN: That document is coming around now, member for Brennan.

Mr BURKE: This is a question redirected to you, Chief Minister, question 738. List the countries which - we will probably go back to that table, I just want to have a look at it.

I will move onto the next one.

Question 738: List the countries which have sent diplomatic representatives to meet with NT government ministers for 2001-02 and how many met with the Chief Minister or minister responsible for international relations and trade?

Ms MARTIN: From the 12 months to August 2002 we have hosted 32 diplomatic visitors. Twenty four of these visitors met with either me as Chief Minister, or the Minister for Asian Relations and Trade, and nine met with both. Six businesses met with other government ministers. One visitor did not request a meeting with the minister due to the nature of their visit. The remaining diplomat, the Ambassador of Eritrea, was hosted by the Speaker and the member for Sanderson. I have a list here to table of all of those.

Dr LIM: I am asking a supplementary to 738 and turning the question around to the Chief Minister. How many diplomatic missions were declined audience either with you or one of your other ministers?

Ms MARTIN: I cannot give you those answers. I can tell you that I personally attempt to meet with every visiting ambassador, which I think is very appropriate. If it is simply impossible to do that because of my schedule, then the next senior minister. So I cannot give you that detail. If there is some significance in that we will get back to you, but I cannot see it.

Dr LIM: I have communications directed to me that many were unhappy that they were not able to access you or your ministers. I am putting it to you, Chief Minister, that in fact quite a few missions were not able to access you or your ministers.

Ms MARTIN: I am not aware of that. We hosted 32 diplomatic visitors over the year of ambassador or high commissioner, or that level of status, and we are very keen to meet with them. I only met with the High Commissioner from Kenya last week.

Mr DUNHAM: If we have finished the written questions, I have some supplementaries, Mr Chairman. The first is ...

Ms MARTIN: Sorry, which question does this relate to?

Mr DUNHAM: On this output, and it relates to your answer about the seven secondments which you

described as departmental liaison people, I think.

Ms MARTIN: Yes, DLOs.

Mr DUNHAM: Yes. Given the experience where one of those people was to be paid approximately the same as the minister, could we have the levels of those people, please, and details of their placements within ministerial offices?

Ms MARTIN: I refer that answer, for more detail, to my Chief Executive.

Mr TYRRELL: This is, of course, a question that applies to all ministerial officers and departments that do have staff outposted to the ministerial officers and they are on a rotating basis. There are six to seven at the moment and they vary in levels. I am not sure that – you are looking for the salary details of everyone who comes and goes? We do not have that detail here.

Mr DUNHAM: Essentially, it is appropriation that sits in another area but their service is dispensed to a minister solely and we did see the occasion where the health minister was going to employ someone in this category who was paid pretty much the same as her. We would like to know what those levels are.

Mr TYRRELL: We do not have those levels here at the moment. They vary as they come and go because quite often they are on a rotating basis.

Mr DUNHAM: Could they be provided on a periodic basis to the Leader of the Opposition?

Ms MARTIN: You used the same mechanism yourself when you were health minister. I think it is a valuable one. I do not see the point of providing the salary levels. We are looking for skills and expertise and we are certainly looking for opportunities to develop more skills for those who do become DLOs and that is the same philosophy you had in place.

Mr DUNHAM: Yes, but I would not have employed the Deputy Secretary of the department. So when you talk about developing skills, when you are employing somebody who is pretty much the number 2 in the department to help the minister out, we would like to those details.

Ms MARTIN: You would know that on a contract basis - and we are not going to give the details of those contracts - we welcomed having the Deputy Secretary in the education minister's office. She was great.

Mr DUNHAM: Well, the health minister also. So there is at least two we know of where you have picked someone out of the department for further skill training, stuck them in the minister's office and they were paid more than the minister. This is a strange set up and it is not something that happened before.

Ms MARTIN: You would have to say that just because things happened before – there are many things that happened previously we do not want to repeat. But, we make the choices; we make those judgements. It is only on a short-term basis.

Mr DUNHAM: We know that they are there to train the minister, not for them to be trained. All we want to know is the level of subsidy that is coming from the departments to ministerial offices. We would like to know what that is. I am happy to strip away the names, but we would like to know the quantum of funds over a year that is being sponsored from departments into ministerial offices. The quantum of funds.

Ms MARTIN: I do not see that as a problem. I will get back to you.

Mr DUNHAM: Thank you.

Dr LIM: Mr Chairman, I refer the Chief Minister to the tabled document regarding advertising of promotional activities by external source.

Mr CHAIRMAN: So this is referring to question 466, is it?

Dr LIM: I believe it is. I note from this list that there are quite a few certificates of exemption issued for jobs done. I wonder whether the Chief Minister can provide information as to the nature of those certificates of exemption and the quantum of each of the contracts.

Ms MARTIN: We have the details of why those certificates of exemption were relevant for the time. I will get Mr Tyrrell to talk about that.

Mr TYRRELL: Looking at the first one, for example, on page one, Promotion and Marketing of Outback Expo. That was a project that was a combined budget from Commonwealth and state sources; approval in April for major events in August, with a budget of something in excess of \$1m, so a certificate of exemption was needed to get the project under way. The group that was selected was the group that had successfully managed the Dreaming Festival, so therefore had appropriate experience. In other words, a somewhat very short lead time, and that is why that one was provided.

Dr LIM: Can we pose some supplementary questions as we go along, Mr Chairman, or should I wait till the full response is provided?

Mr CHAIRMAN: We are after a free interchange here as much as possible, if the questioning is efficient.

Dr LIM: The reason I ask that is that it is a substantial contract over \$1m, and one company was picked out to do that, rather than go to public tender. The Year of Outback celebrations in Alice Springs were known probably 12 months ahead, and it is most unusual to pick one company and using short notice as a reason.

Mr CHAIRMAN: I just ask, member for Greatorex, that you do direct your questions through the Chief Minister.

Dr LIM: The question was: the Year of the Outback celebrations in Alice Springs were known 12 months ahead. To then say that the certificate of exemption for this in excess of \$1m contract was done because of the short time frame, appears to be inappropriate and I just wonder why this particular contract was not put out to public tender.

Ms MARTIN: Again, I refer to my CEO.

Mr TYRRELL: While it was known, the scope in the budget certainly was not. In fact, it was very late approval from the Commonwealth for their \$600 000 contribution to make the budget of around \$1m. Frankly, it was an extraordinary effort by everybody to get the project completed and the outcome was quite successful. That is one of those times you have a large budget, you cannot afford the time to call tenders, late approvals. It has to be done. It was, and it was in accordance with the procurement guidelines.

Dr LIM: Do you want to continue on with the rest with the C of Es?

Mr TYRRELL: You want to go through each and every one?

Dr LIM: You did that yesterday. You have First Class, Philip Pahin, Sprout Creative, The Exhibitionist.

Mr TYRRELL: The Exhibitionist, for example, that was done because in fact it was an update of a display that had been constructed the year before. It was obvious to go to the same person to get the update done.

Dr LIM: Any others? First Class, Philip Pahin and Sprout – on the second page down the bottom.

Mr TYRRELL: Which one are you referring to, Dr Lim?

Dr LIM: On the second page, under 'Illustrations for Sunrise Campaign, Philip Pahin, Certificate of Exemption'; 'Team NT Gas fact sheet and newsletter, Sprout Creative, Certificate of Exemption'; Economic Development Strategy booklets and banners, First Class, Certificate of Exemption'.

Mr BURKE: The question goes to whether or not, seeing there are so many certificates of exemption, that there is equity being applied to local businesses, some of whom have said to me that work has dried up; others have said they are not doing too bad. The real issue is that they do not mind having a competitive tendering arrangement, it is the perception that too much is done by exemptions.

Mr TYRRELL: The Sprout one that you refer to is, I think, a Team NT one, is it?

Dr LIM: Yes, Team NT gas fact sheet.

Mr TYRRELL: Again, that was a campaign that was required to be done very quickly and there was a C of E obtained for that campaign, so it would go to people with the necessary skills and make sure we got value for money, and appointed to those who could do the job in time.

Ms MARTIN: I make the point that, if you look through the list, there are only specific certificates of exemptions that was really because of time frames. So, overall ...

Dr LIM: Chief Minister, I hear what you are saying in terms of short time frames, but when you look at the list such as this, you have quite a number of C of Es. Ultimately, one needs to determine the cause of it.

Ms MARTIN: I welcome your question.

Mr DUNHAM: Mr Chairman, I am totally unable to reconcile the figures out of any budget papers that the Chief Minister gave us for the comparisons between staff numbers. I wonder if those computations could be made available to us?

Ms MARTIN: Sorry, staff numbers for what? What question are you referring to?

Mr DUNHAM: When you gave the comparison between the staff numbers in ministerial offices you used, for the first time, thankfully, a comparison that enabled us to go to budget documentation. I have now perused both the mini-budget and the current budget documentation and am unable to reconcile any of the figures you gave us. I wonder if your working sheets there could be made available to the committee?

Mr CHAIRMAN: Member for Drysdale, with all respect, the question you have asked is very non-specific. Which particular figures ...

Mr DUNHAM: I am talking about ...

Mr CHAIRMAN: Are you talking about a particular ministerial office?

Mr DUNHAM: It is very specific, Mr Chairman, because it is the ...

Mr CHAIRMAN: Well, do you want to mention what the figures are?

Mr DUNHAM: ... only time we have been able to get the Chief Minister to do an exact comparison between financial years. So, that is how specific it is.

Ms MARTIN: I made the point when I gave them to you.

Mr DUNHAM: Those computations you did where you compared the costs of ministerial offices in the last government with the cost of ministerial offices in this government, you imputed some savings of some \$2m, none of which is evident in any of this documentation here. I am merely asking if you could provide your working sheets that you have there, to provide the answer to the committee?

Ms MARTIN: Because it all comes under Government Business Support you would not find that level of detail in this budget. That is not appropriate; it never has been before. As I said, there is more detail in this budget than we have seen in any previous budgets and that further details, as we have heard many times over the years, will be in annual reports. I have given you the details of the calculations and they are the accurate ones.

Mr DUNHAM: They are unaudited. They have come from you. They do not reconcile with your budget papers. I am merely asking if you can provide the detail. For instance, there is a line here: Support to Executive Ministers, Leader of the Opposition. Yes, there has, on the face of these figures, been a saving of \$1.3m. You were talking some \$700 000 above that. I am really asking, because this is a key plank of one of the things you were elected on, for you to demonstrate to the committee and the people that those savings are real and not imagined.

Ms MARTIN: I believe I have demonstrated in detail that the savings, as they are calculated, given the calculations and how we have made them. Between the year 2000-01 and 2001-02, in real terms, we have saved \$2.13m.

Mr DUNHAM: Were those calculations done by Treasury, or were they done by your office staff?

Ms MARTIN: We have done the calculations. We have given the details, we have done ...

Mr DUNHAM: Who is the 'we' is what I am asking?

Ms MARTIN: My department has done the ...

Mr DUNHAM: The Department of Chief Minister has done it?

Ms MARTIN: Yes, quite appropriately, and ...

Mr DUNHAM: Was it a time consuming exercise for them or were those figures readily available?

Ms MARTIN: Mr Chairman, I have given the details of that and I think we should move on. I have given those openly and accountably, and we have done the cash comparisons and very appropriately. We said we would make a difference of \$2m, we reduced ministers by two and certainly, if you look at hospitality and other aspects of the functioning of ministerial offices, the expenditure is considerably lower than previously.

Mr DUNHAM: With respect, Chief Minister, that is a 'trust me' answer because none of those figures are in here. If they were easily provided by your department, we would ask that they would be provided on many, many of the other questions that are in here where we find it difficult to reconcile

some of the numbers that come out of your mouth with some of the numbers that are in your book. All we are asking is that if it is a simple exercise, if it could be done on a more frequent basis, and if the computations that you have there that you were able to provide an answer could be provided to the committee, so that we too can have the benefit of this knowledge.

Ms MARTIN: Mr Chairman, I provided adequate analysis of what has been done and that is where we will leave it.

Mr CHAIRMAN: I believe the Chief Minister is on the record. She has given her answer. If we move around this any longer, it is repetitious. I propose that if there are no more questions that ...

Mr BURKE: I do have a couple of questions in this area.

Mr CHAIRMAN: What's that?

Mr BURKE: In the output area.

Mr CHAIRMAN: Well, this 04.10, I am moving to close it off.

Mr BURKE: No, I have some questions; these are written ones.

Mr CHAIRMAN: No, no - well, all the written questions have been asked, unless there is a supplementary.

Mr BURKE: I have some additional questions I would like to ask, thank you.

Mr CHAIRMAN: Member for Brennan.

Mr BURKE: Chief Minister, does the Northern Territory government pay legal expenses for ministers who threaten defamation proceedings, issue proceedings, or who are defendants to defamation proceedings? If so, what are the guidelines for assistance? If the answer to question 1 is 'yes', how many actions or complaints have been funded or consent for funding given and at what cost per action? If the actions referred to above are funded by the government, what is the budget item as the source of these funds?

Ms MARTIN: That question is without notice so we will get back to you.

Mr BURKE: You have been reported in the media of now giving all your press officers government cars. Can you tell me how many staff who are employed on the 5th floor who previously did not have a car, now have one? What was the total cost of purchasing these cars? What are the estimated ongoing costs? Why did not they have cars previously?

Ms MARTIN: Again, another question that we do not have the details of here. Please put it writing and we will get back to you.

Mr BURKE: Well, I will do all that. As long as you give me an answer that you will respond to it.

How many persons have been appointed since the election of your government to senior positions such as CEOs, heads of government agencies or instrumentalities, or at director level? How many were recruited from outside the Northern Territory? In line with that, how many of the ministerial staff have been engaged by you or your ministers since the election, and how many of these were recruited from outside the Territory?

Ms MARTIN: Again, I will have to take it on notice.

Mr BURKE: Will you give me an answer?

Ms MARTIN: Yes, certainly, very happy to.

Mr BURKE: One other one that intrigues me, which you might be able to confirm did you, or your office, or the Department of Chief Minister, approve the freighting of electronic sound equipment? I specifically refer to two matching lecterns from interstate for your press conference with Professor Percy Allan, despite the fact you already a choice of five lecterns available to you within the Legislative Assembly and the Department of Chief Minister. If so, how much did it cost to freight the sound equipment and lecterns to Darwin? And is it true that this money was wasted because your staff insisted that you and Mr Allan had to have matching lecterns?

Ms MARTIN: I do not have details of that and we will get back to you.

Mr REED: You don't remember!

Ms MARTIN: It is a very specific question about sound equipment and lecterns.

Mr BURKE: I would have thought a Chief Minister who was interested in managing a tight budget would have jumped on that one very smartly.

Ms MARTIN: I know that we have two lecterns. I cannot give you any more detail ... No, honestly, I know that we have two lecterns, it is important to have them, and over the last 12 months I have done a number of media conferences that use those because there are two people doing those media presentations. I will get back to you with the detail?

Mr BURKE: Well, that's right. My understanding is that the two lecterns were freighted specifically up for a press conference because the idea was you needed two matching lecterns. I ask you what your knowledge is of that. I would have thought a Chief Minister would have been very interested if that was the way money was being spent.

Another question that interests me is an advertisement that was placed nationally for an electorate officer for the member for Barkly. I wonder why it was placed nationally rather than employing locally? How much did you spend advertising nationally for staff, and specifically for this particular electorate office? The advertisement was placed in a southern newspaper, I think it was *The Australian*. The request for expressions of interest were to go to one of your staff for an electorate officer for an MLA and the bill was paid for by the Office of the Chief Minister. Can you explain that?

Ms MARTIN: No. Again, I will have to get back to you with the details of that.

Mr McADAM: I paid for it.

Ms MARTIN: The member for Barkly paid for it.

Mr BURKE: Well, I know the bill was billed to the Office of Chief Minister so I am assuming from the comment from the member for Barkly that the Office of Chief Minister was reimbursed?

Mr McADAM: I paid for it. I paid the paper in question.

Mr CHAIRMAN: I do not think it is appropriate that this ...

Ms MARTIN: No. That kind of detail I cannot possibly have that here and I do not think we have anything like that.

Mr BURKE: Well, I do. The bill was \$955.68. It was billed to your office. I understand from the member's comments that he paid that bill himself. So I assume he acquitted the bill that was placed to your office. I will accept that answer.

Ms MARTIN: I would also like to make the comment that it is not necessarily that easy to get an electorate officer with the required skills, and as much as we would like to always say that local is our highest preference, sometimes you have to.

Mr DUNHAM: Chief Minister, can you give us an assurance that the resources of the ministers' offices are not being used for political fundraising purposes for the Labor Party?

Ms MARTIN: Yes.

Mr DUNHAM: Can you explain why only yesterday a memo went around to 'DCM Everyone' about a Melbourne Cup sweep with tickets for sale in the Health Minister's Office? Is this appropriate behaviour?

Ms MARTIN: I know nothing of that.

Mr DUNHAM: I am happy to table it later.

Mr BALDWIN: Is it appropriate?

Mr DUNHAM: Is it within the guidelines?

Ms MARTIN: I do not know what the details are of it. You are saying a sweep went around. I do not know what it is.

Mr DUNHAM: I am happy to read it out. It is from an Angela Philbey to 'DCM Everyone', subject: Melbourne Cup Sweep tickets.
The Nightcliff branch of the ALP are selling Melbourne Cup tickets for \$2 each. First prize \$1000, second, \$200, third, \$50. Tickets are available at Jane Aagaard's office, 5th Floor Parliament House. Feel free to drop over and buy a ticket. Permit number...

Whatever...

Drawn Monday. Thanks, Angela Philbey, Personal Assistant, Hon Jane Aagaard, Minister for Health and Community Services

and there are numbers listed here which I assume are government numbers and the GPO Box 3146, which I assume is the box number for Parliament House.

I am just wondering if that is the norm or if this is something that is very ...

Ms MARTIN: I was not aware that it went around and, on advice, I consider it is inappropriate and it will not happen again.

Mr DUNHAM: Thank you.

Mr BURKE: Chief Minister, could you - I imagine this is easily available - give us details of the expenditure from the Protocol and Public Affairs budget for functions you have hosted in the Palmerston Room in Parliament House?

Ms MARTIN: Certainly will do, but you have not asked for that here so we will have to get back to

you. My use of the Palmerston Room has been very minimal and very modest.

Mr BURKE: Would you have thought that would have come out of the expenditure of your own office rather than Protocol's?

Ms MARTIN: They were appropriate Protocol functions.

Mr BURKE: You can give me the details of those functions and the costs, if they were appropriate?

Ms MARTIN: Yes, I do not think there is a problem. But we will get back to you, again.

Mr CHAIRMAN: There being no more questions on this output area ...

Mr BURKE: Could I just make a point ...

Mr CHAIRMAN: Is it a point or a question? It appears to me, Leader of the Opposition, that the last 15 to 20 minutes has been a string of questions that have not been written questions, but - if we go back to the cricket match, it is sort of Merv Hughes posturing before the crowd. I guess you are getting your headlines but I would like to return to the main business of why we are here.

Mr BURKE: Mr Chairman, the main business of why we are here, and I believe the last line of questioning underscores that, is the fact that under this new government the advisors are in the room to answer questions that the minister cannot handle. There were a series of questions put there that I believe the advisors were not only sitting at the table, but certainly a number of those questions could have been answered by the advisors. All we got was: 'We will take that question on notice'. That is no different to the process that was in place before. If you want to put forward a process whereby somehow we are getting more information because advisors are in the room, the CEO of the Chief Minister's department should know that two lecterns were freighted up here at a cost to his office. If he does not know that, and the Chief Minister does not know it, I ask the question, who does know, because I reckon the person who does know is sitting behind them, and all she has to do is look over her shoulder. I won't get anywhere if people do not give us answers.

Mr CHAIRMAN: I do not think you can reasonably expect answers to complex questions that you have not given notice of. I do not think you should be getting cranky about it. I have been very patient and I would like to close off.

Mr BURKE: I am sick of being lectured on cricket, Mr Chairman. This is a process to get information to the public through the opposition. Now, the advisors are supposed to be here. We are supposed to have a process where we get answers, and this morning's answers have not been given, either to written questions, in any detail, or to questions which reasonably, not all of them, but reasonably, a number of them should have been answered.

Mr CHAIRMAN: With all respect, Leader of the Opposition, undertakings have been given to answer all of your questions. It is not as if you have been refused an answer to a question, and I come back to the theme that I finished on at midnight last night ...

A member: The cricket match.

Mr CHAIRMAN: No, not the cricket match. Basically, we are not even halfway through the Chief Minister's output groups. We were going to have three ministers today. I am very concerned about the way in which the opposition is conducting itself through this Estimates Committee process and squandering the time that we have available. I am very concerned ...

Mr DUNHAM: A point of order, Mr Chairman! The word 'squandering' implies that somehow this is a deliberate exercise to take up time. We are very mindful of the frugal amount of time we have, Mr

Chairman, and you have been warned both in parliament and in committee that we would have difficulties with this. I take offence at the word 'squander'.

Mr CHAIRMAN: I will come back to what I said at close of business last night. At that stage the Chief Minister had been in the seat for eight hours. She has been in the seat now for another hour; that makes nine hours. What we saw in Tasmania was that there was seven hours with a possible extension of two. The Premier of Tasmania was in there for seven hours and satisfactorily answered all the questions. After nine hours we are not even halfway through the Chief Minister's expenditure.

Mr Baldwin: You were warned about it.

Mr CHAIRMAN: Well, I say that I stand by what I said in that I believe that you are squandering the time that we have available. I would ask you to move on, please.

Mr Baldwin: So we have a biased chairman.

Mr CHAIRMAN: No. I am just trying to go about this in a businesslike fashion. I think I have been very patient, and I will try to continue to be patient. But I am just drawing your attention that we have been here nine hours already and we are not even halfway through the Chief Minister. In other states and territories, the opposition can conduct their business in a lot less time.

Mr BURKE: Mr Chairman, I just to remind you, you have so much experience, as health minister in government, I was in the chair for fourteen hours with only two members of the opposition with any activity questioning me. So do not tell us about how it is all so hard now. I left the chair at 4 am in the morning as health minister. This is a reasonable process. We are trying to get information. It is up to the Chief Minister and you, and their advisors, to be quick in their response and to provide a response that can lead to the next question, not confuse us so we start at the same question.

Mr CHAIRMAN: You spent two hours on the Auditor-General, or more than two hours, for a staff of four and, off the top of my head, an expenditure of \$1.7m or \$2m. Let's get real about this. Let's continue please.

Ms Carney: That's five minutes.

Mr CHAIRMAN: Yes, that is five minutes. Well said, member for Araluen.

If there are no more questions on this particular output area 04.10, Support to Executive Ministers and Leader of the Opposition, that concludes consideration of that particular output group. I do not believe that there are any outstanding written questions, apart from the ones that have been taken on notice. I would now like to pass on - there is a whole series of outputs, some of them relatively small.

The next one is 05.10, Support to the Administrator. There is Electoral Services, Community Engagement Activities and Grants, Community Engagement Activities, Grants, and so on. I would be hoping that the opposition might want to leave some of those questions as written questions as tabled and get the written answers, but that is your call.

Mr WOOD: I had two questions that have come from John Ah Kit's office back to that Output 07.10. I am just warning you there I have two other questions.

Mr CHAIRMAN: Well, it is your call.

Mr WOOD: No, no, I am just telling you so you get ...

Support to the Administrator and Government House

Mr CHAIRMAN: Moving onto Output No 05.10, Support to the Administrator and Government House.

There is a question there from the member for Brennan.

Mr BURKE: The question 460: the mini-budget allocated \$1.83m for support to the Administrator and Government House. How much was spent? What is the cash figure allocated in 2002-03? How does that compare with \$1.83m? How is that figure of \$2.359m arrived at?

Ms MARTIN: An amount of \$2.086m was spent in 2001-02. The 2002-03 budget figure of \$2.359m is in accrual terms and includes the normal operation budget plus \$0.287m for repairs and maintenance, which we talked about yesterday. It is not a cash figure and therefore not complemented to the mini-budget cash amount. However, we looked at some of that work that was being done through repairs and maintenance yesterday at Government House.

Mr BURKE: Question 461: the mini-budget allocated \$817 000 ...

Mr CHAIRMAN: I have to close off that output. So, there being no more questions, that concludes consideration of that output group. I do not believe there are any questions that are on the table. We now move to Output 06.10, which is Electoral Services, and the member for Brennan has a question.

Electoral Services

Mr BURKE: Question 461: the mini-budget allocated \$817 000 for Electoral Services. How much was spent? What is the cash figure allocated to 2002-03? How does this compare with \$817 000? How is the figure of \$788 000 arrived at?

Ms MARTIN: An amount of \$1.503m was spent in 2001-02. The 2002-03 budget of \$788 000 is in accrual terms and includes the normal operation budget of the Northern Territory Electoral Office. It is not a cash figure and therefore not comparable to the mini-budget cash amount. The explanation for expenditure being almost double the normal budget amount is simple: the increase in expenditure over normal budget is additional funding received for the Legislative Assembly's election and the municipal government elections in March. These added \$755 000 to normal annual expenditure.

Mr CHAIRMAN: There being no more questions on Output No 06.10, we can then move to Output No 07.00, which is Community Engagement Activities and Grants. Are there any questions, or do we table that question and get a written answer?

Community Engagement Activities and Grants

Mr BURKE: I am happy to table the question, Mr Chairman.

I just make the point that for none of these questions and others do we get anything other than: 'This cannot be compared with the mini-budget figure'. I get little comfort that we will be able to find out at any time - for example with Electoral Services, with Community Engagement Activities and Grants - what the difference is between the cash figure in the mini-budget and the cash allocation in this budget, to show an increase or decrease. It seems to me to be pretty fundamental to satisfy the claims of government, but that is one that the government seems to be either unable or unwilling to answer.

Mr CHAIRMAN: So you are tabling question 462. If the Secretary could ensure that that is noted and the written answer is given to *Hansard*.

Question 462: the mini-budget allocated \$4.579m in Community Services and Grants. How much was spent in 2001-02? What is the cash figure allocated for 2002-03? How does this compare with \$4.579m? What is the \$300 000 allocated to events involving local artists for? What events has been identified? Is this money a substitute for the \$300 000 previously allocated to support *Cats* and *Grease*-type events? If so, does that mean that the government does not in principle support such activities?

Answer:

An amount of \$4.745m was spent in 2001-02. The 2002-03 budget figure of \$5.267m is in accrual terms and includes the majority of operational budgets for the Offices of Women's Policy, Youth Affairs, Senior Territorians and Ethnic Affairs, plus the department's grants funding. It is not a cash figure and therefore is not comparable to the mini-budget cash amount. Community engagement is a priority of this government and the incorporation of the four offices into the Community Engagement Division is indicative of the importance attached to communicating in a meaningful way with the wider community.

The Youth and Ethnic Affairs community programs will together put \$777 000 into community development activities in 2002-03. With regard to the Ethnic Affairs Sponsorship Program this reflects a significant increase of \$250 000 from 2001-02 and includes the new initiative of \$150 000 to fund the new Cultural and Linguistic Awards. Also included in this output group is funding for Major Events Company which include their operating grant, \$50 000 for the Finke Desert Race and funding for the V8 Supercars event.

This output group also contains the \$300 000 allocation to support small to medium size events in the Territory, and is particularly aimed at local artists. There are no events which have attracted significant funding to date, however, a program is being developed by Major Events in conjunction with Arts to provide that support. Proposals will be considered in coming months.

The \$300 000 is a new initiative and is not a substitute for funding for major musical productions. The historical practice has been to fund events such as *Cats* or *Grease* outside the annual budget process. There is currently no funding for an imported major musical production, however, opportunities which arise will be considered on their merits.

Mr WOOD: Mr Chairman, I have two questions which were transferred from the Department of Community Development to Sports and Cultural Affairs.

Question 122: Chief Minister, what funding is provided for the Darwin Entertainment Centre? How does that compare with last year? Is this funding ongoing?

Ms MARTIN: I see your question, bear with me. Maybe it is in Arts. Member for Nelson, when we come to my next area of responsibility which is Arts and Museums we will deal with it there.

Mr WOOD: The other one is to do with *The Beat*, the Symphony Orchestra and the Eisteddfod.

Ms MARTIN: Yes, I have the two answers in the next ...

Mr CHAIRMAN: Do you accept that, member for Nelson?

Mr WOOD: Yes, thank you.

Community Engagement Activities.

Mr CHAIRMAN: Moving then to Output 07.01 – Community Engagement Activities. Are there any questions?

Ms CARNEY: Question 202: Chief Minister, in Budget Paper No 3 at page 27, under the heading 'Community Engagement Activities', details of the 'program activities managed and coordinated' are outlined in an explanatory asterisk at the end of the table in which various programs are listed. Could you detail the amount allocated for each program; and how does this allocation compare with the allocations for previous years?

Ms MARTIN: I have that in the table.

Mr CHAIRMAN: Do you want to table that, Chief Minister?

Ms CARNEY: I am waiting to receive the table, but while that is being circulated, can I ask a supplementary? You will note on page 27 next to the explanatory asterisk it says 'program activities include ...' then a number of programs are listed. I take it that the word 'include' means 'but not limited

to'. Are there others that exist, and if so could you outline them please.

Ms MARTIN: If you would like to have a briefing on that, that might be the best way of dealing with that. We can talk about all the programs coming up in Community Engagement. Alternately, I can give you an expanded list of every single program. But that was not supposed to be the entire list. It would have taken too long. It is just an indication.

Ms CARNEY: To make my life easier, I would appreciate that exhaustive list. I would be grateful if you can find that for me.

Ms MARTIN: Certainly.

Dr LIM: Chief Minister, I was instructed earlier that this question is going to be responded to by the Minister for Ethnic Affairs. Is that the case?

Ms MARTIN: And it will be, if we are talking about 903.

Dr LIM: That's it.

Mr CHAIRMAN: So that is being deferred to the Minister for Ethnic Affairs. There being no more questions relating to Output 07.01, that concludes consideration of that particular output. I do not believe that there are any outstanding written questions and answers that need to be tabled apart from the question that will be deferred to the Minister for Ethnic Affairs.

Grants

Mr CHAIRMAN: Are there any questions under this particular output group, that is Output 07.02, Grants?

Mr BURKE: Question 137: Chief Minister, what level of Northern Territory government support will be provided to the Leeuwin Leadership Program over the term of this government?

Ms MARTIN: Government has provided the Leeuwin Ocean Adventure Foundation with a grant of \$24 000 per annum for the last three years from 2000-02 to subsidise an annual 11 day youth development program aboard the Leeuwin 11. The Office of Youth Affairs was given responsibility for managing this program. Government is committed to funding this program for a further three years from 2003-05; annual funding of \$29 000 per annum has been allocated which represents 10% increase to accommodate rise in the cost of running the program in terms of food, accommodation, training and protective clothing. This funding will be used to sponsor half berths for 40 young Territorians aged 15 to 25 years to enable them to participate in the 11 day voyage.

Government considers the Leeuwin Ocean Adventure youth development program to be a most valuable program providing participants with important life skills to equip them for the future. As a young Territorian from Katherine said on returning from the 2001 voyage:

On this voyage I learnt not to take people and things for granted, I learnt that when I really try I can do a lot more. Working as a team made me see how important trust and cooperation really are, and that with all these qualities you can go all the way.

Mr CHAIRMAN: A supplementary from the member for Brennan.

Mr BURKE: There are additional questions in this output area.

Mr CHAIRMAN: There are, though I think the ...

Mr BURKE: No, I said I have additional questions. I will follow at the end if you like.

Mr CHAIRMAN: Fair enough. Thank you for that.

Ms CARNEY: Question 205: Chief Minister, in Budget Paper No 3 at page 19 under the heading of 'Community Engagement Activities and Grants', detail the grants referred to, and how much was allocated to each grant.

Ms MARTIN: The Office of Women's Policy does not administer a grants program. The Chief Minister's Study Award provides two cash awards for women to undertake courses of study. It is not a grants program.

Ms CARNEY: Question 208: are there any funds set aside or available for one-off grants to women or groups apart from the Chief Minister's Study Award for Women?

Ms MARTIN: No, there are no specific grants for women other than the one you mentioned the Chief Minister's Study Award, although women are encouraged to nominate for grants across a range of portfolios and program areas with many programs looking at equity in funding outcomes. The number of women receiving project funding under the Chief Minister's Study Award for Women will increase over time. That is, as some of these study programs are of three to five years duration, the number of women receiving financial support each year will extend.

The Office of Women's Policy has also created a whole-of-government funding calendar to assist women and other Territorians with a one-stop information source on NTPS grants. This is attached to the office's website and is regularly reviewed and updated. The office also contributes small amounts of project funding to assist community groups to undertake activities that meet the goals of the Domestic Violence Strategy such as regional events for *Reclaim the Night*.

Mr CHAIRMAN: I apologise to the member for Greatorex. I really should have given him preference as committee member in the order of questioning, so if you want to ask your questions now?

Dr LIM: Mr Chairman, I am happy to go along the order of the list.

Mr CHAIRMAN: All right.

Mr MILLS: My first question, Chief Minister, is to detail the funding for major events for over the past three years. I am happy for that to be tabled.

Ms MARTIN: Okay, we can do that.

Mr MILLS: Following on from that is the next question. There is reference in the mini-budget, I understand, of \$300 000 going to an event involving local artists. It is a matter of curiosity as to what support will be provided in the 2002-03 budget for those big events such as *Cats* and *Grease* and other major productions.

Mr CHAIRMAN: So this is 830.

Mr MILLS: That's the next question.

Dr LIM: Mr Chairman before the Chief Minister responds to the question, can I ask for the table detailing funding for Major Events Corporation. If you have the response there, could we have the detail now?

Ms MARTIN: I will table the answer. That is fine.

Dr LIM: At least then we can have a look at it while you are responding to the next question.

Mr CHAIRMAN: While that is being tabled, I believe the Chief Minister is answering question 830.

Ms MARTIN: That has been tabled.

Moving to 830: practice in the past has been to fund major productions such as *Cats* and *Grease* outside the annual budget process. There was no formal provision for events when the budget was brought down. In the 2002-03 budget there is similarly no provision for major musical productions such as you mentioned, *Cats* or *Grease*, in the Department of the Chief Minister's budget. There is however, for the first time, funding of \$300 000 for smaller events which will support the development of local talent, so it is not just artists; it is artists and events. As Chief Minister I am really proud of this initiative.

Should there be a major production this financial year which looks promising, it will be considered at that time. My government puts a priority on supporting Territorians in the event area, and developing skills of local artists. This is evidenced by the funding of \$1.37m currently in the budget for Major Events company to cover the V8 Supercars, Finke Desert Race, and support of a number of community events such as the Tropical Garden Spectacular. Major Events will also administer a large part of the \$300 000 that I referred to – so some of those other events that happen over a year.

Dr LIM: On to my questions, Mr Chairman. Chief Minister, I understand that the questions were redirected to the Minister for Ethnic Affairs?

Ms MARTIN: Yes, and they will be answered under that.

Mr CHAIRMAN: So this is 916.

Dr LIM: That takes care of 916, 923 and 1036.

Mr CHAIRMAN: The member for Brennan indicated he had some supplementary questions and could he please relate them to a question number where possible.

Dr LIM: Can we have the detail of the Major Events Corporation, please?

A member: It is on its way.

Mr BURKE: This relates to Community Engagement Activities at 07.01. What is the budget allocation for the Chief Minister's Round Table of Young Territorians?

Ms MARTIN: We might have that detail. No, we will have to get those details back to you.

Mr CHAIRMAN: Are you taking that question on notice, Chief Minister?

Ms MARTIN: Yes, I will take the question on notice.

Mr CHAIRMAN: Are there further questions?

Mr DUNHAM: I have another one.

Ms MARTIN: I can just say that the Round Table funding will be equivalent to what happened before.

Mr BURKE: I just reinforce what I said before. I would have thought that the budget allocation for the

Chief Minister's Round Table should be available. We have all the advisers and the CEO in the room here, and then you take it on notice.

Mr KIELY: Chief Minister, we have a table here which says the ...

Ms MARTIN: Hold on, we have actually given you that. It is in the - the member for Araluen, sorry, it has just been drawn to my attention, Chief Minister's Round Table of Young Territorians, \$665 000, which is the same amount as the previous year.

Mr DUNHAM: Prior to the election, you mentioned that you would be conducting a home-bake or Big Day Out type function. Both of these are well known to young people, and both of them, I assume, would be very difficult to mount here, so I assume it was being used in a generic way rather than a specific way. Can you tell us how far you have gone with organising a concert of the like of Big Day Out or home-bake?

Ms MARTIN: We only said that as an idea of what the concert would be. There is no way we could have a Big Day Out similar to what they have in Sydney, and we never said we would. It was that type of event. Work is being done, and an assessment was made of this particular dry season, and there were a lot of commercial operators who brought events of that nature to town. We had people like the *Whitlams* last Friday, despite the rain, and there were others, particularly musical bands, that came to town. So the dry season has been pretty good this year. We have decided that we will have that event that comes within that Big Day Out type event at the beginning of next dry and the work is being done now. I think it is going to be a very exciting event.

Mr DUNHAM: So it is in this year's budget?

Ms MARTIN: The allocation will be there. It will be included, I think, predominantly from within that \$300 000 that has been set aside. But we have an allocation for it. I can get you the detail of that. What I really want to target is the under 18s, and to have an event that every parent here would feel very comfortable about. We are looking at how we find that balance.

Mr DUNHAM: So nothing like Big Day Out?

Ms MARTIN: It will be, for Darwin, a good day out.

Mr BURKE: Chief Minister, in line with that answer, I gather that the big black tent that housed the *Cats* and *Grease* shows will no longer come to Darwin, based on your budgetary allocation?

Ms MARTIN: As I referred to in my answer, there never was a budgetary allocation for events like *Cats* and *Grease* and ...

Mr BURKE: But you have maintained the \$300 000 in the budget.

Ms MARTIN: There was never an allocation. My decision has been that a sum of that amount is going towards building local events, such as the Tropical Garden Spectacular and other assistance to local productions, building the skills of local artists and local management teams. As I said, if those events look promising we will consider them.

Mr BURKE: There is a new event being produced now. I imagine they have already approached the Northern Territory government. It has been indicated to me that they have been knocked back. I gather from your answer you do not intend to bring that type of show back based on the fact that you have reallocated that money essentially to other initiatives?

Ms MARTIN: As I said, when events look promising, when those decisions are made, we will fund accordingly, but for this budget, no.

Mr BURKE: So it will not be coming.

Mr WOOD: There is a large local event occurring next year.

Ms MARTIN: Hey, did you get a position, Mr Fiddler?

Mr WOOD: There is a problem sometimes with having one clash with the other, the interstate with the local.

Ms MARTIN: Of course there was, yes.

Mr CHAIRMAN: Are there further questions?

Mr BURKE: Chief Minister, can you detail the awards and events you sponsor as Chief Minister, and the individual cost to the Territory government for each award and event?

Ms MARTIN: A number of those awards would be included in question 202. Do we have the capacity now to give all of that? We will take that question fully on notice and get that to you with a full list. But there is a smattering of those in the Community Engagement Activities taken previously.

Mr CHAIRMAN: There being no more questions on this output area, I believe that concludes considerations. I do not believe that there are any outstanding written questions and answers that need to be tabled. The next part of our deliberations are on Northern Territory Treasury. I suggest we take a 10 minute break to have a cup of tea and a walk around, and reconvene here at 10.35 am.

Committee suspended.

NORTHERN TERRITORY TREASURY

Mr CHAIRMAN: We are now coming to a very important area of government which is the Northern Territory Treasury portfolio units. Treasurer, I invite you to introduce the officials accompanying you and to make an opening statement on behalf of the Northern Territory Treasury, although I do note that you did make an opening statement right at the beginning. That is your call.

Ms MARTIN: Yes, I did make that opening statement and I won't take the time to repeat it except to say I am very proud of this budget. I commend, at the start, the work done by all those working in Treasury to achieve what was an enormous amount of budgetary detail over the last 12 months; in effect producing in just over 12 months the equivalent of four budgets which is an extraordinary effort. I would certainly like to put on the public record my respect and admiration for them and the work they do. You can all blush, but it is true.

Here with me today is Under Treasurer Jennifer Prince; Jodie Kirkman, the Director of Budget Development; and Frank McGuinness is Assistant Under Treasurer; and joining me very shortly, he is not here yet, is Andrew Smith who is an Assistant Under Treasurer as well.

Mr CHAIRMAN: Thank you, Chief Minister. Just to remind everyone of the hierarchy of questioning, the shadow Treasurer in this case has the priority. The shadow Treasurer has asked the lion's share of written questions, so turning to Output 00.03 which is the output that involved more than one output group, I turn it over to the shadow Treasurer and member for Katherine to move through his questions.

Involves More Than One Output Group

Mr REED: Thank you, Mr Chairman. It might be appropriate in the first instance, I think, if we deal with

some of the cross-agency questions that were initially left out of the questions and they now appear as 19 series. 1947 the registration number, the number of the questions. You do not seem to have them, so it might be better to leave that for later. I just foreshadow that we have that problem.

Mr WOOD: We have it on that other paper. Question 1947 is on the Northern Territory Treasury Corporation.

Mr REED: Yes, there are some there. I think there are some others, though, that are not. We can leave them until later, Mr Chairman?

Mr CHAIRMAN: If possible, I would like to work through in the order more or less that we have the outputs. I think it helps everyone.

Mr REED: We might have some questions that we might have to come back to.

Mr CHAIRMAN: Absolutely.

Mr REED: Well, if we start then, Mr Chairman, with question 147, in terms of how much was spent on consulting services in 2001-02. Detail the individual contracts, that is, who they were awarded to and at what cost and for what reason. How much is estimated to be spent on consulting services in 2002-03, and how much has been expended so far this financial year? Detail individual contracts, that is, who they were awarded to and at what cost and for what reason.

Ms MARTIN: In 2001-02, Treasury spent \$0.59m on consultancy services. The following major consultancies were purchased by Treasury: \$103 000 major training services providing training to Northern Territory government staff on the new Working for Outcomes framework; \$158 000 to John Gardner for providing advice on the new Working for Outcomes framework; and undertaking national competition policy reviews of various racing, gaming and licensing legislation.

Treasury also spent \$328 000 on a number of small consultancies including: gas strategies; finance model for gas; review of Territory budget, Professor Percy Allan; valuation of assets for the introduction of accrual accounting; review of Australian Accounting Standards and how they relate to the new framework in the Territory; gaming machine outsourcing; and savings workshops, again, Professor Percy Allan.

In 2001-02, the major information technology consultancy, paid for by Treasury, was \$109 000. It was paid to Computer Associates for advice and work on the improvements to GAS and APEX to enable the new Working for Outcomes framework. \$524 000 was paid to various gaming evaluation companies for evaluating Internet gaming proposals. These costs are recoverable from the Internet gaming provider.

For this financial year, 2002-03, Treasury has a consultants budget of \$600 000. This budget is used for consultancies that are required on an *ad hoc* basis. Treasury has already paid \$62 000 for consultancy services this year. Treasury also has an IT consultants budget in 2002-03 of \$470 000. This budget is divided up into gaming evaluation, \$300 000 which is recoverable; tax and services, \$70 000; and APEX services, \$100 000. Treasury has already paid \$117 000 for IT consultancy services this year.

So far, the following consultancy services have been gazetted for Treasury this year: Mr Ken Clarke, review of the Legislative Assembly Members' Superannuation Scheme and assistance with National Competition Policy related negotiations, and that is up to \$50 000. David Reed, review of the operations of the Racing, Gaming and Licensing functions, up to \$50 000. Trowbridge Consulting, review of options for tort law and insurance related reforms, up to \$40 000. Treasury has not been invoiced for these consultancies yet.

Mr REED: A supplementary question, Mr Chairman. I am sorry, Chief Minister, could you give specific

amounts for Professor Allan and also, can you table that list of ...

Ms MARTIN: Yes, I have a table here.

Mr REED: Thank you.

Mr CHAIRMAN: Are you tabling that, Chief Minister?

Ms MARTIN: Yes, certainly.

Mr REED: The question in relation to Professor Allan, did that list include separate amounts for Professor Allan, as you skip through it?

Ms MARTIN: It does.

Mr REED: Thank you.

Mr REED: Question 150: excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation, what does the agency actually have to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

Ms MARTIN: Treasury's 2002-03 estimate of operating expenses, excluding provision for state taxes and fees, repairs and maintenance, depreciation and amortisation, is \$108.381m. Treasury's 2001-02 operating expenses, excluding provision for state taxes and fees, repairs and maintenance, and depreciation and amortisation, was \$98.702m. These figures have been calculated using the figures published in the August 2002-03 budget papers.

It should be noted that the budget estimate nett of these various amounts has no real meaning. Agencies pay taxes and fees for competitive neutrality reasons, and incur other cash and non-cash expenses on the same basis as any other service provider. These items need to be included to assess the full cost of outputs rather than a nett cost concept.

Mr REED: Question 152: explain the difference in estimates of agency revenue between 2001-02 and 2002-03. What are the sources of that revenue?

Ms MARTIN: Agency revenue is the revenue raised by agencies and, therefore, excludes appropriation. Treasury's agency revenue was \$13.596m in 2001-02, with the difference between 2001-02 and 2002-03 estimate being \$11.814m. The key reason for the difference is that lotteries tax was classified as agency revenue in 2001-02 but as part of the legislative changes associated with the new Community Benefits Fund arrangements, the lotteries tax will be paid into the Central Holding Authority from 2002-03. The remainder is due to differences in gaming machine sales revenue and gaming evaluations undertaken for industry participants. I have a table here that sets out sources of agency revenue. I can read it through or I can table that.

Mr REED: Table that please, Chief Minister. While we are awaiting that, Mr Chairman, we can move to question 156: provide a table this how much the agency will actually expend in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget, detail the actual estimate of expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency, in terms comparable with those used in the mini-budget, translate the figures using accrual accounting methods.

Ms MARTIN: The adoption of accrual budgeting, accounting and reporting has been a long-held Labor policy position, and the Territory is one of the last jurisdictions to commence these reforms. However, I acknowledge that the previous government did approve the move to an accrual finance

management framework for general government agencies some nine months before losing office.

Since the election, the Labor government has actually promoted financial management reforms including the accrual framework. The 2002-03 budget is the Territory's first accrual budget and according to long-standing practice in the Territory, particularly since the commencement of FMA in 1995, information presented in budget papers is forward looking, dealing with the new budget year and out years, and information presented in the Treasurer's Annual Financial Report is retrospective dealing with the year just finished.

As part of the transition to the new accrual output framework, the 2002-03 budget papers include information by output and accrual terms for general agencies for 2001-02 and 2002-03. Cash expenditure in respect of 2001-02 will be provided at a whole-of-agency level in the Treasurer's Annual Financial Report and at a more detailed levels, as usual, in the agency's annual reports. Information for 2002-03 will not be provided on a cash basis in a form consistent with the mini-budget. The Territory budget has moved on. The 2002-03 information is provided on an accrual basis. For comparative purposes, estimates have been provided for 2001-02 on an accrual basis. Financial information for GBDs has been prepared in accrual basis since the 1999-2000 year.

Mr REED: Thank you, Treasurer. I remind you that we are not here to ask you questions that you would like. We are here to ask questions that are going to benefit the broader knowledge of Territorians and ensure that what you say is going to happen in your budget papers will happen, and it will happen to the benefit of Territorians. It is worth noting and putting on record at this time, given that we are now in the Treasury arena that, notwithstanding in your Budget Paper No 3 that you have clearly and unequivocally stated that whilst actual results for 2001-02 are available on a cash basis, that you are refusing to provide them. This forum has to wait until you bring down your Treasurer's Annual Financial Report. At that time, of course, we will be removed from this forum and not be able to consider that information in the context that we should be able to consider it here today.

We have heard much of an honest, accountable government. The unequivocal statement that you make that 'these figures are available', Chief Minister, is in your budget paper at page V. I ask you again: if, in accordance with that clear and unequivocal statement, will you produce the figures rather than us having to wait for them? If the answer is going to involve a lot of jargon about 'they have not been audited', well, do not bother; just say 'No'.

Ms MARTIN: The member for Katherine has given the answer in his question. I would like to make a comparison here, and go back to the last budget in May 2001. Last year, budget information was presented only at activity level and in the new output format, so we were moving to an accrual format.

Budget practice provided no detail to the program level either 2000-01 or 2001-02. When you were Treasurer you were asked to provide information by general agency level at program level. The response very clearly from you was the preparation for the transition to accrual output framework in 2002-03, where we are now, the 2001 budget papers included output rather than program information. Detailed program information you told us again and again and again would be by the agency and was not held by Treasury, however agencies published program information in their annual reports. So the context we are dealing with this year is one that you clearly established last year and certainly it was something that you said to us again and again. So to suddenly come in here and pretend that this has never been done before is simply absurd.

Mr REED: Mr Chairman, I must just say that notwithstanding all of that waffle the fact is that in ...

Ms MARTIN: Just because it's quoting you.

Mr REED: ... the Treasurer's book, in the Treasurer's budget books, it says the figures are available but the Treasurer is refusing to provide them for this forum. That, Mr Chairman, is not open, honest and accountable government.

I move on, Mr Chairman ...

Mr CHAIRMAN: I am sorry. The member for Brennan has a ...

Mr BURKE: I would just ask a question – in line of the Chief Minister's answer, would the Treasurer indicate to the committee how Treasury calculated the basis of the figures in Budget Paper No 3 for 2001-02? Was it calculated from a cash basis and if so how? And what is the status of auditing those figures?

Ms MARTIN: Quite appropriately I will refer that to the Under Treasurer.

Mr BURKE: The substance of the question is you had to have the knowledge of the cash basis in order to transition your figures to accrual. I cannot understand how that could not be the case. Did you have those figures or not?

Ms PRINCE: We had preliminary cash figures as is indicated in Budget Paper No 3 V. That paragraph goes on to say that the estimates that were included for 2001-02 started from those preliminary cash figures. They took into account any approved budget adjustments that had been made – most specifically the carry overs in to 2002-03 - and they were converted to the accrual basis that we see in the budget papers.

Mr BURKE: You can understand the dilemma of the opposition in trying to make a comparison of the cash budget figures for 2001-02 and the increase of those in 2002-03. If you have those figures unaudited or otherwise they were of sufficient substance to be highlighted in every output area in your budget book so they must have some substance. Why won't you provide them to the opposition?

Ms MARTIN: Again, I will refer that to the Under Treasurer.

Ms PRINCE: The comparison between 2001-02 and 2002-03 on a comparable accrual basis is in Budget Paper No 3; so that is the apples and apples comparison of 2001-02 and 2002-03 and it is done on an accrual basis. It has not been done on a cash basis so we do not have 2002-03 numbers on a cash basis.

Mr BURKE: I do not want to labour the point but you must have the figures on a cash basis in order to have been transitioned to an accrual basis, is that true or not?

Mr KIELY: Could you direct questions through the Chief Minister, please?

Ms MARTIN: I would say that the Under Treasurer has made that perfectly clear about what the answer to that is.

Mr BURKE: Okay, so you have those. Could I ask you, Treasurer, did you direct the Under Treasurer not to provide those figures? Is that your decision?

Ms MARTIN: The move to accrual accounting is one that you supported and this is the appropriate way to go. This budget here is 2002-03; it is looking ahead and it is quite appropriate that the figures from the previous year are presented in terms of that moving ahead which is accrual. The Treasurer's Annual Financial Report will quite appropriately account for the past year and do that in terms of the past year which is cash.

Mr BURKE: Treasurer, Territorians do not know whether we are moving ahead or moving backwards. The only way they can do this is by comparison of the cash that was allocated in your mini-budget as a comparison to cash allocated in this budget. I understand that the budget or the future will be clearly done only on an accrual basis. We are in a transition period. You claim you have increased spending amounts. You claim that these are easily able to be found because you have heralded those spending

amounts in various advertisements. Why won't you indicate to the opposition what is the clear cash comparison?

Ms MARTIN: Very sadly, what you are implying is that you will not accept these figures in the budget.

Mr REED: We do not know what we are implying because you won't give us the answer.

Ms MARTIN: It makes you feel, as a member of our parliament, very concerned that you will not accept these figures. I do not want to make political comments about this, but I think you are leading with your chin here. We have prepared this documentation under a new act, the *Fiscal Integrity and Transparency Act*, and these figures have been signed off by the Under Treasurer. This is a very serious statement. We have been applauded for having such an act in place. You are saying you do not believe any of this.

Mr REED: When was that said, Treasurer?

Ms MARTIN: This is the implication of all these questions: every figure here, you are saying we do not believe.

Mr REED: No, no. They are your words. No, that is your deceitfulness.

Ms MARTIN: That is the implication and I think that is a very sad interpretation and reflects very sadly on the past.

Mr BURKE: Well, sadness or otherwise, Treasurer, you are saying, included in your spending figures you have highlighted an amount. Included in the amount that you claim you are spending is a thing called depreciation. Tell me how you spend depreciation. You do not know the answer to that? How do you spend depreciation? How do you tell a Territorian that I am spending depreciation in your interests? You do not know. That is why you are not being honest.

Ms MARTIN: We have been through these issues.

Mr REED: Why the blank look, Treasurer?

Mr BURKE: Because you do not know the answer and you have said ...

Ms MARTIN: I refer that answer in specifics to the Under Treasurer?

Mr REED: You cannot answer it.

Mr BURKE: The Under Treasurer might ...

Mr CHAIRMAN: Well, no. Come on. A bit of order here. The Treasurer has referred the matter to the Under Treasurer and I call the Under Treasurer to ...

Mr BURKE: I want the Under Treasurer to answer in this fashion: why does it say ...

Ms MARTIN: No! Excuse me.

Mr CHAIRMAN: With respect, Leader of the Opposition, I do not think you can make those demands. You have asked the question. The Treasurer has asked the Under Treasurer to answer. I would ask that we follow that procedure and have the good manners to hear the reply, please.

Mr BURKE: I would like to rephrase the question, Mr Chairman.

Mr CHAIRMAN: All right. Rephrase the question.

Mr BURKE: I will ask the Under Treasurer if the cash ...

Ms MARTIN: No, you will ask me.

Mr BURKE: You have just redirected it.

Ms MARTIN: No, no. Let's come back to me and I will see if I redirect the question.

Mr BURKE: If the actual results for 2001-02 are available on a cash basis as written in your budget book, why will you not make them available to this committee?

Ms MARTIN: That has been explained to you time and time again. There is no point going over it again.

Mr REED: So they are available and you will not provide them?

Ms MARTIN: They are not audited.

Mr REED: But they are available. You are telling us here that they are available.

Mr KIELY: This is bordering on repetition.

Ms MARTIN: It is bordering on repetition, Mr Chairman. The point is ...

Mr BURKE: And they are available to the point that they have formed the whole basis of your budget.

Mr CHAIRMAN: This question has been asked a number of times. The Treasurer has given her response a number of times. I think it is part of the reason why we are not moving on as a committee.

Dr LIM: Mr Chairman, may I perhaps rephrase the question this way ...

Mr CHAIRMAN: Please do, member for Greatorex.

Dr LIM: Chief Minister, how does one compare the estimated expenditure with the intended expenditure? How can we work out whether your department comes in on budget, or under budget, or overspends their budget allocation? How do we work that out when you are not prepared to provide us with ...

Ms MARTIN: Because in previous years there has always been estimates that we have dealt with and they are accounted quite properly in the Treasurer's Annual Financial Report. These are estimates still.

Mr REED: In previous years, Chief Minister, if I could Mr Chairman, this debate was held before the end of the former financial year. That is ...

Ms MARTIN: Not always.

Mr REED: Well, for the last many years, and the circumstances are somewhat different on this occasion, of course, notwithstanding that you state that the figures are available. Just getting back to

the question of depreciation, and if we look at the global terms as regards a budgetary allocation to a particular agency of which depreciation is a component, how then do you present that as an expendable amount of cash to an agency? How does that benefit the broader community in terms of, for example, the Department of Education with a \$505m budget, a large component of which is depreciation, which then must necessarily come off the top of the \$505m for that agency to be able to determine just what amount of cash they have available to provide services to Territorians and to teach our kids? In other words, how do you spend depreciation?

Ms MARTIN: I will refer that, quite appropriately, to my Under Treasurer.

Mr REED: Yes, because you could not answer it previously.

Mr CHAIRMAN: No, no, please, member for Katherine. If you could just identify yourself please, Under Treasurer.

Ms PRINCE: Jennifer Prince. The way the information has been presented in Budget Paper No 3 is to say that the operating expenses for each department, if they are to be presented on a fully costed basis, which is the point of the accrual framework, should include the costs of depreciation. The papers do not say that agencies will spend the cost of depreciation. There is a difference between spending and recognising the full costs.

In this first year, the full costs associated with the assets for each agency have been recognised in the form of depreciation. The appropriation is a cash appropriation, and so it does not occlude that funding. It has, however, been done on the same basis between the estimates for 2001-02 and 2002-03.

Mr REED: Thank you, Treasurer, and thank you for the Under Treasurer's response there, an honest and accountable response. Which now gets us to the nub of the question where, in the Treasurer and Chief Minister's budget speech and, I think subsequently, and we might be able to find a copy, of information that she has disseminated to Territorians, she has quite unequivocally, quite definitely said: Education, \$505m to be spent for education, allocated by the government, and the credit taken by the Chief Minister and Treasurer. We have now just heard from the Under Treasurer that, no, they are not amounts of money that are available for the agency to spend. They are book entries in terms of the overall costs of an agency, but should not be interpreted as the money expended by the agency over the forthcoming year.

Treasurer, I would assert on that basis that you have misled parliament and misled Territorians, and I ask you now: Do you stand by your assertion, as advertised and publicly stated in the *Northern Territory News* of 24 August, that the Education Department has \$505m to spend on Territorian's educational services this year?

Ms MARTIN: What we indicated quite clearly and quite accurately, is that the cost of educational services, there is growth money there. Certainly, doing apples and apples, and doing the accurate work between the two years, there was growth, and in education and in health and in the areas of community safety, that growth was there to the overall budget.

Mr REED: Not questioning the growth, Treasurer. We are questioning your statement that \$505m is available for education, and \$527m, as provided in a leaflet distributed by your government as recently as yesterday, for health services in the Northern Territory, notwithstanding that we have just heard the Under Treasurer explain to us that they are not cash amounts, should not be accepted as cash amounts, and it is not that amount of money that will be available to the agency to provide services to Territorians.

I think it is very useful in this case to have the Under Treasurer here to give us the truthful side of the story, as opposed to the false presentation that the Chief Minister has been giving us up until as recently as yesterday in articles that she is distributing.

Ms MARTIN: If you go to the Department of Employment, Education and Training, and you look at the figures on page 72 for depreciation and amortisation, you will see that the figures for the estimate for 2001-02, and in the budget for 2002-03 ...

Mr REED: I am sorry, what page?

Ms MARTIN: 72. ... are just about equivalent. So if that is a factor that you want to say is going to make a dramatic difference between years, the numbers are the same.

Mr REED: Well, that is but one example, Chief Minister ...

Ms MARTIN: It is a pretty critical example since you raised education yourself.

Mr REED: If it is that transparent, why isn't it transparent enough to put it in your advertisements? Of course, there are other issues in the non-cash provisions that are provided to agencies that we will pick up as we go through the questioning of the relevant minister, to further demonstrate the point and the deceitfulness of the information that you have been spreading in relation to what you perceive this budget to be and what it really means in actual fact: a much lesser amount to Territorians.

Ms MARTIN: In response to that, Mr Chairman, to talk about deceit when we have clearly pointed that the depreciation and amortisation - which is the key area that both the members for Katherine and Brennan were trying to target - is equivalent in just one agency - and I am advised, reflected pretty well across other agencies; the same for two years - then simply underpins the fact that there is growth funding. If we are going to take education and \$505m, what that does mean is, when we are dealing with something like government school supplies which had not had a cent extra added in a decade, that we actually put growth of 22%. That is real. That is for my kids, that is for your kids, that is for Territory kids. They are getting more funds for government school supplies, and that is real.

Mr REED: Are you telling Territorians that the Department of Education has a cash allocation this year of \$505m to spend in the provision of services to Territorians and provide schooling? Is the cash amount, as you have framed here, \$505m for education? Is that what the Department of Education has at their disposal to write cheques for, as it were, for the provision of goods and services in conducting their operations during the course of the next year?

Ms MARTIN: If I take you to page 63 of the budget.

Mr REED: Is the answer yes or no?

Mr CHAIRMAN: No, please, member for Katherine.

Ms MARTIN: I would like to take you to the numbers - you have been ...

Mr CHAIRMAN: You have asked a question, allow the Treasurer to answer it.

Ms MARTIN: You have asked the question, this is how I am going to answer it. If you take total operating expenses and you consider that depreciation and amortisation are roughly the same figure over the previous two years, then there is an increase in the total operating expenses for DEET of exactly the amount we said: that 3%.

Mr REED: Yes, but we are talking about \$505m here. Just simply answer the question, Treasurer ...

Ms MARTIN: There it is.

Mr REED: ...do they have the ability to write cheques totalling \$505m?

Ms MARTIN: Total operating expenses are that. And we will see growth funding in education and we are very proud of that.

Mr REED: No, that is the weasel way out.

Mr CHAIRMAN: Member for Katherine! Please ...

Mr Burke: This goes to the heart of the budget.

Mr REED: This is the core of the issue of the budget.

Mr CHAIRMAN: No, let us just keep these proceedings – well, let us steer away from that sort of talk, please!

Mr REED: This is what Territorians have been told, Mr Chairman: \$505m for education. We now find, as so eloquently and correctly stated by the Under Treasurer, that there are items in that \$505m that are not to be considered as cash items, that is, not disposable cash that the department can use in delivering services. That itself exposes the false nature of the presentation of this budget.

Ms MARTIN: Can I just respond to that, and make quite clearly the point that the operating expenditures on page 69 – if we are going to take education again, which is good - do not include capital as being expended in schools right across the Territory. We are talking ...

Mr REED: We are talking about operational funding ...

Ms MARTIN: Let us look at what it does mean in education and ...

Mr Burke: Trying to find new figures ...

Ms MARTIN: ... to be able to assist schools with their buildings and with being able to teach effectively is all part of making education work, as far as I am concerned, and as far as Territorians are concerned.

Mr REED: If you are going now try to pad up the \$505m with an item that is not included in it, by now introducing capital items, well, I rest my case, Mr Chairman. If the \$505m now has to be justified by introducing an item that is not, in fact, in the operational budget of the Department of Education, in an attempt to cover up the deceit of \$505m as tried to be claimed by the government in telling Territorians what they think they might get, then that is sufficient to me to be able to demonstrate that we have a desperate Treasurer and Chief Minister on our hands.

Mr CHAIRMAN: Would you like to move on?

Mr REED: Question 160: how many people are employed by the agency by output and activity? How many are employed on a full-time basis, part-time, casual and contract? How many were employed by the agency on 29 August 2001 on a full-time basis, part-time, casual and contract? How many were employed by the agency on a full-time basis, part-time, casual or contract when the public service was restructured in November last year? How many were employed by the agency on a full-time, part-time, casual or contract in the last pay period in August?

Ms MARTIN: The number of staff employed in Treasury as at 29 August 2001 and 29 August 2002 is detailed in a table, desegregated by type of employment. I will table that if you like. I can go through the detail or we can just table the book ...

Mr REED: Yes, if you just table it.

Question 162: what was the repairs and maintenance budget for the agency 2001-02 expended on their behalf by the Department of Infrastructure, Planning Environment or its predecessor?

Ms MARTIN: The repairs and maintenance budget for Treasury including Treasury Corporation for 2001-02 was \$10 000 and expenditure for the period was \$8114.05. The repairs and maintenance budget for Treasury for 2002-03 has increased to \$14 000. It has expanded responsibility following the government restructure last September for additional buildings in Darwin such as Enterprise House, and in Alice Springs - currently the Peter Sitzler Building.

Mr REED: Question 173: what has been the cost of the change for accrual accounting in the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

Ms MARTIN: Working for Outcomes is a significant whole-of-government financial reform program incorporating a move to budgeting, reporting and accounting on an accrual basis. Working for Outcomes formally commenced in January 2001. As the two lead agencies, Treasury and DCIS have incurred costs for the development and implementation of Working for Outcomes. Some additional funding was provided with the balance funded by reprioritising existing resources.

In 2000-01, an additional amount of \$1.05m was allocated and was primarily used to acquire and commence implementation of the APEX system, a new whole-of-government budgeting, reporting and consolidation system. A new budget system was required irrespective of the move to accrual accounting as the previous system required substantial ongoing maintenance and was unable to meet the Territory's emerging external financial reporting obligations. The 2001-02 additional allocation was \$1.6m. Slightly more than one-third was applied to compete in the implementation of the APEX system, the remaining allocation was applied to the development and delivery of training programs for staff across the Territory government, the coordination and communication across all agencies of the whole-of-government implementation project, policy development and conversion of the Territory's financial data from cash to accruals. \$0.6m was transferred to 2002-03 for additional training programs.

The allocation for 2002-03, \$1.5m including the carry over will be primarily used for the development and delivery of further training for staff in all agencies including training programs in the APEX system and training for management in how to use accrual reports and apply the information to decision making and management generally, evaluation of significant Territory government infrastructure and infrastructure assets, and development of suitable evaluation methodologies, continuation of data conversion requirements and the review and revision of the Territory's financial legislative framework. The ongoing requirements include license fees and maintenance for the APEX system, communication and staffing requirements.

The Minister for Corporate and Information Services will provide information on additional DCIS costs. Agencies will determine their own ongoing allocation for financial management purposes as they have done in previous years. The amalgamated agencies provide greater flexibility and experience to respond to the new accrual framework.

That is a whole-of-government answer to Treasury as an agency. The cost of the change to accrual accounting and the implementation of Working for Outcomes in Treasury has been absorbed as part of the agency's financial management function. No additional funding was received.

Mr REED: Question 180: does the data published for your agency in the budget papers, (i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled? (ii) where there is any material difference, is there any supporting advice issued by the Treasury or the Treasurer's office with regard to these

differences and the nature of that advice? and (iii) where there is a difference, did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

Ms MARTIN: No. Not applicable. Not applicable.

Mr BURKE: Supplementary, Mr Chairman. Given the fact that it does not materially differ from the advice you were given by Treasury, how come you have spent - and Treasury has clearly indicated that you don't have in Health \$527m in real terms to spend - \$60 000 at least of taxpayers money spreading half truths as evidence by this brochure that is in letter boxes today?

Mr REED: Too embarrassing to answer?

Ms MARTIN: I am not going to answer it. It is a ridiculous question.

Mr BURKE: It is a ridiculous question to say that Territorians who do not sit in this room and only hear your budget speech – you have said in this room: 'Don't believe \$527m because it is not actually there to be spent'. They have only heard your budget speech; they have only seen the brochures in the letter boxes. You have said in this room today that \$527m is not the real amount; it is only an accrual figure. Why have you spent \$60 000 telling Territorians half truths?

Ms MARTIN: We could go through all the arguments that we have been having over the last day and half again about growth funding and budgets. If you cannot appreciate that and do not understand operating expenses then that is not my problem. That is yours.

Mr CHAIRMAN: The Treasurer has made her position plain on that. Both the shadow Treasurer and Leader of the Opposition have had their say. I would like us to try to move on, please.

Mr REED: Question 183: detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the minister's photograph and/or message from the minister with an individual breakdown for print media, television, radio or brochure including direct mail (a) by the minister's office, (b) by the minister's department or agency and (c) the minister's electorate office.

Ms MARTIN: I am assuming this question does relate to 2001-02. Is that right?

Mr REED: Yes.

Ms MARTIN: Okay. Part (a) of the question has been answered in my role as Chief Minister with information provided from the Department of Chief Minister. In respect of part (b) the total spent by Treasury in 2001-02 on advertising, promotion, dissemination of policy and presentation of information that includes the minister's photograph and/or message from the minister was: print media – nil; brochure - \$30 251 which was a second run of the 2001-02 Budget Paper Development Outlook. The Development Outlook featured a message from the then Treasurer Mike Reed and a photograph accompanied the message. The second run was paid for in 2001-02. All other 2001-02 budget paper expenses were met prior to the 30 June 2001 and are in the previous financial year 2000-01. In television – nil; in radio –nil; and in terms of the minister's electorate office, that is nothing to do with my role as a minister. It has to do with the electorate allowance and is accountable in the end to the electorate and to the Australian Taxation Office.

Mr BURKE: So no money was spent in publicising the mini-budget at all in the print media?

Ms MARTIN: Not by Treasury.

Mr BURKE: So by ...

Ms MARTIN: We have accounted for those figures in the Department of the Chief Minister.

Mr BURKE: How much has Treasury spent advertising since the end of the last financial year to now? That should be easily obtainable, shouldn't it?

Ms MARTIN: We need some clarification on that. I refer to the Under Treasurer.

Ms PRINCE: Is that in respect of the budget?

Mr BURKE: Yes.

Ms PRINCE: We haven't spent anything.

Mr BURKE: So the question ...

Ms PRINCE: In terms of advertising, our costs relate to the budget papers themselves.

Mr BURKE: How much money has been spent advertising the budget in total?

Ms MARTIN: We gave you a breakdown within Chief Minister's Department. We gave you that figure.

Mr BURKE: And that is the total figure? At least \$60 000 we evidenced in one month.

Ms MARTIN: Yes, and we gave you a breakdown of that.

Mr BURKE: Waste of money.

Ms MARTIN: It is a great budget.

Mr BURKE: Totally misleading to Territorians that you had spent \$60 000 essentially telling them that they are getting things like \$527m and they are getting nowhere near that. In fact, hundreds of million dollars less. Disgraceful.

Mr CHAIRMAN: That is a statement. If we could move on with questions, please.

Mr REED: Question 186: how many staff are employed by the minister in their ministerial office, including Alice Springs or any other centre? How many of these staff are paid by the Department of Chief Minister, and how many are paid for by the minister's agency or department?

Ms MARTIN: This question has been largely answered from the Department of Chief Minister based on information from that department through which ministerial staffing is funded. The number of Treasury staff placed in ministerial offices as of 29 August 2002 is one in the Treasurer's office, my office. This staff member is performing a liaison role between the agency and the Treasurer's office and is not considered a ministerial officer in any sense.

From time to time, staff have been placed in the Treasurer's office, usually professional development placements, to gain first hand experience of the interrelationships between government and the agency and other processes of government, for example, Cabinet and Legislative Assembly sittings. Prior to August 2001, approximately 12 staff worked in the minister's office for intermittent periods from one to two weeks to one to two months over a six year period. Placements had a training focus and were an informal part of the graduate program that was also extended to other employees.

There was a finance officer-in-training for five months, from April 2001 to August 2001. From August

last year, we had an AO4 for three months from March to May this year; a finance officer-in-training from May to September; and from September through to December there will be an AO5. It is understood that the former Department of Industries and Business did not place agency staff in the Racing, Gaming and Licensing Commissioner's office.

Mr DUNHAM: Treasurer, will that detail be included in the seven personnel that you are providing detail on in response to Chief Minister's ...

Ms MARTIN: Yes.

Mr REED: Mr Chairman, I will take the Treasurer back to the question on staffing of the agency, and I thank Treasury for that advice. I simply ask will the staffing figures provided by all agencies be in the same format and provide the same level of information as provided on this occasion? Is it a standard format across all agencies for this question?

Ms MARTIN: I will have to seek some advice on that. I refer the question to my Under Treasurer.

Ms PRINCE: A standard format has not been provided to all agencies. This was the clearest format that we could develop.

Mr REED: Good thinking. Could I ask then the Treasurer to ensure that a standard format is provided across agencies in terms of the answer to this question, so that we have some consistency in relation to the information, and that each agency can be assessed on the same basis?

Ms MARTIN: One of the problems that we have identified is that there is not that consistency of format across agencies. It is one of the tasks that has now been taken on by the new Public Service Commissioner to be able to get that detail together. In some agencies, we have simply people counted, in others we have full-time equivalents counted. We need to be able to get a proper assessment and an accurate assessment. That is a task that, as I said, has been taken on by Public Service Commissioner's office.

Mr REED: I thank the Treasurer for that. As a former minister for the public sector, I am aware that that type of information was able to be provided in the past. I do not know what the difficulty is under her management. I would just ask her to see if she could undertake to provide information in a clear, appropriate and detailed manner.

Ms MARTIN: I am informed we can get agencies to do that.

Mr REED: Thank you. So it was worth pursuing? The answer initially was no, and now it is yes. Thank you, Treasurer.

Question 191: explain what the entry 'Expenses relating to prior year receipts means', or in the case of some agencies, 'Receipts relating to prior year expenses'. Detail what the amounts listed against this entry are for both 2001-02 and 2002-03?

Ms MARTIN: Agencies will often receive revenue, particularly from the Commonwealth, close to the end of the financial year, but will not spend against that revenue until the following year. Appropriation is not required for these expenses as revenue has been received in a prior year to fund this program, and the revenue remains in the operating account until spent. Therefore, the item, Expenses relating to prior year receipts, identifies the amounts available for use from the operating account and reduces the requirement for appropriation, as you know. This item will usually arise as a result of a carry over between financial years. In 2001-02, \$1.4m was received from the First Home Owners Grant, but will not be expended until 2002-03.

However, in Treasury's case not only has a carry over occurred, but a [inaudible] with the amount

relates to the transfer of operating account balances in the former Department of Industry and Business as a result of the public sector restructure in November last year.

Lotteries tax and the Community Benefit levy are two taxes that were received into the agency operating account rather than the Consolidated Revenue account. These taxes were received by the Department of Industry and Business up until November 2001, and then by Treasury. Whilst with DIPE not all of these funds have been utilised, which resulted in a build-up of operating account balances. These balances were then transferred to Treasury. Treasury has since paid out these balances via transfers to the Central Holding Authority, being \$4.9m relating to the Community Benefit Fund in 2001-02, and an additional \$9m relating to the Lotteries Fund in 2002-03. While these are not technically expenses, they are payments relating to prior year receipts which do not require appropriation and, therefore, have been included in the item in question.

I have a table which provides information on both the carry over and the transfer of balances to the Central Holding Authority, which I am happy to table.

Mr REED: Thank you. Treasurer, could you advise us as to whether or not there is a limit to the level of funding that an agency can carry over?

Ms MARTIN: I will seek advice and refer it to the Under Treasurer.

Ms PRINCE: There are provisions in the *Financial Management Act* that relate to carry over arrangements.

Mr REED: They are?

Ms PRINCE: There is a 5% maximum amount related to the agency's total allocation in any one year.

Mr REED: Treasurer, has any agency exceeded that 5% cap this year; that is, at the end of the last financial year and carried over to 2002-03?

Ms MARTIN: I will refer that to the Under Treasurer.

Ms PRINCE: When the carry overs were done in respect of amounts transferred from 2001-02 to 2002-03, because of the timing of budget Cabinets and the budget itself, that consideration was done early in July. So the provisions of the FMA have not been used in a formal sense to do the carry overs because those are normally done before 30 June. While we have described them as carry overs - and that is exactly what they are - the allocations for 2002-03 have been affected by reinstating allocation in 2002-03 rather than using those formal provisions of the FMA for carry overs.

Mr REED: Yes, I understand the difficulty that the Under Treasurer and Treasury officers have had in relation to the burden of work. But, given that advice, collectively then, those measures that you have just referred to and the way that they have been applied in determining the carry over, do those amounts carried over exceed the 5% for any agency?

Ms PRINCE: No, they do not. The amount that was carried over from 2001-02 to 2002-03, an aggregate, was \$22m. The 5% relates to each agency, rather than an aggregate. But we can refer to individual carry overs. However, I do not think there was an amount that was more than \$10m, probably most of them were less than \$5m. That would be a very small proportion of each agency's allocation as it was in 2001-02.

Mr REED: Thank you. I make the comment in passing that yesterday we had great difficulty being able to refer to this particular matter as a carry over. That was rejected early in the piece as the wrong terminology. I thank the Under Treasurer for correcting the Treasurer and Chief Minister's view that this was not to be considered as a carry over and that was the nasty word that was used in prehistory.

It is those sorts of answers, Mr Chairman, that are helping to clarify the issue and as we go through this and I thank the Under Treasurer for that.

Mr CHAIRMAN: The member for Brennan has a question.

Mr BURKE: The \$10.4m carry over has saved us around 5%? It seems to me to be almost double that.

Ms MARTIN: I will refer that question to the Under Treasurer.

Ms PRINCE: The \$1.4m is a carry over and that relates to the first home owner's grant. The \$9m, which takes the total up to \$10.4m in 2002-03, is not a carry over from the previous year and I think that was explained in the answer.

Mr BURKE: That is fine. Can you take me back then to the Treasurer's Annual Financial Report 2000-01 with the unexpended allocations there of \$1.3m and line variations of \$148 000 and explain how that translates then to the figures you have shown there of \$795 000 to \$225 000? It seems to me to be referring to ...

Ms MARTIN: Again I will refer to the Under Treasurer.

Ms PRINCE: The amounts in the Treasurer's Annual Financial Report refer to allocations in 2000-01 and those allocations lapsed so they were not carried into 2001-02. What we are seeing in the table here is a similar amount but it is an additional amount that was provided for in 2001-02 and carried into 2002-03. It is not the same transaction.

Mr BURKE: But would you therefore accept that a reasonable person would read 'expenses relating to prior year receipts for the year 2001-02' to be a reference to the year 2000-01?

Ms PRINCE: I am sorry. Do you have the table in front of you? Yes. That term is relating to the second and third items in the column headed 2001-02, so the transfer of balances from DIB and the payment from the community benefit into the Central Holding Authority.

Mr BURKE: So where does that then translate to the year 2001-02 as expenses relating to that year?

Ms PRINCE: Those transactions relate to the total of \$795 000.

Mr BURKE: It seems to me to be a strange term to use. Is this an accrual term? Are you happy with it, do you like it? I have spoken to accountants and they think it is stupid. They say to me it is really a carry over. Why don't they just call it a carry over, or it is really unexpended allocation or it is a rollover. Is that the truth?

Ms PRINCE: It is equivalent to, in a cash framework, the term 'use of balances' so it encompasses items other than just carry overs as we have in this table.

Mr BURKE: It just seems to me for people trying to interpret a budget it immediately refers you to previous budgets and needs better terminology. Thank you.

Mr REED: Question 196: detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid in 2001-02?

Ms MARTIN: Financial institutions duty for 2001-02 actually expended just \$77 000 and nothing for this year because the figure was abolished in 1 July 2002. The expenditure in 2001-02 was for the June 2001 duty payable. Payroll tax was \$957 000 in 2001-02 and in the 2002-03 budget, \$1.1m. The

total for the expenditure in 2001-02 was \$1.034m and in this budget year, \$1.1m.

Mr REED: Thank you, Treasurer. In terms of payroll tax there is an additional \$143 000 to be paid in 2002-03 over 2001-02. Does this agency and do other agencies receive additional allocations to cover that increased amount, or do they have to find it within existing resources?

Ms MARTIN: The forward estimates look at normal escalations for wages and other things and that is incorporated in that, as you would understand from past times.

Mr REED: Well, I do not understand, because yesterday you told us that there would be no increased allocation in respect to a couple of agencies for increased payroll tax.

Ms MARTIN: There is growth funding, of course, in those forward estimates.

Mr REED: Well, of course was not the case yesterday, Treasurer. I asked you this question yesterday: would agencies receive additional allocation for increased payroll tax demands in the year 2002-03 and you said, 'No.' Today, however, with the advice of the Under Treasurer, and I thank her for that, we are advised 'Yes'.

Ms MARTIN: Well, of course for wages growth. Of course it is there!

Mr REED: Well, no it wasn't 'of course' yesterday, Treasurer.

Ms MARTIN: We have a clarification? Can I just ...

Mr REED: We have a Treasurer who does not know what is going on, that's what we have. When on her own yesterday, she gives us one answer, and today, when she is better informed, gives us another. That is a very sad reflection on your ability to understand these issues, Treasurer, because it is a fundamental question, and a very simple one might I say. It was only asked half a dozen times yesterday as we went through different sectors of the questioning, and it has taken us until today, nearly lunch time, to get the right answer. So, thank you, Under Treasurer.

I move to the question 199: What is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government, and where does this cost or liability appear in the budget papers relating to the agency?

Ms MARTIN: Overall, the payroll tax changes that took effect from 1 July this year are expected to result in agencies and government business divisions paying less payroll tax. In summary, the changes are: reduce the payroll tax rate from 6.5% to 6.3%, and broaden the base to include the grossed up value of fringe benefits and eligible termination payments as defined in the Income Tax legislation. Using 2001-02 payroll tax data, in constant terms as a base to model the effects, the anticipated savings are \$0.6m across all general government agencies and \$12 000 across all GBDs.

The payroll tax changes were modelled on the basis of being revenue neutral across the private sector. Thus, it should not be interpreted that the \$0.6m savings to general government is due to private sector employees bearing an extra burden to cross-subsidise the savings to general government. I have a table attached, as I said yesterday, and it sets out the indicative impact for each agency. I can table that now.

That table sets out the indicative impact for each agency and GBD using the 2001-02 data as the base. Information is indicative only, since the actual outcome will depend on the extended fringe benefits and eligible termination payments paid by the entity during the year. For example, with the outsourcing of information technology services, DCIS incurred higher than normal termination costs in 2001-02 and consequently the calculation indicates an additional cost to that agency as the result of payroll tax changes.

However, this was a one-off occurrence and is not expected again in the current year. In almost all cases, the indicative result is a saving within the agency and GBD. Agency funding includes provision to meet their payroll tax liability as part of the appropriation to each output. There has been no attempt to recover those savings from the 2002-03 appropriation to agencies. In those few cases where an additional payroll tax liability occurs, supplementary funding has not been provided, and the agency is expected to absorb those costs within existing appropriations.

Mr REED: Thank you, Treasurer. Can I just ask with the information that has just been circulated, some agencies increase and some agencies decrease. So the payroll tax is assessed by agency, not across government?

Ms MARTIN: Yes.

Mr REED: Question 207: the budget estimates that royalties income will drop significantly over the term of this Labor government from \$35.9m in 2001-02 to \$29.1m in 2004-05. That is Budget Paper No 2, page 13.

Given that this is an indicator of mining activity, or inactivity perhaps, and given that this industry provides the largest contribution to Territory GSP, does this put the estimate of GSP growth at 3.7% this year in doubt?

Ms MARTIN: No. Notwithstanding that the question is headed Mining Royalties, the figures quoted in the question focus on Mineral Royalties, as distinct from mining royalties, which comprise both mineral and petroleum royalties, so just to clear up that to start with.

Territory mineral royalty revenue was significantly higher than usual in 2001-02, due to increased production, particularly for gold, associated with higher commodity prices and a lower exchange rate. Estimated mineral royalty revenues are anticipated to remain high over the next few years, though lower than 2001-02 as production levels normalise. It is worth noting that in the eight years to 2000-01, annual Territory mineral royalty revenues varied between \$19.9m and \$26.1m, while the estimates for the next three years remain at the higher levels of \$31.8m to \$29.1m.

Commonwealth tax revenue associated with other offshore Territory mining operations in the Ashmore/Cartier region, which includes the Laminaria/Corallina oilfields in the Timor Sea, is not included in forecasts of Territory royalty revenue in the budget papers. However, the activity is recorded as part of the Territory's gross state product. As such the estimation of GSP is made in a fundamentally different basis from the estimate of royalty revenue.

Forecast Territory GSP growth of 3.7% in 2002-03 is predicated on solid growth in a number of sectors, particularly construction, property and business services. The mining sectors' contribution from both offshore and onshore activity is expected to stabilise in this financial year after an anticipated large negative in 2001-02 due to the sharper than expected fall back in offshore oil production associated with the declining oil pressure at the Laminaria/Corallina oilfields.

Onshore mining activity is reflected in the estimates of Territory GSP, and the estimated variation in 2002-03 has been taken into account in developing the GSP forecast of 3.7% presented in the budget papers. Thus, there is no reason to question the 3.7% estimate of GSP growth on the basis of mineral royalty figures.

Mr DUNHAM: GSP is a very difficult beast to understand, I know, but 30% of it is made up by mining activity, which is in decline in your papers, and you have asked us to be confident with your forecast of 3.7%. I would point out that your figure of 5% was grossly inflated in the last year, and even when asked in PAC sittings in February, the figure of 5% was hung onto and turned out to be very wrong. Why should we have confidence in this figure?

Ms MARTIN: As I have indicated, it is based on those growth areas which I identified - construction, property and business services. After that detailed work has been done, that 3.7%, if you compare it with the predictions we have seen from Access and BIS Shrapnel, is a very modest figure compared with those organisations, and they make authoritative predictions about the Territory's growth. I refer to the year 1999-2000, I think the prediction that the previous government used was something like 12.8%, something in that region, and it came in at zero and it was revised to 0.09%. So, growth figures are not always that accurate, but this is a modest one. It is predicated on some substantial areas like construction, property and business services, and I am certainly hoping that we as a Territory can achieve that.

Mr DUNHAM: I hoping too, Treasurer, but you have to recall that 5% was your figure for last year and you came in at 1.7%. I would suggest that there is something wrong with your computations in the last financial year, and we are merely seeing whether this year's figures can have some confidence.

Ms MARTIN: We indicated what was the difference there, and that was that offshore activity, and that is very unfortunate. The drilling in those fields demonstrated that there was not going to be the extraction available, and that has certainly affected it.

Mr DUNHAM: Big time.

Ms MARTIN: It happens.

Mr REED: Question 221: provide the amount of cash 'savings' held in 2001-02 and estimated increases in cash reserves in 2002-03?

Ms MARTIN: The terms 'cash savings' and 'cash reserves' are not used in the budget papers and it is not clear what information is actually being sought by the question. Maybe you would like to clarify that, or I can do an interpretation of what you might have been asking.

Mr REED: I would like to hear your interpretation.

Ms MARTIN: Okay. The likely explanation appears to be in relation to the level of government's cash balances in 2001-02 and 2002-03. That is right? Are we interpreting correctly?

Mr REED: Proceed.

Ms MARTIN: As you will be aware, government holds its financial assets in a number of forms which include short and medium term investments as well as cash holdings. Cash is clearly an important asset, and the level of cash holdings varies according to the terms of varying expenditure needs. These include regular employee payments as well as contractor and operational costs. The estimated cash balance for the 2001-02 is \$427m. By the end of 2002-03 this balance is expected to be around \$360m.

The decision to have a higher level of cash balances at the end of 2001-02 was due to a number of reasons. They included: there was a significant refinancing requirement early in 2002-03 which was timed to be made prior to the receipt of GST revenue at the end of July; it was considered that it was better from a financial management point of view to have sufficient cash available to meet that requirement so that the funds necessary for refinancing did not have to be raised in the first two weeks of the new financial year when conditions may have been less predictable. In addition, in the last year, there has been a requirement for higher level of cash balances, which is related to the timing of GST payments. These are paid monthly compared with the FAGS, which were paid weekly. The monthly level of GST payments was initially somewhat unpredictable, although there is now a greater level of certainty in respect of monthly predictions, which means that there can be a lower level of cash balances.

As I am sure you are aware, it is preferable to optimise the use of existing cash balances to meet

operating investment requirements and to keep them at a minimum rather than maximum levels for operational requirements rather than increase Territory borrowings. This is because interest paid on borrowings is more than interest received on cash balances. The planned reduction in cash levels in 2002-03 accords with this approach.

Mr REED: Thank you, Treasurer. What you are talking about there in terms of \$427m is not only the cash that the government has at its disposal to meet the emerging day-to-day activities of government ...

Ms MARTIN: They call in payments and ...

Mr REED: More what I was seeking was the amount of money that government has set aside for projects or particular activities that it might want to become involved in in the future, what you are squirrelling away, putting in a hollow log, setting aside, for other purposes - which is not an illegitimate activity of government, to have in the piggy bank, as it were - for projects that might come over the horizon that government would feel it appropriate to invest in.

Ms MARTIN: There is nothing, as you talk about, squirrelled away. It is there in the budget papers. We do not have a hollow log. It actually would be very nice to have a hollow log but we have a significant deficit that we were not aware of when we came into government. We have transparently shown that we are meeting that deficit reduction strategy and it will be in balance by 2004-05 across the general government sector. The expenditure is there and accountable in the budget papers.

Mr REED: I refer to Budget Paper No 3, page 59. The top line 'cash and deposits \$34.m 2001-02' and nearly \$71m in 2002-03. Could the Treasurer say what that relates to?

Ms MARTIN: We have a specific question that was asked on Treasury Corporation to do with this. Should we wait until we get to that?

Mr REED: Could I ask does this relate to the issue that I am discussing at the moment?

Ms MARTIN: I will refer it to the Under Treasurer.

Mr CHAIRMAN: Under Treasurer, if you are aware of the specific question in the future that the shadow Treasurer may ask, maybe we can transact that business now. I am sorry to complicate things for you, but I am just trying to get the business done here.

Ms MARTIN: My advice is that this ...

Mr CHAIRMAN: We are jumping all over the shop.

Ms MARTIN: This is a specific question that we have in Treasury Corporation.

Mr REED: All right, well I am happy to deal with that later.

Ms MARTIN: And we will deal with that later, at the end of the appropriation.

Mr REED: Well, just to pursue the line that I was earlier. If, as the Treasurer says, the government is not setting aside funds for what may emerge in the future as a potential worthy investment, could she explain to me why, at the budget presentation that the Minister for Business, Industry and Resource Development, Mr Henderson, gave in Katherine, and trying to explain why there was not an active capital works program for that region this year, and whilst I do not quote him directly, the gist of his message was, well, we don't want to spend too much money because we are putting money aside and just holding it in a separate account to build up an account balance, some reserves, so that if for example - and he gave a specific example - it is required for as an investment by the government to

encourage the gas to come onshore, we have some money set aside, squirrelled away, to be able to do that.

So if you have a minister who is telling the business community in at least one part of the Northern Territory that you are setting money aside that is not committed against anything, that is being kept for a rainy day or an appropriate development activity that the government might want to invest in, why do you say that there is no such money?

Ms MARTIN: The first point is that you are paraphrasing what a minister said at an event, and I will accept your version of that. But, that is the way you are describing it ...

Mr REED: All right, let's accept it, just theoretically.

Ms MARTIN: But let's just look at the reality. We have a deficit. We are reducing that deficit because we need to get back to ...

Mr REED: Yes, we know all that. We have heard that *ad nauseam*.

Ms MARTIN: But this is ... excuse me. Mr Chairman?

Mr CHAIRMAN: The member for Katherine, please let the Treasurer ...

Ms MARTIN: No, we have not squirrelled anything away; we do not have hollow logs. We have a deficit and we are working towards getting that deficit back into a balance by 2004-05. Extrapolating from what you said that the minister said, let me take you back to something which I have said very clearly which fits in with that, and that is we have to be back in that balanced budget situation by 2004-05 to be able to meet the emerging needs when gas does come onshore, to be able to put infrastructure in place. We will not simply be able to afford to do that if we are still carrying the kind of deficits we have seen in the past, and that is just a straight forward proposition. So just working through what you said was said by somebody else, that is the fact.

Mr REED: I hope that when your minister next visits Katherine he will extend a very sincere apology or misleading them the way that he did.

Ms MARTIN: We welcome you at the Chamber of Commerce and Industries lunch next Monday when Cabinet is a community cabinet.

Mr CHAIRMAN: The Member for Brennan has a question.

Mr BURKE: In reference to those cash reserves, do those totals that you gave include the amounts that are held by agencies - for example, if you look at Health and Community Services, on page 290 it shows cash and deposits around \$14m.

Ms MARTIN: Yes, they do.

Mr BURKE: So the figure you gave was inclusive of all those agencies?

Mr REED: And further to that point, Mr Chairman, does that include government business divisions and like agencies, or do they hold their own cash reserves?

Ms MARTIN: A government owned corporation such as PowerWater is excluded and government business divisions are included.

Mr REED: Would you be prepared, Treasurer, to provide us, not now but at some later time, with the

cash reserves of PowerWater and like agencies?

Ms MARTIN: That information is within their Statement of Corporate Intent. I am assuming annual reports will deal with appropriately, as government owned corporations legislation demands, of any accountability under government owned corporations legislation.

Mr REED: Well, it is a government-owned corporation which by definition is a corporation owned by the people of the Northern Territory. I would have thought on that basis that it is not an unreasonable question to ask as to whether or not as Treasurer and the minister responsible as the shareholding minister on behalf of Territorians to provide Territorians with the amount of money that these corporations have as cash reserves. Is that not a reasonable question?

Ms MARTIN: They are government-owned corporations, but because of the nature of the government-owned corporation legislation they are then accountable to the parliament through their SCI and they have an annual report, as you would expect of any business. That is what they are set up as - a commercial operation. We see the TIO reporting and showing those same cash reserves and it will work in the same way, even though the TIO is not a government-owned corporation.

Mr REED: So the answer is no?

Ms MARTIN: What? You want me to give you that information right now?

Mr REED: No, no, no. I do not expect it now. I would be happy if you took it on notice and provide it as a question on notice and give us the answer in the next day or two or week or ...

Ms MARTIN: PowerWater, as I understand it, will providing that information in its annual report quite publicly.

Mr REED: So you won't have any difficulty in giving it to us tomorrow? This is information for Territorians. How many millions of dollars is it?

Ms MARTIN: I am advised that PowerWater would still be in the middle of its audit. I do not know whether that information is available.

Mr REED: Oh, very convenient. And what about ...

Ms MARTIN: It is a government-owned corporation.

Mr REED: Yes, yes. What about, then, NT Fleet or agencies of that ilk?

Ms MARTIN: They are a GBD and that is available.

Mr REED: Right. Okay, so can you provide it to us then – no, not – as a list of reserves at some time. If you could take that on notice.

Ms MARTIN: Certainly, certainly. No problem.

Mr REED: And I note that you will not provide it for the Power and Water Corporation.

Mr DUNHAM: Mr Chairman, I actually have the Statement of Corporate Intent for the Power and Water Corporation here, and the data that the Chief Minister said was available in here is not evident to me. I wonder if she could point me to it?

Ms MARTIN: I am advised it will be in their annual report.

Mr DUNHAM: Oh. Not in this Statement of Corporate Intent?

Ms MARTIN: No.

Mr BURKE: I do not want to labour the subject, but wouldn't you think that this committee has some priority in terms of getting information? It is easy to say, 'These things are generally available in annual reports'. We are trying to establish what are the overall cash reserves that Territorians have, and they own PowerWater. I understand all of the legislation for the PowerWater, but I cannot understand why you would refuse to make best endeavours to provide that information to this committee at this time. Surely, there is nothing to hide?

Ms MARTIN: I believe that we had support for the government-owned corporation legislation, and the move to that was initiated by you as government. The requirements of that are ones that we have legislatively underpinned and those kind of accountings, as with any business, happen at the end of the financial year in their report. Quite simple.

Mr REED: So, Treasurer, you are prepared then as a government to provide subsidies to this agency, to PowerWater, which are Territory taxpayer funds. You are not, however, prepared to show us and Territorians what the internal workings of this organisation are notwithstanding that it is owned by Territorians. Could I give you another, what I think is a very reasonable, alternative? Would you provide them to me as shadow Treasurer on a confidential basis?

Ms MARTIN: The accounting will be made ...

Mr REED: No, no, no. Yes or no? That is all I need. Very, very easy, Treasurer. Very easy.

Ms MARTIN: We would really appreciate giving briefings to the shadow Treasurer, but you have not asked for one in the last 12 months.

Mr REED: I am not asking for a briefing now. This is easier than that; I am asking for a one line figure.

Mr CHAIRMAN: Treasurer?

Ms MARTIN: I am trying to clarify what you are looking for. You are looking for the actuals for 2001-02?

Mr REED: Oh, that would be nice - as much information as you can possibly provide.

Ms MARTIN: They are currently being audited, as I am informed, and when they are available we can make them available to you.

Mr REED: Okay, so the answer to a confidential advice is no, in answer to my question, is it?

Ms MARTIN: They are currently being audited.

Mr REED: So, could you give me the pre-audit figure?

Ms MARTIN: We would have to get it from PowerWater. If that is appropriate, you can have it.

Mr REED: I point out Treasurer, that the last time that the Power and Water Corporation advised Territorians as to precisely what the picture of their operations are, this Territory taxpayer-owned organisation, was 1999-2000. They are not unreasonable questions.

Ms MARTIN: No, that is fine. I am just saying that they have moved to GOC status ...

Mr REED: I know what they have moved to.

Ms MARTIN: ...there are new requirements on that, and they present that information in annual reports.

Mr REED: And you are the responsible minister.

Ms MARTIN: And, like I am the responsible minister for the TIO, they are also. They present their information in annual reports and they were never part of appropriation debates. Never, ever, ever.

Mr REED: Okay, well I take note that the answer is no and that I cannot ...

Ms MARTIN: No, we said we will get you the actuals once they are available from PowerWater.

Mr REED: Yes. And when will that be?

Ms MARTIN: I can get back to you with those details. But would you like a briefing on something to do with Treasury while you are up here.

Mr REED: I would just like you to answer some questions.

Mr CHAIRMAN: I would like to see us move on with some different questions now.

Mr REED: Funny you should mention that, Mr Chairman.

Mr CHAIRMAN: I have been mentioning it over the last day and a half, and I will say it again. We have not finished with the Treasurer. We are just way behind on our schedule. By the time ...

Mr REED: There is tedious repetition, Mr Chairman. If we could get the answers that we are asking - and they are very simple and straight forward, and only want a one figure response - we would be moving on.

I move now to question 226. What was the total amount allocated to Treasurer's Advance in 2001-02, and how many transfers into Treasurer's Advance did this comprise? Detail what disbursements of Treasurer's Advance occurred for amounts exceeding \$0.5m in 2001-02, and for what purposes? I would be happy, Treasurer, if you just want to table a document in relation to that question.

Ms MARTIN: Okay, we can do that.

Mr REED: For expediency's sake.

Ms MARTIN: Thank you.

Mr CHAIRMAN: Thank you, member for Katherine.

Mr REED: I am a very agreeable and helpful person, much maligned and misunderstood.

Mr CHAIRMAN: I know you are. Isn't there a song about that.

Mr REED: Question 228: how do the figures for expenditure by each department or agency in terms comparable with those used in the mini-budget translate to figures using accrual accounting methods?

Ms MARTIN: As has been long standing practice, particularly since the implementation of the *Financial Management Act* in 1995, the budget papers have been forwarded in with the Treasurer's Annual Financial Report, the backward looking document. However, I will explain how the previous cash based figures are now presented in an accrual environment.

The former cash presentation included a gross outlays and receipts table, which provided total outlays and total receipts by category, whereas the accrual presentation system is set in accrual based financial reports, which is in three separate but linked statements. These are the statement of financial performance, the statement of financial position and the statement of cash flows. The statement of cash flows can be related directly to the gross outlays and receipts table. These gross cash flows are categorised under the headings of cash flows from operating activities, cash flows from investment activities, and cash flows from financing activities.

Operating activities equates to personnel and operational costs, grants and interest payments in the previous cash presentation. Investing activities equates to capital expenditure, while financing activities equates to use of balances, advances and bonds.

Mr DUNHAM Mr Chairman, could I ask a supplementary on that matter? I am pleased the Treasurer has talked about the budgets being forward looking, and I understand the forecast, but I am talking about backcasting here, and particularly this document, Budget Overviews, where it talks about where the money comes from at page 10, and it has a chart there with revenue going back to 1999 at \$2bn. In this budget here, the mini-budget, under receipts by account is \$3.2bn, and I wonder why it has been backcast to nett out \$1bn worth?

Ms MARTIN: For a very detailed answer on that I will refer you to the Under Treasurer.

Ms PRINCE: I am sorry, could you just ...

Mr DUNHAM: I can understand how you are forecasting on an accrual basis, but this would appear to be a backcasting because it talks about a 1999 figures and where the money comes from at \$2bn. However, when I go to the mini-budget paper, the Gross Outlays and Receipts, the Receipts by Account were \$3.2bn. I am wondering why it has been backcast to nett out \$1bn.

Ms PRINCE: You have a difference of treatment. The gross outlays and receipts - sorry, perhaps I should go the other way. A comparable presentation is on a uniform presentation framework consolidation. The gross outlays and receipts is the cash amounts that relate to appropriation. So if, for example, you had one agency paying another - Treasury is paying NT Fleet, for example, for the lease of its vehicles, and then NT Fleet is actually incurring costs in respect of those vehicles - both of those amounts will be counted in the gross outlays and receipts tables.

Mr DUNHAM: The figure has to be washed?

Ms PRINCE: In the consolidation method, whether it is cash or accruals, that is right, those transactions are matched and you are only recording it once. The chart in the overview on page 10 is the consolidated amount over that period, and it should not be related to the gross outlays and receipts amount.

Mr DUNHAM: What I am saying, I guess, is that if you worked off budget papers you would have to actually have that at a higher amount or you would footnote it to say that it has been changed so that it had an adequacy of presentation that you could compare?

Ms PRINCE: In the mini-budget, and in previous budget papers, there was the gross outlays table

and the nett table, so the proper comparison is the nett table or the consolidated table.

Mr DUNHAM: So the questions we have been asking about the comparability from the mini-budget through to future, you believe should have the same sort of arrangement? Do you see what I am saying? If we are going to look back and compare 1999 figures and do it on the basis that there is some applicability to the current budget presentation format, you can understand why we want to do exactly the same thing looking forward from the mini-budget: so there is a comparability so that if the \$1bn has to be washed out going that way, we can wash it out coming this way, so that we are comparing like with like.

Ms PRINCE: I am not aware that that sort of comparison over time has ever been made. But you come up with those sorts of issues where you have breaks in the series for any number of reasons. If you are going to do a time series then you certainly have to put everything on the same basis. In budget papers, we have not had that sort of backcasting of the sort that you are talking about, that particular type. The budget papers have normally compared the year that has just gone - in this case, if it is a late budget, or just about to be completed if it is an early budget, and the forward year done on a comparable, comparative basis.

Mr REED: Mr Chairman, I ask the Treasurer in relation to the advice about Treasurer's Advance, in question 226: PowerWater received an additional almost \$4m - \$3.941m - for increased operational costs. Could you explain to us what that was for, given that this is a government owned corporation and supposed to be, as we have just heard, pretty good? What was that for?

Ms MARTIN: As I understand it, they were increased maintenance costs, and certainly warranted, from PowerWater.

Mr REED: Increased maintenance costs. That is unforeseen. Why then, as a corporation which is now, in your words, independent and operating on a ...

Ms MARTIN: It was transferred before corporation status.

Mr REED: Right, and then in relation to that table that has been circulated, that is the total allocation of Treasurer's Advance 2001-02?

Ms MARTIN: There is a much more complex answer to that which does look at a number of other activities that went on in the Treasurer's Advance which I can give you in detail. We can go through it.

Mr REED: That was the question, Treasurer. And so you have not answered it in full?

Ms MARTIN: As you probably understand, it is a much more complex

Mr REED: That is why I am intrigued by the uncomplex answer.

Ms MARTIN: These are the payments that were from Treasurer's Advance that you asked for.

Mr REED: And the complex response?

Ms MARTIN: There was further activity through the Treasurer's Advance to do with the mini-budget, but they are the transfers that you specifically ask for.

Mr REED: Could we have then some detail – not now- but could you provide some information – or if you have it there we will have it now. Could you provide the complex response? Thank you.

Ms MARTIN: Yes, it was to do with the nature of the mini-budget and the fact that there was no appropriation and so there were complex activities there. To do with Treasurer's Advance ...

Mr REED: It is interesting, the full answer, Mr Chairman. And I make the point again, one just has to keep getting into the hole and finding out what really has to be unearthed.

Mr CHAIRMAN: As long as there aren't any weasels in there!

Mr REED: Exactly! Exactly! That is where they have gone! Down the hole! We are looking for them!

Question 230: itemise the difference between expendable cash and gross allocation for each agency by outcome for 2002-03.

Ms MARTIN: With all due respect, member for Katherine, this question does not actually make any sense. The term 'expendable cash' has not been used in any form or any framework. Gross allocation may have been applicable to the previous framework but is not a term used in the new framework. Also, expenses in any form have not been calculated by outcome.

Mr REED: Just because you do not like the terminology, Treasurer, does not mean to say that you can weasel out of answering the question. The fact is, that what we are trying to get at here is to be able to demonstrate to Territorians what the truth is, not what you are telling them in terms of the Health budget of \$527m, but how much the Health department has to spend on keeping Territorians healthy. I can understand why you are a little bit shy about answering that. There is some comparison that one could draw in terms of the budget of May last year if you look at Education. And you can get the feeling of where I am coming from in terms of that document – the outlays by the account for the Education department operating account were to be, this is for 2001-02 in the budget - some \$354m. Now, you are not going to tell me and you will not and cannot convince Territorians, and this is why they can see through your \$505m for Education.

The budget has not, in 18 months or so, gone from \$354m to \$505m; because in the difference between \$354m and \$505m are all these nefarious things that you have to write off. You have to write off this and you have to have some depreciation here. That is where the difference is and if you take those differences away, you get down to the real figure of – and I am not arguing that you have not increased the Education budget. It might now be – because you say you have increased it by \$20m, the budget might now be in the order of disposable cash of \$370m or \$380m or whatever. But it certainly is not \$505m when you wash out the paper entries and what the department has in relation to expendable cash.

That is what I mean. I know it offends you to use those terms, but that is what we need to find out.

Ms MARTIN: Well, it is interesting that the - it does not matter.

Mr CHAIRMAN: I think we just leave it there. It came down to a matter of terminology that went somewhere else.

Ms MARTIN: You are thinking cash and we are not doing cash.

Members interjecting.

Mr REED: I understand why the Treasurer would want to leave it there! Very hard to explain!

Question 232 ...

Mr CHAIRMAN: No. The member for Drysdale had – I hope it is a constructive supplementary question, because once again, we are falling behind.

Mr DUNHAM: It is very constructive. I refer to Budget Paper No 2 at page 4 where, and I quote: *To avoid the possibility of having fiscal targets obscured by accounting changes the fiscal strategy has continued with a cash outcome measure.*

I think what my colleague was looking for there was that cash outcome measure so that the fiscal targets are not obscured.

Ms MARTIN: TAFR.

Mr BALDWIN: Sorry?

Mr REED: TAFR. You will get the answer sometime in the future, but arrogantly not today.

Ms MARTIN: As provided in that accounting ...

Mr CHAIRMAN: Order! Order!

Mr DUNHAM: It goes on, Mr Chairman, to say ...

Mr CHAIRMAN: Look, I think you have made your point, member for Drysdale. You have made your point.

Mr DUNHAM: No. I was told that it was TAFR and I am just clarifying that it is actually not TAFR. This is further on:

It is important to recognise, however, the adoption of accrual accounting does not supplant the consideration of cash flow. Cash will continue to be used as the basis for appropriation.

We are discussing Appropriation Bill and to be told that it is not available in this suite of documents and we have to wait for another one I think is - there is either a mistake in this document which has been signed off by the Under Treasurer as being accurate, and we would like to see those presentations made in the same way the department is being asked to track it. So, is it available or is it not?

Mr CHAIRMAN: We will leave it in the Treasurer's court whether she responds or not, but for my part I would like to move on. I think you have made your point. Can we move on with the written questions, please?

Mr REED: Well it is sad that Territorians cannot find out just what ...

Ms MARTIN: We are just being badgered. This is supposed to be a constructive exercise.

Mr REED: It is constructive.

Mr BURKE: As soon as we get to the real issue you do not like it.

Mr REED: Treasurer, Territorians are now being told that this amount of depreciation is expendable. What do they do? They take out the second hand fridge, flog it and get what they can for it and use that to buy a few books? That is the inference that you are bringing to play here when you will not tell us the cash amounts. Notwithstanding, as the member for Drysdale just said, that there is reference in your budget books - not ours, in your budget books - to cash amounts and that is all we want: the cash amount that the agency can spend on providing services to Territorians.

A member: Another good question.

Mr REED: But in your arrogance you will not provide that answer.

I move to question 232: what was the total of Specific Purpose Payments from the Commonwealth to the Territory broken down by agency and output in 2001-02, and what SPPs are currently expected to be received from the Commonwealth in 2002-03 broken down by agency and outcome?

Ms MARTIN: The estimates of receipts for SPPs by agencies are published on pages 279 to 281 of Budget Paper No 3. These receipts cannot be broken down by output or outcome as some SPPs span outputs and agencies have not yet been required to detail revenue by output. It is expected that during the transitional phase of Working for Outcomes agencies will be asked whether allocation of SPP information to output is possible or sensible. I can table, again, those SPPs.

Mr REED: No, I have those available, thank you. So, you consider then that they are complete? There has been no change since that was produced of any substantive nature in terms of additional advice from the Commonwealth that further SPPs, or increases in SPPs, may have been advised?

Ms MARTIN: I refer that to the Under Treasurer.

Ms PRINCE: I am not aware that we have had any other advice from the Commonwealth. However, that advice will always go to agencies before it would come to us as the negotiations are undertaken, and these can sometimes take some months.

Mr REED: And the time frame for agencies to determine whether or not it would be appropriate to allocate those funds, as you have indicated, is that sort of two months, three months, six months or would it be next budget or what would it be?

Ms PRINCE: Our plan was to discuss that particular issue with agencies in the next couple of months to see whether it could be done for the next budget. But we just do not know how difficult it would be for them. Some SPPs can be allocated to a particular output, others are apportioned over a number of them.

Mr REED: The target then would be to have a different presentation of those items in the next budget and it may or may not be, as you say...

Ms PRINCE: It is possible.

Mr REED: Okay, thanks.

Question 233: Treasurer, in your budget speech you said the real increases in funding were:

(a) 'Health will increase by \$20m to \$527m' yet, on page on 203 of Budget Paper No 3, the increase is shown as \$27.474m to \$526.769m;

(b) 'Employment, Education and Training will increase by \$14m to \$505m', yet at page 63 of Budget Paper No 3 the increase is shown as \$32.862m to \$504.667m;

(c) 'Police, Fire and Emergency Services will increase by \$8m to \$142m', but at page 91 Budget Paper No 3, the increase is shown as \$10.448m to \$142.170m; and

(d) 'Community Development, Sport, Cultural Affairs will increase by \$19.5m to \$212m', yet at page 175 Budget Paper No 3, the increase is shown as \$21.977m to \$211.816m.

Could you explain the difference between your figures and those used in Budget Paper No 3, please?

Ms MARTIN: I have a table.

Mr REED: Thank you.

Ms MARTIN: I will explain it, we have that tabled. The increases in the budget speech, as I explained clearly in the parliament, where the underlying increases after removing the differences between 2001-02 and 2002-03, related to the transfer of repairs and maintenance expenditure from DIPE to agencies in 2002-03. The repairs and maintenance adjustments in agency budgets were removed from the 2002-03 operating expenses figures in order to provide the underlying or real increase.

Mr BURKE: I refer you to the uniform presentation format in Budget Paper No 2, page 80. Where would the expenditure in a UPF format for an organisation like Health be found in that presentation? Would you find it in health and social security and welfare, or would you have to look elsewhere?

Ms MARTIN: I will refer this to the Under Treasurer who has very specific knowledge of this area, one of her serious areas of expertise.

Ms PRINCE: It would be found in the categories that you have nominated, but the complication that all jurisdictions have found in doing this purpose methodology is that when central corporate services agencies like DCIS have been established, what you really need to do is allocate the cost of those sorts of agencies also back to Health, and there has been concern across all jurisdictions that those sorts of allocations have not been done on a uniform basis. They vary between jurisdictions. We are working quite closely with all the states and the ABS to refine those methods so that there is greater uniformity.

Mr BURKE: You would not be allocating additional revenue for additional benefits through DCIS?

Ms PRINCE: No, you are allocating additional costs.

Mr BURKE: Costs, yes.

Ms PRINCE: Yes, because a couple of years ago, quite a significant proportion of the DCIS staffing and expenditure would have been in Health and Education.

Mr REED: If I could pursue that, Mr Chairman. They are, though, what you might reasonably refer to as notional costs, in that whilst a sincere effort would be made to determine those costs, it very much depends on the method used, as you say, to determine those costs and then to allocate them. We heard yesterday from the Auditor-General about how would you value a road, and what method would you use, and it does become somewhat notional in terms of the allocation of those costs, or the DCIS costs to which the Under Treasurer refers, and it really does not make any difference to the operation of the agency in terms of the funding that they have available to provide services to Territorians. I note that the Under Treasurer is nodding.

So we have here an acknowledgment that the Treasurer was unprepared to make in that those amounts that are allotted to an agency, vis, the costs of DCIS services, whilst they have not been allocated to them, in the future, if that figure is determined to be, for example, \$5m, on the basis of the Chief Minister and Treasurer's operations that we have had in the past, if that happens before the next budget, this will go up to \$532m if that amount is determined to be \$5m. That clarifies the point I think, or ...

Mr CHAIRMAN: Is this a question, member for Katherine?

Mr REED: Yes. ... in terms of what this means to people of the Northern Territory ...

Mr CHAIRMAN: Could you please ask it?

Mr REED: I ask the Treasurer to tell us if it is not, in fact, misleading, as the Under Treasurer has just demonstrated, to use those terms as 'non-cash terms, but globally this is what you are going to get, \$527m for Health', when we have just heard the ...

Ms MARTIN: Because you are using the Under Treasurer's previous answer, I should allow her to answer in response to this.

Ms PRINCE: Perhaps I was not being sufficiently clear, but the table on page 80 is not related to the budget allocation for the Health department or for DCIS or any of those other things. It is the functional allocation according to some ABS rules, that are not as good as they should be, on the general category Health or Education. It is quite a separate issue to what is being spent by the departments of DEET or Health and Community Services.

Mr REED: I am not here being critical of the process, or accrual accounting. I understand it and, as the Treasurer, was going to introduce it and, indeed, started the process of its introduction. What I am talking about here is the clarity and the ability for Territorians to understand it. Perhaps as a government we might have presented it in a slightly different way, in that we would have had some form of indication as to what the real disposable allocation for an agency is, notwithstanding all of these matters which are, in themselves, important and should not be ignored or excluded. But what has been excluded here and is being deceitfully used, is the ability for a government to say that Education is going to get \$505m when, in fact, in disposable, spendable money, they are not. That is the point I make. I note that the Under Treasurer is nodding in agreement. Thank you.

Mr WOOD: Just to show you I am still awake. I must admit the over rate is still slow there. I am not sure what the score is, Mr Chairman.

On that question the member for Katherine was talking about, is it possible that we can produce a plain English speaking version of the budget that reasonably educated people can understand? These documents are certainly not what you can give people to understand about a budget. Why can't we have one even for, you might say, average politicians who do not have experience in trying to analyse such fairly complex documents? Why could there not be a document that could come out which could put down some of these figures in a much more readable way? They are not used as a Treasury document as such, but could be used so that we could analyse it and tell our constituents exactly what is being promoted by the budget.

Ms MARTIN: Briefly in response, and I also refer it to the Under Treasurer, but we do produce those budget books, the Budget Overviews that actually isolate those costs. It is a fact of contemporary accounting that these things are very complex. The relationship between the Territory and the Commonwealth is complex and, while you try to extract the key elements for any particular region, underneath that is some very complex accounting.

Mr WOOD: A follow-up question then, Mr Chairman. I think the mini-budget books were easier to understand. It showed people exactly that you were going to spend X amount of dollars on the Humpty Doo Police, Fire and Emergency Service ...

Ms MARTIN: And that is still available.

Mr WOOD: Yes, but I could pull that book out and show someone and say, 'Look here is how much is going to be spent this year, next year, there'. Simple and it was understandable. With this book, it is much harder to do that. In fact, I cannot find - and that is one of the questions that might come up - that figure. I had to ask for it, but I could not find it. In the mini-budget it was there up front, and that was a much easier document to understand. So I put it as a possibility. Part of this discussion is we are living with a new system of accrual accounting. It is complex, but I am putting it up as an idea.

Mr BURKE: Mr Chairman, the essence of the questions is what is the truth of the spending figures. Now given the explanations provided before about the UBF, if one looks at the two figures that are shown in the UBF format on page 80 of Budget Paper No 2 for Health and Social Security and Welfare, you come up with a figure of about \$490m in total. How does that compare with the figure of \$526m that is held as the Health spending in the budget? Which one is closer to the real amount spent?

Ms MARTIN: Again I refer this answer to the Under Treasurer.

Ms PRINCE: Budget Paper No 3 includes the total operating costs that are the responsibility of the Department of Health and Community Services.

Mr BURKE: The question falls to the money that the government says it is going to spend. 'Health gets a record \$527m'. We know a lot of these figures nett themselves out to nothing. What does Health actually get to spend? We have had one format provided to us which no one can understand; the government has admitted that \$526m in real terms is wrong, the department does not have that - if you now go to the UBF format you told me that if you looked in both Health and Social Security and Welfare you would probably get close to it. If you look at those two areas you can come up with about \$490m. How does that rate in terms of your terminology of accuracy?

Ms MARTIN: We can go around and around this issue. In one brochure that I got in my letter box you said 'Hey big spender' about us and identified the fact that we did get additional funds from the Commonwealth because of the greater needs there are in the Territory to provide services on that average that were identified through the Commonwealth Grants Commission. We did get those additional funds and they were allocated to us because we had additional needs in Education, in Health and in the area of Community Safety. We have spent those funds. You identified them in a newsletter that we got those additional funds and accused me of being a big spender. Now you are trying to say we are not spending them in those areas. So your argument in that global sense is inconsistent.

Mr BURKE: Chief Minister are you spending \$527m on Health or not?

Ms MARTIN: In the operating expenses, yes it is spent, it is because we have additional funds that we are able to spend in those important areas.

Mr BURKE: How do you spend depreciation?

Mr CHAIRMAN: With all respect, member for Brennan, that question has been asked repeatedly. There has been a reply and a response given repeatedly. You have made your point. The Treasurer has also made her point on the issue.

It is 12.30 pm. I would like to break for an hour. We will reconvene at 1.30 pm. I just say again that today we had planned to have three ministers, that is Stirling, Ah Kit and Toyne and we still have not finished with the Treasurer. I will place on the record again that I am concerned about the lack of progress, although we did make better progress this morning and I thank members for that. But I am concerned and I place it on the record. Thank you.

Committee suspended.

Mr CHAIRMAN: We were up to the Northern Territory Treasury output 00.03. I ask the Secretary whether he could tell us the major output areas that are still outstanding in terms of the Treasurer and the questions that she has to answer.

Mr HANLEY: Mr Chairman, there are currently seven questions left in output 00.03, 32 in various

output areas. I remind members that when we complete Treasury down into Central Holdings, NT Treasury Corporation, I put on your desk at lunch time the questions from Arts and Museums which are taken from Jack Ah Kit's area so those questions will be after Treasury is finished. When you rule the line then and the Minister for Employment, Education and Training comes in, he will then answer the other Treasury questions on racing and gaming.

Mr CHAIRMAN: With that said, member for Katherine.

Mr REED: Question 235: Treasurer, how much of the agency's revenue can be attributed to inter-agency transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

Ms MARTIN: I note that this question refers to inter-agency purchase and receipt of goods and services only whereas question 236, which is the next one, includes all categories of inter-agency transfers including grants. Although the question does not specify for what year the information is requested, the question is taken to request information on inter-agency transfers in this financial year and the previous one. Is that right?

Mr REED: Yes, thank you.

Ms MARTIN: Information provided is separated between – I have a table here - revenue and expenditure transactions with other general agencies and transactions with GBDs. In 2002-03, Treasury estimates it will receive \$150 000.

Mr REED: Excuse me, I would be happy with table.

Ms MARTIN: You would? Can we table that?

Mr CHAIRMAN: That is another point. If we are trying to expedite our business, wherever possible and appropriate, it is the call of the questioner whether they just want that question and answer tabled.

Mr REED: And that covers 235 and 236?

Ms MARTIN: Do you want to do 236 now? Again, if you would like ...

Mr REED: Yes. If it is the same answer – if there is a table.

Mr CHAIRMAN: Both of those written answers are tabled.

Mr REED: Question 1123: as part of the government's deficit reduction strategy, it was announced in the mini-budget that 'a budget improvement target of an average 4%' with the exception of 'the functions of hospitals, health and community services, schools, police and emergency services and custodial services which were expected to deliver a cut of 25% of the average level' was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have in 2001-02, how much did that amount to and was it achieved in total and by output and activity? What is the budget improvement target for the agency in 2002-03, what is the total amount and what is it by activity and output? Is the cash relating to the budget improvement cut included in the agency's budget and, if so, how is it treated in the 2001-02 and 2002-03 figures?

Ms MARTIN: Treasury's budget improvement target in 2001-02 was \$650 000 including Treasury Services and Treasury's Superannuation Office and this was achieved.

The budget improvement target for 2002-03 is \$1.16m for the full year. The target will be achieved through the full year effects of measures taken in 2001-02 and they were effected in lower operating

costs. No additional savings measures are required. The savings target was achieved with an emphasis on efficiency improvements in Treasury's corporate functions. The savings measures introduced included:

- consultants - the requirement for consultancies was reduced as tasks are either undertaken in-house or assessed as being no longer required;
- energy audit - following the government restructure an energy audit of Treasury's new workplace at Enterprise House was undertaken. A number of energy saving options were introduced and they have reduced electricity costs;
- communications audit - the communications requirements of all staff were audited and services found to be not essential or not fully utilised were reduced. These included desktop and fax/phone lines, modem connections, mobile phones and Internet access and usage;
- rationalisation of vehicles - business use of vehicles was assessed and the number of vehicles on long term lease reduced by four;
- recruitment and staff action - all proposed recruitment or staffing action, HDA or extended contracts is presented to the senior management group. The senior management group assesses the merits of the application and considers options for recruitment to ensure the recruitment or staffing action is essential; and
- conferences and courses - attendance at interstate conferences or courses must be approved by the senior management group to ensure the course is value for money and provides benefits for Territory.

Mr REED: Thank you, Treasurer. Just one supplementary to that: were the overall budget improvement targets achieved in global terms as to what was identified to come from agencies and what was actually achieved?

Ms MARTIN: For all agencies? You have asked those questions of each individual agency. We do not have them. I can give you for DCM and Treasury, yes, they were achieved globally.

Mr REED: No, that's not global. I mean, global ...

Ms MARTIN: No, that's right. For DCM and Treasury they were achieved. I do not have a figure here for global.

Mr REED: So, we don't know if they were achieved across government?

Mr CHAIRMAN: I think what the Treasurer is saying is that you have asked specific questions about specific agencies, and now you are asking a global question that really draws on all the separate questions that you have asked of agencies.

Mr REED: Yes, I think that is what they have implied.

Ms MARTIN: Well, you have asked all these questions individually, and we saw with the Ombudsman yesterday that there was a baseline reduction cost and then there was increased allocation. We have given it for the ones that are dealt with, and you will have that before the end of tomorrow night, if we move on.

Mr REED: Yes, and so it was achieved in terms of Treasury then – the budget improvement strategy?

Ms MARTIN: Yes, yes, that is what I said.

Mr REED: At 4% of Treasury's appropriation or total operating expenses, \$1.16m seems a bit light on for that in this coming year. Or am I coming from the wrong end?

Ms MARTIN: I refer that to the Under Treasurer.

Ms PRINCE: The amounts were worked out at the time of the mini-budget, and they were done on final consumption expenditure, so they included things like interest payments and grants. Some of those others have been included in our total operating expenses, and they need to be removed to get back to this amount that was given to us as our budget.

Mr CHAIRMAN: If I could move to questions from members, and I will try to go through in order: The member for Nelson is asking question 37 and 50.

Mr WOOD: Thank you, Mr Chairman. I wonder if I could add in, while I am at it, question number 213?

Mr CHAIRMAN: Of course you can.

Ms MARTIN: Is it in this output?

Mr WOOD: Yes. Question 37: Treasurer, how much is the government's contribution to the AustralAsia Railway Corporation for 2002-03. Where is the figure to be found in the budget papers. In Budget Paper No 2, page 61 under the heading 'Uniform Presentation Framework' it says that the table excludes the AustralAsia Railway Corporation because the 'materiality of railway related transactions tends to distract from an accurate portrayal of the Territory's underlying position'. Could the Treasurer please explain what is meant by 'materiality'?

Ms MARTIN: The Territory's contribution to the AustralAsia Railway Corporation in this financial year is \$1.5m. The figure is to be found on page 24 of Budget Paper No 6. Materiality means that the size of the railway transactions leads to a distortion of the figures and could mislead users in their interpretation of the numbers presented. In 2001-02, this materiality results in a turnaround for the general government operating surplus of \$7m to an operating deficit of \$107m. The reason for this substantial difference is due to the Australian Bureau of Statistics rules about scope of government transactions. You can read it and understand it better. The AustralAsia Railway Corporation is a corporation set up by South Australia and the Northern Territory, and it receives funds from these two governments, and also the Commonwealth.

The funding from other governments flows directly to the corporation, not through the Territory budget, but the timing of payments from the AustralAsia Railway Corporation is somewhat after the receipt of these funds. The timing difference can cause distortion in the headline amounts. However, the Australian Bureau of Statistics has decided to include AustralAsia Railway Corporation entirely in the Northern Territory for government finance statistical purposes. Hence, the only way to properly understand the Northern Territory government's underlying position is to remove the AustralAsia Railway Corporation from the books.

Mr WOOD: Thanks, Treasurer. Question 50: in Budget Paper No 2, page 22, under the heading Unquantifiable Contingent Liabilities, it says that the Darwin to Alice Springs railway project documentation provides that there is seven eighths of the project. The contractor build/own/operate is supposed to be for 50 years ...

Ms MARTIN: I think you have confused your questions.

Mr CHAIRMAN: Do you want to start again, member for Nelson?

Ms MARTIN: Do you want a copy of the question?

Mr WOOD: I have the question. I read off that Budget Paper No 2, page 22.

Mr CHAIRMAN: Oh?

Mr WOOD: Question 50, I beg your pardon. I pulled out the wrong one, sorry. I was trying to read off this.

In Budget Paper No 2, page 80, under the heading 'General government sector expenses by function' there is an estimate of \$80.7m for 'Other Economic Affairs'. Can the Treasurer explain what those economic affairs are and why the figures increased by another \$3m during the year. How do the figures in this table relate to the budget appropriation figures?

Ms MARTIN: The classification of general government sector expenses by function is based on ABS functional categories. These categories are very broad and considerable estimation is required. The Other Economic Affairs category includes the following components: tourism and area promotion; labour and employment affairs; and other economic affairs not included elsewhere.

Agency expenditure included under these headings includes all or part of the following agencies: NT Tourism Commission; Territory Discoveries; AustralAsia Railway Corporation; the Department of Chief Minister; the Department of Business, Industry and Regional Development; Office of the Commissioner for Public Employment; Department of Corporate and Information Services; and the Department of Justice.

The classification is based on a apportionment methodology, which is reviewed every couple of years, with the next review scheduled for October. The method is complex and is subject to interpretation. The ABS has also commenced a review of allocation methodology to purpose classifications.

The increase of \$3m is due to the usual escalation provisions of wages, growth and inflation of these functional areas. Because the figures shown in figure 19 of chapter 6 of Budget Paper No 2 are a compilation of items from various agencies, they are not comparable to agency appropriation figures. However, the total GFS expenses shown in figure 19 in respect of 2001-02 and 2002-03 years equals the totals shown in the General Government Sector Operating Statement for the respective years that is shown at figure 7 of chapter 6 of Budget Paper No 2.

Mr WOOD: I will give that a good analysis. The question I got muddled up with was question 213: in Budget Paper No 2 under the heading 'Unquantifiable Contingent Liabilities', it says that ...

Ms MARTIN: No, no, this one is about repairs and maintenance.

Mr WOOD: Sorry. I have two pages with the same headings. I will throw it away.

Can the Treasurer explain briefly why the funding for repairs and maintenance was moved to individual agencies in this budget? Will the move save money; and if so, how?

Ms MARTIN: The repairs and maintenance funding was transferred to agencies as part of the move to accrual output budgeting. Under this framework all operating expenses should be reflected in the relevant agency output. Repairs and maintenance is an operating expense and, therefore, under the framework must be shown against agency outputs. In addition, this change in treatment will improve transparency and accountability within agencies. The transfer was a result of the new framework and not expected to achieve savings.

Mr WOOD: Supplementary, Mr Chairman. Does that mean in actual fact nothing may change physically; that Transport and Works, for instance, may still do the work for the Education Department?

Ms MARTIN: Yes. Through the Construction Agency, yes.

Mr WOOD: So in each case the department does not receive the money, or they do receive the

money?

Ms MARTIN: They will receive the money. Yes, they will receive the dollars.

Mr WOOD: Right. Now, when they want some work done ...

Ms MARTIN: They will, like commercial operation, pay for it.

Mr WOOD: That is what I was saying; is there a loss then in the value of the money, because will Transport and Works do that ...

Ms MARTIN: They have always charged a program delivery cost ...

Mr WOOD: That is what I was asking.

Ms MARTIN: ... so there is a component of that that is to go through the tender process, to project manage, to do that kind of thing. If that is a big project ...

Mr WOOD: So there is really no change except in the bookkeeping?

Ms MARTIN: Yes.

Dr LIM: Supplementary on this, Mr Chairman, if I may.

Mr CHAIRMAN: It is your call after that too.

Dr LIM: You talk about Transport and Works or now Infrastructure, Planning and Environment providing services in Education. So the money is given to Education to buy services and then Infrastructure, Planning and Environment will receive it as revenue. So the same amount of dollars have gone there and gone there. So are you double counting?

Ms MARTIN: No, they have not gone to DIPE in the first place. They are now going to the agency, which is highly appropriate.

Dr LIM: Yes, I understand that. The money has now been allocated to Education and now Education has to buy services from Infrastructure, Planning and Environment. Suppose \$1m was given to repairs and maintenance or whatever. Okay? That money is then transferred to Infrastructure, Planning and Environment. That \$1m has been covered twice: once as allocation to Education and the second time as revenue to Infrastructure, Planning and Environment. Correct?

Ms MARTIN: And it is eliminated on consolidation.

Dr LIM: It is eliminated. So you do not count the money twice?

Ms MARTIN: We do not count it twice.

Dr LIM: You are or you are not? The Under Treasurer is nodding her head.

Ms MARTIN: Yes, the Under Treasurer nods her head as she is listening. It does not mean she necessarily agrees, because she told me she was misinterpreted this morning. She is getting it straight.

Dr LIM: Treasurer, I am asking for clarification whether the \$1m ...

Ms MARTIN: And I have just referred it to the Under Treasurer to give you the specifics of that and that will clear it up.

Ms PRINCE: There are two transactions as you have pointed out. When the accounts are consolidated, the double counting is removed.

Mr CHAIRMAN: It is your call, member for Greatorex. Question 177.

Dr LIM: Yes. Treasurer, going to question 177 it was directed from the Chief Minister to yourself. What funding has been provided in the 2002-03 budget for the government's program to introduce isolation pool fencing across the Northern Territory?

Ms MARTIN: Those policy decisions are currently being finalised and will be adequately funded through Treasurer's Advance.

Dr LIM: Those policies are being finalised so you do not know what they are yet, at this point in time?

Ms MARTIN: The policies are being finalised.

Dr LIM: If I may ask a supplementary. Are they going to be announced today, yesterday, tomorrow? I understand from the news media yesterday that you are going to announce the policy sometime this week.

Ms MARTIN: Fairly shortly. Fairly shortly.

Dr LIM: Well, if I may then add, so what will this new policy yet to be announced cost government?

Ms MARTIN: Those details will be announced when the policy is finalised and announced.

Dr LIM: So, at this moment in time there is no budget ...

Ms MARTIN: And they will be adequately funded through Treasurer's Advance.

Dr LIM: Yes. But at this point in time there is no allocation for it? So, we do not know what that is going to do to your budget?

Ms MARTIN: It will be adequately funded through Treasurer's Advance.

Dr LIM: Okay. Is the legislation intended to be implemented across the Territory?

Ms MARTIN: We made that very clear. This will be framework legislation for the Territory.

Dr LIM: And it is not going to exempt any rural blocks, for instance?

Ms MARTIN: Those policy announcements will be made in the not too distant future. I am not going to preempt them now. I am going to make it clear here: I am not preempting them now. So whatever questions you ask I am not going to preempt those. But the question you asked simply was about adequate funding and would it be available. I am saying yes, through Treasurer's Advance.

Dr LIM: Can you give us an approximate ballpark figure of what the Treasury's advice will be? Will it be \$1m, \$2m, \$10m?

Ms MARTIN: No, that is part of the policy announcement. Quite appropriately ...

Mr CHAIRMAN: The Treasurer made that quite clear.

Dr LIM: Okay. Well, then may I have another supplementary to that. What would it cost a current pool owner who is found to have a compliant fence at this very moment, to then be found with the introduction of your new policy to have a non-compliant fence?

Ms MARTIN: I made it very clear that those policy announcements will be made in the not too distant future and all that will be accounted ...

Dr LIM: Territorians are listening to broadcasts, Treasurer, and they would love to hear what you have to say.

Ms MARTIN: Well, those policies are being finalised and, quite appropriately for government we will make those announcements when appropriate. Okay?

Mr CHAIRMAN: There is question 412 from Mr McAdam.

Mr McADAM: Thank you, Mr Chairman. It is to the Treasurer, question 412: the 2002–03 budget was first prepared under the new *Fiscal Integrity and Transparency Act*. Why did the government consider this framework necessary? And what difference has it made to the budget presentation?

Ms MARTIN: The introduction of a *Fiscal Integrity and Transparency Act* was one of Professor Percy Allan's recommendations from the independent review of the Territory's financial position. Professor Allan found that the budget was prepared in an environment characterised by convention rather than adherence to any body of legislation or standards and responsibility; financial protections and related information rested with the Treasurer. Most Australian and many overseas jurisdictions had adopted explicit fiscal accountability standards to some degree and, in the case of the Territory, it was considered imperative that an appropriate framework be put in place.

The *Fiscal Integrity and Transparency Act* was drafted to meet the needs of the Territory and it requires the government of the day to clearly state its fiscal strategy in a fiscal strategy statement; to adopt fiscal indicators that will enable taxpayers to judge whether the government is achieving its stated strategy and objectives; and to report on progress in achieving the fiscal strategy at least annually in the budget papers. In addition, the act requires that external fiscal reporting standards, that are set independently, be employed in preparing the fiscal outlook and fiscal results required by the act.

The 2002-03 budget has been prepared to comply with the requirements of this act and integral to this development is the adoption of the accrual based accounting in place of the earlier cash based approach. This approach has resulted in a significantly expanded set of financial information for each agency and for the general government and non-financial public sectors. Financial reports prepared on an accrual basis comprise three separate but articulated financial statements. These are: the Statement of Financial Performance which shows the revenues earned by the agency in that financial year; the Statement of Financial Position that shows the assets and liabilities of the agency; and the Statement of Cash Flow that shows the sources of all cash received by the agency and the way that that cash was used.

Mr DUNHAM: My question is to the Under Treasurer.

Mr CHAIRMAN: No, no. With all respect, member for Drysdale, you know you must address the question to the Treasurer who will then decide if she will redirect that question to the Under Treasurer.

Mr DUNHAM: Perhaps I have misunderstood the legislation, Mr Chairman, because I understood that

under the *Fiscal Integrity and Transparency Act* the Under Treasurer is responsible for the financial information contained in all fiscal statements and reports. Is that correct?

Ms MARTIN: Of course, we carry FITA with us. To quote from the act itself:

The Under Treasurer is responsible for preparation of all financial projections contained in the statements and reports required to be published under this Framework.

Mr DUNHAM: The question is therefore to the Under Treasurer.

Mr CHAIRMAN: No, no. Member for Drysdale, with respect, you are aware of the protocols and procedures in this committee and they were agreed to. If you want to direct a question to the Treasurer who then redirects it to the Under Treasurer, that is fair enough, but I am afraid I will not allow you to pose that question in that form.

Mr DUNHAM: No, but you have made a very good point, Mr Chairman, because under the previous situation we had an elected member of parliament who was responsible. We now have a senior bureaucrat, albeit at a very high level, the Under Treasurer, who is responsible for the accuracy of these budget documents and we find that we have to go through a gateway to get to this particular bureaucrat. That is what you just demonstrated. Whereas before you had the people of the Territory and parliament could go straight to the Treasurer, we now have fettered access to the person responsible for the veracity of these documents. That is the first point you have made.

Mr CHAIRMAN: But it is a similar situation, as you are well aware, member for Drysdale, with annual reports and the covering letters that CEOs write in terms of annual reports. You have made your point.

Mr DUNHAM: It has been mooted that this is an improvement. I am pointing out to you, Mr Chairman, that without the great generosity of the Treasurer, I do not have access to the person who is responsible for the veracity of these documents. So I will put the question to the Treasurer: Treasurer, are you confident there are no errors in these documents?

Ms MARTIN: Yes, I am very confident that these are very accurate documents.

Mr DUNHAM: And there are no errors in them?

Mr CHAIRMAN: That is a very large undertaking, member for Drysdale.

Mr DUNHAM: I think it is reasonable that we should have some confidence in these documents, Mr Chairman, and I am asking the person who is not responsible for it, but the person who is giving an opinion that these documents are devoid of errors.

Mr CHAIRMAN: Look ...

Mr BALDWIN: It is a reasonable question.

Mr DUNHAM: Yes or no?

Ms MARTIN: I would say that these documents are signed off by the Under Treasurer and they have been put together with all the expertise of Treasury. I have not sat in my corner office and said, 'I want the deficit to be this for this year' and plucked a figure out of the air.

Mr DUNHAM: Well, how do we know? We have not asked the Under Treasurer.

Ms MARTIN: Because under this fiscal integrity legislation, that is required by a law that our parliament has passed. They are the fundamentals that have been set in place and I am confident that our budget papers have been put together with all the expertise we can muster and I am ...

Mr DUNHAM: Budget Paper No 2, Treasurer, has an undertaking on the front ...

Ms MARTIN: What is this proving?

Mr DUNHAM: ... signed by the Under Treasurer. It is a certification. I would ask you if that is sufficient confidence to give you the belief that there are no errors in this documentation?

Ms MARTIN: Absolutely.

Mr DUNHAM: If I am able to demonstrate there is one error, or three errors, four errors ...

Mr CHAIRMAN: To be honest, member for Drysdale, unless you can demonstrate an intent of an error ...

Mr DUNHAM: I can. Let's start with at least one error. We have the Treasurer saying she believes these documents are devoid of errors. We could start with a simple arithmetic error ...

Mr CHAIRMAN: No.

Mr DUNHAM: Yes, we could.

Mr CHAIRMAN: Before we move down this path, member for Drysdale, the Treasurer did not say what you are purporting her to say, so I ask you to put your argument, but just be very careful. She did not say that she believed that this was devoid of errors.

Mr DUNHAM: Okay. So if there are errors, could she point them out please?

Ms MARTIN: Can I make a response here. This is appalling. We are talking about the policy direction of this government, and all we have heard from the opposition, and it has been a disgraceful performance, is a demonstration of nitpicking that is not understood by them. It has been demonstrated over the last day and a half that they simply do not understand. The questions were purposeless and had no meaning most of the time. We are looking forward to going into budgets, following this, into appropriations, that deal with the core elements of concern to Territorians, and at this rate I do not know when we are going to get to Health. A substantial proportion of our budget goes to Health, a substantial proportion goes to Education, and we are here at 2 pm on the Wednesday and we still haven't got to the ...

Members interjecting.

Mr CHAIRMAN: Order, order!

Ms MARTIN: ... Deputy Chief Minister because you are asking stupid questions.

Mr CHAIRMAN: Order, order! The Treasurer has made a response to your assertion, member for Drysdale.

Mr DUNHAM: Could I clarify that then, Mr Chairman? That response to me – I asked her whether there were errors in this documentation - yes or no - and in her response I want to know which one of those it is? Is it yes, there are errors, or is it no, there are none?

Ms MARTIN: Mr Chairman, I feel that this question is stupid and I am not answering it and I am not going to be part of this debate. It is absolutely out of order.

Mr CHAIRMAN: Yes, I agree. I rule this question inadmissible.

Mr BURKE: Could I refer the Treasurer to Budget Paper No 3, page 73.

Ms MARTIN: Which question is this relating to?

Mr Kiely: Is this a supplementary? I have not asked mine yet?

Mr BURKE: I just got the nod.

Mr Kiely: No you didn't.

Mr CHAIRMAN: You do, member for Brennan, if it relates to this output area or it is a supplementary.

Mr DUNHAM: It is supplementary to the member for Barkly's question. He even wrote the question.

Mr BURKE: The shadow Treasurer will ask my question.

Mr REED: Not now.

Mr CHAIRMAN: Oh I see. All right, well I think we were just going to hear question 417 from the member for Barkly.

Mr McADAM: Thank you. My question is number 417: Budget Paper No 2, page 1, shows the public sector deficit coming in below the projection at the time of the mini-budget. How does this compare with the outcomes in previous years and how does it compare with the initial budget estimates?

Ms MARTIN: I have a table with some comparisons that I can table.

Mr CHAIRMAN: Will you table that, Treasurer?

Ms MARTIN: Yes.

Mr CHAIRMAN: Thank, you. That will be circulated.

Ms MARTIN: If that will do, member for Barkly?

Mr CHAIRMAN: Mr Kiely has a question, which is question 414, and then the member for Drysdale has one after that.

Mr KIELY: Question 414: the 2002-03 budget has shifted to utilising single line nett appropriations to agencies rather than gross appropriations by activity and program that have been used in the past. Why has this been done? What are the anticipated benefits of moving to this form of appropriation?

Ms MARTIN: That is a very important question. The move to nett appropriations to agencies rather than gross appropriation or allocation to activities will facilitate a more business-like management environment and will create incentives for agencies to better manage the revenue for which they are responsible. The states have very similar nett appropriation models with single line appropriations to agencies for outputs to be provided to the community. The experience in these jurisdictions has been that retention of some revenue the agency has earned through its own endeavours is a key incentive that will promote efficient practices and appropriate management behaviour. Ministers will still be responsible for approving agency revenue increases.

It should be recognised that, in the main, revenue retained by agencies is relatively minor, with the

Territory's major revenue sources, the Commonwealth General Purpose Payments and Territory statutory taxes, fees and fines recorded in the Central Holding Authority on behalf of the Territory. This revenue is essentially pooled to provide the funding for output and capital appropriations to agencies. All revenues and expenses of agencies are to be reported under the Working for Outcomes framework, in both the budget papers and the agency annual reports. Accountability is therefore appropriately maintained as sources of revenue and expenses are published.

Nett appropriation will also reduce the administrative burden of processing numerous divisions to chained allocation limits in situations where discretion is limited. In this regard, the previous gross allocation model was overly bureaucratic and inefficient as an operational funding mechanism. The model mandated that additional receipts could not be spent without first getting approval to increase allocation, and this was particularly problematic when monies were required to move from one agency to another. An example would be where an agency purchased a service from a GBD, something like vehicle lease from NT Fleet. Where the cost varied, say because the number of vehicles leased had increased, the agency needed approval to increase allocation before it could pay, and the GBD also needed to separately obtain an increase in its allocation associated with the extra vehicles supplied. This created, as you can imagine, additional paperwork with no material benefit.

Mr CHAIRMAN: The member for Drysdale, question 930.

Mr DUNHAM: Thank you, Mr Chairman. Why was the \$1.5m for the undergrounding of power in Darwin not treated as a community service obligation? Is it the only community service obligation of PowerWater to be treated this way?

Ms MARTIN: Undergrounding of power lines in Darwin is one of the government's key commitments. An assessment of the program has been undertaken to determine the components of the undergrounding of powerlines project that meet commercial criteria, and thus are appropriate for PowerWater to undertake on its own behalf. The remainder of the components do not meet PowerWater's commercial criteria and are, therefore, to be funded by the government as its contribution to the project. On the total estimated expenditure of \$2m in 2002-03, \$0.5m is to be paid by PowerWater and \$1.5m paid by the Territory.

Mr DUNHAM: Could you say that again? Of the ...

Ms MARTIN: Total estimated of \$2m.

Mr DUNHAM: \$2m.

Ms MARTIN: Okay? There were some differences of opinion about the classification of capital payments for these sort of activities, particularly whether they constitute grants or community service obligations. Operational funding is generally classified as a CSO, while capital funding is generally classified as a grant. There is no material effect on financial statements of either classification, but further consideration is being given to the classification of these payments.

The other transaction formerly treated as a CSO is the payment to the Power and Water Authority, now PowerWater, for the provision of essential power, water and sewerage services in remote communities. PAWA used to be directly responsible for these services. However, with government owned corporation status and the responsibility that PowerWater directors now have, it was considered that responsibility for these services more appropriately remain with the Territory government.

As part of the November 2001 administrative changes, responsibility for these services transferred to the Department of Community Development, Sport and Cultural Affairs, and the department has engaged PowerWater as the service provider. This is a contractual arrangement between the department and PowerWater and the payment to PowerWater is treated as an operational cost by the department for the delivery of services. For comparability purposes it is included with other CSOs,

and you can find that on page 287 of Budget Paper No 3.

Mr DUNHAM: Could I ask a supplementary, please?

Mr CHAIRMAN: Of course.

Mr DUNHAM: In Regional Highlights at page 27, the undergrounding of power is listed at \$2.5m. Can I confirm that that is an error?

Ms MARTIN: What page?

Mr DUNHAM: Page 27 of Regional Highlights.

Ms MARTIN: Yes.

Mr DUNHAM: That is an error. Okay, thank you.

Dr LIM: Are you going to close off the section?

Mr CHAIRMAN: Yes, unless you have a supplementary that directly relates to a question within this output group.

Dr LIM: Yes, in question 50, Mr Wood referred to the double counting of the money which would then be extracted in the consolidation. The Budget Paper No 3 would, therefore, have the broader figures in there because it is not consolidated yet. What I am trying to come to is that say, for Health you have \$526m or \$527m, that figure is bloated up with the allocation for repairs and maintenance and in Infrastructure, Planning and Environment, it is bloated up with the revenue. Am I right in that? Until you consolidate, those figures have to be bloated.

Ms MARTIN: I will refer that to the Under Treasurer.

Ms PRINCE: The Health budget will include an amount for repairs and maintenance. DIPE's budget will also include the expenditure on those functions if they have been asked to undertake those functions by the Health department. But when the amount of repairs and maintenance for Health is stated, it is in respect of the amount spent by Health. So the initial transaction not the double amount.

Dr LIM: Continuing on with the question, Under Treasurer. What I see then is that Health or Education or any other agency would have that allocation sitting in their budget and in DIPE there would also be a figure earmarked out as budgeted revenue for this coming year. So, DIPE's figures have to be increased to the same amount as what these other agencies are going to expend, to receive services. So are these figures therefore not bloated by those two figures that are double-counted which you will not remove out of until you consolidate which would not appear in these papers.

Ms PRINCE: If you said that the expenditure on repairs and maintenance for Health functions encompassed both the Health expenditure and the DIPE expenditure, then ...

Dr LIM: DIPE revenue.

Ms PRINCE: DIPE revenue, and then DIPE expenditure, then you would be right. But it is not explained in that way. The amount that is recorded is the Health expenditure only. So DIPE has undertaken that work. In fact, it is the construction division that has undertaken that work as a GBD.

Mr CHAIRMAN: Supplementary, member for Blain.

Mr MILLS: Supplementary directed to question 199 and the new payroll tax regime. I note in the Budget Paper No 3, page 278, that the payroll tax variation for this budget is an increase of nearly \$6m. Can you explain how we would have a significant increase of \$5m, in fact nearly \$6m, in payroll tax revenue?

Ms MARTIN: Basically, on the economics of the growth in wages. So while there has been that saving across agencies the prediction to forward estimates are for overall growth.

Mr MILLS: Overall growth. I understand that it was meant to be squared up so that overall no increase effectively with the changed regime.

Ms MARTIN: In terms of the modelling that was done across the private sector it was considered to be revenue neutral.

Mr MILLS: If that be the case then, the papers that were tabled at question 199 indicate that the government agencies and GBDs have had a saving of nearly \$700 000. So if they have an increase of \$6m, or close to \$6m, it is certainly going to be borne by the business sector, wouldn't you agree?

Ms MARTIN: I am not quite sure ...

Mr MILLS: Well, there has been an overall increase and there has been a saving for government agencies and GBDs, therefore that increase must be borne by the non-government sector.

Ms MARTIN: No, the calculation is for that increase related to the government sector because of wages growth, that it would have grown anyway. But because of the changes we put into payroll tax there have been some savings. But overall there is that growth in payroll tax revenue.

Mr MILLS: I really don't understand. I will leave it.

Ms MARTIN: Maybe I could refer it to Assistant Under Treasurer.

Mr SMITH: Andrew Smith, Commissioner of Taxes, Assistant Under Treasurer.

In relation to the modelling that we did with the changes that took effect on 1 July 2000 that was on a revenue-neutral basis, restrained to the private sector. So we collect taxes I suppose in two channels with our payroll tax through private sector and through general government agencies. The modelling that we did in terms of the revenue neutrality was in relation to private sector and it is revenue neutral. In relation to general government, the \$0.6m savings is just related to that sector so the collection is from general government only.

Mr REED: I just ask the Treasurer to verify whether the government will collect nearly \$6m extra in payroll tax this year from the private sector, government will pay \$700 000 less, so government pays less payroll tax this year, private sector pays more. Yes or no?

Ms MARTIN: No, that is not the case. I draw your attention to the commitment from this government that we will be reducing payroll tax. We will be reducing the payroll tax regime overall so that we compare better with our near neighbours of Western Australia, Queensland and South Australia. We set aside \$3m in forward estimates to achieve that next financial year.

Mr REED: Treasurer, the information that you provided earlier, before lunch, was that savings in payroll tax and I quote from your document: 'that government will be paying \$618 000 less plus another \$11 000 less from government business divisions in payroll tax this year'. So there is something getting on towards \$700 000 worth of less payroll tax government will be paying this year and you will be collecting, will you not, \$5m more in than that what is in your budget books?

Ms MARTIN: I will just refer that to Andrew again.

Mr SMITH: There are two components here or two different streams of discussion. In relation to the payroll tax changes that took effect on 1 July 2002, they were modelled on the basis of being revenue neutral to private sector. So the additional saving to general government is not to be interpreted as being a cross-subsidy from private sector to general government. That is the first part.

In relation to the second stream of discussion which is the increase in forecast payroll tax receipts for 2002-03, that takes account of just normal economic growth, CPI growth in wages across the financial year, but all other things being equal, if there had been zero growth in all those components then it would be expected that the payroll tax collections were exactly the same as last year.

Mr CHAIRMAN: I can understand that.

Mr REED: Treasurer, do payroll tax receipts go up \$5m this year and does the government pay \$700 000 less? That is the bottom line. I understand the other process, but that is the bottom line.

Ms MARTIN: I refer it again to the Assistant Under Treasurer.

Mr REED: I can see where the numbers are coming from but ...

Mr CHAIRMAN: If there be no more questions on this particular output area that concludes consideration of this output group which is 00.03, a group that involved more than one output group under Northern Territory Treasury. We now move to output 01.01 which is Territory Revenue and there is one question there standing against the name of the member for Katherine.

Territory Revenue

Mr REED: Question 220: you have reduced the stamp duty relating to the purchase of franchises. Why are you applying stamp duty to the renewal of franchises? What rate is applied when a franchise is reviewed and how much do you expect to raise from the increases?

Ms MARTIN: The question unfortunately is inaccurate as the stamp duty relating to the purchase of franchises is not to be reduced. In answering the question it is useful to understand that there are three occasions on each transactions involving franchises attracts stamp duty. One is the initial grant of a franchise which now attracts the lower lease rate of stamp duty; renewal of a franchise agreement once expired which also attracts the lower lease rate of duty; and the sale of the franchise on the sale of the business which continues to attract the conveyance rate of duty as it does in six other jurisdictions and as it has done since 1 January 1992. In all three cases initial grant renewal or sale of the franchise has been subject to stamp duty since 1 January 1992.

Prior to the 2002-03 budget, the grant or renewal of a franchise attracted stamp duty at conveyance rates of up to 5.4% of the consideration or value attributed to the franchise. From 20 August 2002 under the budget amendments, which are still awaiting passage, the stamp duty charged on the grant or renewal of a franchise is being reduced to the lower lease duty rate of 50¢ per \$100 or that is 0.5% of the consideration attributed over the term of the franchise agreement.

It is incorrect to suggest that stamp duty has been reduced on the purchase of franchises. The subsequent transfer of a franchise associated with the sale of a business as distinct from the grant or renewal of a franchise continues to attract duty at conveyance rates. Furthermore, since there is a reduction to the rate applying on the grant and renewal of franchises it is incorrect to say that yes, there is an increase in revenue raised. Revenue is being forgone, not increased.

Mr REED: Just the last part of that question, how much is expected to be raised from the overall application of that stamp duty then, in that area? Do you have a figure on that?

Ms MARTIN: Well, applying to those changes, the revenue is being forgone.

Mr REED: After the changes, what is going to be the franchise duty income? It does not matter, if you do not have it now, on notice will do.

Ms MARTIN: I am informed, in the order of \$100 000 to \$200 000.

Mr CHAIRMAN: Are there any other questions on this output group?

Mr DUNHAM: Under accrual accounting, forgone revenue is brought to book, would that be right? I am interested in Budget Paper No 2, at page 13, where it talks about tax expenditures: 'Tax concessions are often provided to benefit a specified activity or class of taxpayer. They are expenditures in the sense that their impact on the budget is similar to direct outlays. They can be used to achieve similar goals as spending programs'. Would they be accounted for?

Mr SMITH: The tax expenditures are not accounted for in that sense as being entitled to revenues earned. The very fact that they are forgone means there is no money to bring to the account as such.

Mr DUNHAM: So they are completely invisible in an accrual set of books?

Mr SMITH: As they are in a cash set of books, they are similarly invisible in an accrual set of books. I suppose the purpose of the reporting in that way in the budget papers is to try to bring them to the attention, that they do exist and in future we will try to cost those.

Mr CHAIRMAN: There being no more questions this concludes consideration of this output group 01.01, Territory Revenue. There are no questions on the table so we proceed to output group 03.02, which goes by the name of Commercial Advice and Services. There is one question there from the member for Katherine, which is number 238.

Mr REED: And 203.

Mr CHAIRMAN: Sorry, I did not see that.

Commercial Advice and Services

Mr REED: Question 203: PAWA is excluded from this government's budget factor on the grounds that it is a government owned corporation operating, we are to presume, on commercial lines. It still has effects on the government's budget. Referring to Budget Paper No 3, page 299, would the Treasurer explain the significance of the 2002-03 repayment of \$55.620m by PAWA?

Ms MARTIN: I would like to thank Mr Reed for his question. It acknowledges that at least he has understood the relationship between PowerWater and the Appropriation Bill and budget papers.

Mr REED: And after the smart bit, what is the answer?

Ms MARTIN: No, it is very important, because you actually understand that PowerWater is now excluded from the government's budget sector, and that is quite appropriate under the Government Owned Corporations legislation.

Mr REED: And the answer is? I thought we were in a hurry, Mr Chairman?

Mr CHAIRMAN: The Treasurer answers in the way that she sees fit. Unless there is a supplementary, do you have more?

Ms MARTIN: No, no. I would like to deal with this in detail, thank you. I would like to say that the policy work for government owned corporations commenced under Mr Reed when he was Treasurer, and the development of the government owned corporations framework has had bipartisan support. I am pleased to answer questions on the interaction between the budget and PowerWater.

As part of the process of the former Power and Water Authority becoming a government owned corporation, it was appropriate to consider the new corporation's debt and equity levels. The debt for equity swap of \$56m was made on 1 July this year to assist in ensuring that the Power and Water Corporation is structured in a similar way to businesses of a similar size, scope and risk. This is appropriate on a number of grounds, including competitive neutrality. The quantum of the debt for equity swap was determined using the sustainable debt approach. This is the approach adopted by the Commonwealth, New South Wales and other jurisdictions in determining levels for government businesses.

The sustainable debt approach means that the level of debt which the business is considered able to service and also maintain an investment credit rating, decided to be the rating of single A, allocated by Standard and Poor's is determined. To determine what level of debt is considered able to be borne by the business and maintain the investment grade rating, the concept of interest cover is used. Interest cover means the number of times a business' nett earnings - nett profit before interest, depreciation and amortisation - can be applied to pay its interest costs. For example, if an interest cover ratio of 3 is determined to be the minimum cover ratio that is acceptable, this means that the business must have nett earnings which are 3 times its interest cost. The concept of interest cover was applied to determine the level of debt the Power and Water Corporation could hold while still maintaining an investment grade rating of single A, according to the rating agency Standard and Poor's.

Both concepts are commonly applied by analysts in relation to private sector businesses. The Power and Water Corporation Board and the shareholding minister - myself as Treasurer - agreed to the debt for equity swap. The swap did not change the whole-of-government level of debt, because the increase in debt of PowerWater was achieved through a reallocation of general government debt to PowerWater. PowerWater's debt is now \$56m more and the debt of the rest of government is correspondingly \$56m less.

Mr REED: Just a supplementary there, Treasurer. This was achieved through a debt for equity swap. You took on the debt and got some equity in PowerWater. Is that what you are saying?

Ms MARTIN: No, the other way round.

Mr REED: You took on the equity and they took on the debt?

Ms MARTIN: I will refer this to the Under Treasurer who has a great detailed knowledge of this, as I would expect.

Mr REED: I would expect you to, as the shareholding minister.

Mr CHAIRMAN: This is not very productive, let us ...

Ms MARTIN: And if that was the case then I should get rid of Treasury and run the whole place myself. That is what you are suggesting.

Members interjecting.

Mr CHAIRMAN: Can we just move into the question. I think the question has been referred by the Treasurer to the Under Treasurer. So if you could respond, please.

Ms PRINCE: PAWA increased its level of debt.

Mr REED: Right, and who got the equity then? Where did the equity go?

Ms PRINCE: The debt and equity was simply between general government and PowerWater, so PowerWater increased its level of debt, and the Territory's level of equity reduced as a result.

Mr REED: The Territory's level of?

Ms PRINCE: Of equity in the Power and Water Corporation reduced.

Mr REED: How is this demonstrated in terms of the government owns the whole of this business, yet they have a lesser equity in it now? Is this just a paper - I mean PowerWater still owns it, Treasurer, yet we are told they now have less equity in it. What is the degree of the less equity? What parts of PowerWater does the taxpayer no longer own, if they have lost equity in PowerWater?

Ms MARTIN: We are the shareholding entity; we own the whole corporation. This is a business transaction ...

Mr REED: I am aware of that, but you have just told me that you have reduced equity in this business.

Mr BURKE: You own less of it.

Mr CHAIRMAN: No, I think we are getting this clarified.

Ms MARTIN: Can I refer to Assistant Under Treasurer, Frank McGuinness?

Mr McGuinness: Mr Chairman ...

Mr CHAIRMAN: Proceed, it is all right. Look at me if you like.

Members interjecting.

Mr McGuinness: I was just clearing my throat.

Mr CHAIRMAN: I understand. I can follow this stuff, so you can tell me about it. I am very interested in it.

Mr McGuinness: What has happened is the debt has been moved from the general government sector into PowerWater. PowerWater's equity, or nett worth, has declined but the nett worth of the rest of the general government sector has increased.

Mr REED: Thank you. So, Treasurer, do I take it then that a reasonable interpretation is that government has offset some of its debt by transferring it to a government owned corporation before it became or becomes a fully government owned corporation? Is this just a pea and thimble trick to reduce government debt?

Ms MARTIN: Not at all. It certainly is part of the establishment of the corporation on more commercial lines. Those decisions to look at what its level of debt should be are on a commercial basis. The second part from the Under Treasurer ...

Ms PRINCE: I just wanted to say that we report debt at the non-financial public sector so that the Territory's debt figures include the debt to PowerWater.

Mr REED: In relation, Treasurer, to this matter we have a corporation which was fully owned by government, is now a government owned corporation and sort of stepping aside from government, why was this figure of \$55m determined as an appropriate level of debt? Why didn't government decide to say we will give this corporation a real running chance and not burden it with an extra \$55m of debt? We will just place it in the new position and have it as a very efficient, undebt laden incorporation right from the outset.

Ms MARTIN: Because part of the competition policy framework is that there must be issues of competitive neutrality addressed and that is certainly one of the issues that had to be addressed with the establishment of PowerWater as a GOC.

Mr REED: And the determination of this level of debt was ...

Ms MARTIN: I gave a very substantial answer to that.

Mr REED: Yes, but you did not understand it.

Mr CHAIRMAN: That is uncalled for, member for Katherine.

Mr REED: Well, it is funny, Mr Chairman, that the Chief Minister and Treasurer can make those sorts of comments but no one else can in this forum.

So, the corporation is being burdened with this level of debt, it has been transferred from the government account, so to speak, to the corporation - but it is all sort of an equity debt swap and really means nothing at the end of the day in terms of loss of ownership of any part of PowerWater as a result of that loss of equity; it is just a book.

Ms MARTIN: Mr Chairman, the question has been answered very adequately and we should move on.

Mr CHAIRMAN: Supplementary from the member for Drysdale remembering what the Treasurer has just said, please.

Mr DUNHAM: I find it interesting that as they carry more debt coincidentally they turned a bigger profit and I find it strange that in having to pay more in interest payments one would assume that they yielded a bigger profit exactly the same year. Why would that be so?

Ms MARTIN: That is a question quite appropriately dealt with by PowerWater and it will be done so in their annual report.

Mr DUNHAM: Oh, I cannot question it?

Mr CHAIRMAN: No, that is not true. The Public Accounts Committee can question some of these aspects, as you well know. I would like us to move on. The member for Nelson has some questions.

Mr DUNHAM: Mr Chairman, can I just get some clarification. I understood under the Statement of Corporate Intent and under legislation that the Treasurer actually has a very active role in the determination of this profit here and that it is a matter that rests largely with her. I would ask that if she could verify to me that that is a matter that will be domestically reported in an annual report rather than something that is on her desk as the shareholding minister.

Ms MARTIN: The Power and Water Corporation will properly report on the GOC framework in its annual report. There is a capacity with the Public Accounts Committee to do further reviewing of what

is happening. We have the SCI tabled in parliament annually which gives a parliamentary forum for that debate and certainly as you are aware, you supported the move to GOC framework and this has just been carried out.

Mr DUNHAM: And in doing so I thought you had a responsibility. I am merely trying to get you to describe that responsibility to this committee in such a way that you somehow make decisions about the yield from this government instrumentality, albeit a government owned corporation, to you back to the Treasurer. So what I would like to know is if you could describe that role for me.

Ms MARTIN: That work is being done in deciding on a dividend which is the 50% of nett after tax profit and that is an agreement that is made each year.

Mr DUNHAM: With?

Ms MARTIN: With the shareholding minister.

Mr DUNHAM: So you are actually involved in this, aren't you?

Ms MARTIN: Certainly.

Mr DUNHAM: So then you could answer my question, couldn't you? Because it is a matter within your responsibilities?

Mr CHAIRMAN: But is it? The question is whether this is a part of the appropriations.

Mr DUNHAM: But yes it is, because the profit yielded turns into revenue and goes to the Treasurer. She has a role here as somebody who determines the level of profit. What I am trying to get to is how come we had an anomalous profit year this year, particularly given they have been burdened with additional interest payments.

Mr CHAIRMAN: But haven't you already been told what the level of profit is?

Mr DUNHAM: No. I was told that it was a matter that would be reported later. I am merely educating this person here that they have a responsibility that is entirely within their budget province.

Mr CHAIRMAN: I would like us to move on. You have made your statement. The member for Nelson, question 46.

Mr REED: Excuse me Mr Chairman. I have another question yet.

Mr CHAIRMAN: Sorry, member for Katherine.

Mr REED: Question 238: does the government plan to sell any assets in 2002-03 and did it sell off any assets in 2001-02?

Ms MARTIN: It is normal government practice for assets that are surplus to government's requirements to be sold. This includes, on a regular basis, vehicles, furniture and the like. However, it is assumed that the question intended to ask whether there were any assets of significance sold in 2001-02 and whether the government intends to sell off any assets of significance in 2002-03. Is that right?

Mr REED: Any assets would be whether they are significant or not.

Ms MARTIN: What, furniture?

Mr REED: Well, give us the answer. If you have significant assets, you can focus on significant if you like.

Ms MARTIN: I am assuming this means assets of significance ...

Mr REED: Okay.

Ms MARTIN: ...which means assets that have a substantial value that would not be sold by a government in the ordinary course of business each year. The government did not sell off any assets of significance in 2001-02 and does not intend to sell off any assets of significance in this financial year.

The Territory did sell the gaming machines it owned to individual licensed venues effective 1 July 2001, but these were not of material value and a loss of \$391 000 was incurred on their sale which is disclosed on page 298 of Budget Paper No 3. It should be noted that for each government agency, a Statement of Cash Flow is published in Budget Paper No 3 which shows the agency's estimated 2001-02 cash position and budgeted 2002-03 cash position and includes the proceeds from asset sales as a separately identified item. For example, it is budgeted that \$17.1m will be received by NT Fleet in 2002-03 for the sale of vehicles. The sale of vehicles is considered a normal function for NT Fleet.

Mr REED: Given that no assets are going to be sold off - I just ask the Treasurer to look at page 73 of Budget Paper No 3 under the heading Assets - this is for the Department of Employment, Education and Training - the third item from the bottom under Assets - Sale of Goods and Services which are to achieve \$824.364m in 2001-02 or were to have, and in 2002-03, \$795.089m. Could the Treasurer explain what that means in terms of ...

Ms MARTIN: Yes, I refer this to Director of ...

Ms KIRKMAN: I have to admit responsibility for this, I suppose. It is a typo. It should say 'land and improvements' instead of 'sale of goods and services' and it should say 'plant and equipment' instead of 'output revenue'.

Mr BALDWIN: It is another error.

Mr REED: Another error.

Ms KIRKMAN: I apologise for that.

Mr REED: Land and improvements?

Ms KIRKMAN: It should say 'land and improvements' and 'plant and equipment'. The numbers are as they should be; it is just the words.

Mr DUNHAM: I did ask if - there was an opportunity to identify where the errors are. Could you tell us if they are any others or should we discover them as we go through?

Mr KIELY: Haven't we closed off that one?

Mr REED: We had until we just found an error.

Dr LIM: Major error.

Mr REED: Treasurer, in another life - that is as opposition Treasury spokesman - this was a hanging offence if it occurred when I was Treasurer, as were other mistakes in budget books. I am not casting any aspersions on the particular officer, but what I am doing, Treasurer, is applying the same level of responsibility to you today as Treasurer that you applied to me formerly as Treasurer. In those days it was Ms Martin, Opposition Leader, who used to say, 'These are your books and you take responsibility for them'. Treasurer, we have seen other examples where you have made commitments in here - and I go back to page V whereby you say cash figures are available and you refuse to produce them ...

Mr CHAIRMAN: With respect, member for Katherine, we are getting into the realm of statements ...

Mr REED: I am getting to the point now.

Mr CHAIRMAN: I want you to get to a question, please, member for Katherine.

Mr REED: Will you apply those same criteria, Treasurer, that you applied in years past when you were sitting here and I was sitting there, and be at least gracious enough to accept the fact that you, on this occasion, are wrong.

Ms MARTIN: I thank Jodie for her comments on this, and the bottom line is absolutely accurate. A couple of line items were not what they should have been, but we have sorted that out. And I certainly, as Treasurer, take responsibility and apologise for those minor errors. What I would like to say is, to the best of the ability, these figures – the bottom lines - are right. And I think that compares starkly, Mr Chairman, with what happened last year. That is probably what this question is all about.

Mr CHAIRMAN: Member for Nelson.

Mr REED: I have not finished, Mr Chairman. And you can bow your head, but I am sorry. Well Treasurer, that being the case, let's get to the point of a \$0.5m error whereby we are told in one document of yours in this budget that the undergrounding of power in the northern suburbs is going to cost \$2m, and in another that it is going to cost \$2.5m. Which figure is correct? Are your budget books ...

Ms MARTIN: I gave the figure of \$2m.

Mr REED: So the figure of \$2.5m in the other budget book is wrong?

Mr CHAIRMAN: The Treasurer is on the record about that.

Ms MARTIN: I am advised that there might be capacity, depending on the scope of work for the next financial year to - we are not quite sure what that sum will be, but it will move forward over the year.

Mr REED: Well, Treasurer, what is it? Is it \$2m or \$2.5m? You have now just told us that it was \$2m, when it may be \$2.5m.

Ms MARTIN: The commitment is to spend - settle down, it is not good for your knickers, settle down - the commitment is to spend \$2m, and I indicated that clearly.

Mr REED: So, the \$2.5m figure? A debt, a cost, a statement? A definitive statement in your book that it is going to cost \$2.5m, and in another book, and what you tell us here across the table, of \$2m, the \$2.5m figure then must, by definition, be wrong. That silly little girl smirk does not help me, I'm sorry!

Ms MARTIN: The numbers compare very favorably with the commitment that was made, in either cash or accrual terms, by the previous government to actually underground power anyway.

Mr REED: So you are not gracious enough, Treasurer, to offer up an agreement that one of the budget books' figures is wrong. The \$2.5m figure is wrong.

Ms MARTIN: Mr Chairman, we should move on.

Mr REED: I think that is a no.

Mr CHAIRMAN: We should move on because the Treasurer is on the record about that.

Mr WOOD: A very short supplementary on that. Could I ask the Treasurer, is it possible to have an addendum that might highlight any errors that were made. Many a publication comes out with a piece of paper highlighting any mistakes or errors.

Ms MARTIN: It is certainly possible.

Mr REED: We know it is possible, but will it be done, Treasurer? Will you make a commitment?

Ms MARTIN: It will be very short, but we make a commitment.

Mr CHAIRMAN: And, of course, the opposition will be a tremendous help with this because no doubt they have a list here ...

Mr REED: A growing list!

Mr CHAIRMAN: Well, thank you for your assistance! There are some questions outstanding from the member for Nelson. Questions 46 and 157.

Mr WOOD: Question 46: in Budget Paper No 2, under Contingent Liabilities, there is no mention of native title compensation. The Territory government is already liable for dozens of such payments if native title is proven in the courts for land that the government has compulsorily acquired through the Lands Tribunal. Why aren't native title compensation payments considered a contingent liability in the Territory, when in other jurisdictions such as the Commonwealth they are.

Ms MARTIN: Thank you for your question. Native title compensation payable is not separately disclosed as a contingent liability. Where agreement has been reached that a fixed amount of compensation is payable, or where the courts have ordered that an amount is payable by the Territory, the criteria for recognition of a real liability will be met. It is therefore no contingent liability. Where there is a dispute as to whether compensation is payable, the matter will generally be referred for arbitration or consideration through the courts.

It is government policy not to report any compensation claims as contingent liabilities on the basis that to do so may be regarded as an acknowledgment that a liability does exist and, therefore, jeopardise the outcome of the related arbitration or court proceedings. The same policy position has been adopted in relation to all legal action before the courts and to which a final judgment has not been handed down. This is supported by legal advice from the Department of Justice.

This situation is different to that contemplated by the Commonwealth, in that the Commonwealth appears to be offering to assist states and territories meet compensation costs associated with native title - that is relating to real liabilities of the states and territories. The amounts payable by the Commonwealth are dependent on the number and effective compensable acts, and there is no obligation on the part of the Commonwealth to meet any of the obligations of the states and territories. The liability of the Commonwealth is, therefore, contingent in nature.

Mr WOOD: A supplementary, Mr Chairman. It would not be any different than saying that in our budget for one of the departments we have to put aside a certain amount of money for an enterprise bargaining agreement which, even though we have put it away, does not mean we actually agree with it. You put that money - you know you are going to have to face one of those cases some time.

Ms MARTIN: But this is in terms of something going before the courts. It is not warranted to say, 'Well, look, we say that there might be a contingent liability', when there has been no decision made.

Mr WOOD: I will have a think on that. The second question is in Budget Paper No 2, page 22 ...

Mr CHAIRMAN: That is question 157, is it?

Mr WOOD: Sorry, yes, thank you, Mr Chairman. Under the heading 'Unquantifiable Contingent Liabilities' it says that Alice Springs to Darwin railway project documentation provides for the early termination of the project. The contract to build, own and operate is supposed to be for 50 years. Under what circumstances can the project be terminated early with the ownership reverting to the Territory and South Australian governments?

Ms MARTIN: Project documents for the Alice Springs to Darwin railway project outline various circumstances where the railway project may be terminated early. Various aspects of these arrangements, including what could give cause for early termination are, quite properly, commercially confidential. The Territory does not have the consent of the parties it has contracted with to release information about these early termination events and, therefore, it is not in a position to make the information publicly available.

Under the arrangements, the Asia Pacific Transport Consortium, the company, may terminate the project because of action or inaction on part of the Territory or South Australia. The events which may give rise to early termination by the company are limited to those which are within the AustralAsia Railway Corporation's ability to influence or effect a cure. The corporation is owned by the Territory and jointly controlled by the Territory and South Australia. Where termination is by the company - that is the Asia Pacific Transport Consortium - payment of an early termination amount is required to be made as compensation to the company.

The project agreements provide for long cure periods so that the corporation can have time to make redress and payouts limited to reasonable and, where possible, known sums, in the context of a long concession term and uncertain commercial outcomes. Early termination events where the corporation is free to terminate the arrangements as a result of default on the part of the company - so that is the corporation meaning us as opposed to the company meaning them - are also in place. Under these circumstances, no payment of an early termination amount is paid.

Any of the governmental agreement between the Territory and South Australia deals with the ownership arrangements for the railway line in an event of an early termination.

Mr CHAIRMAN: The member for Sanderson has two questions, 387 and 401, relating to output group 02.01, Financial Management, Policy and Practice.

Financial Management, Policy and Practice

Mr KIELY: Question 387, Treasurer: the 2002-03 budget contains comprehensive forward estimates in accrual format - Budget Paper No 2, pages 62 to 78 - for the general government sector, public non-financial corporations sector and the total non-financial public sector, with and without the AustralAsia Railway Corporation. Does this accord with the requirements of the uniform presentation framework and the standards of reporting generally accepted by other states?

Ms MARTIN: It does. The uniform presentation framework, the UPF, was first adopted at the May 1991 Premiers Conference and has been reviewed twice since then. The objective of the UPF was to ensure that the Commonwealth, state and territory governments provide a common core of financial

information in the budget papers and outcome reports. This approach enables a uniform approach to the presentation of financial data to facilitate a better understanding of individual government's budget papers and provide for more meaningful comparisons on each government's financial results and predictions.

The accrual uniform presentation framework was first introduced in 2000 with a two to three year information time frame. The budget papers do not only comply fully with the requirements of UPF, but they go somewhat further in order to comply with the requirements of the *Fiscal Integrity and Transparency Act*, and that they also include estimates for the three years extending beyond the budget year in respect of the non-financial public sector.

Mr KIELY: Treasurer, question 401: the 2002-03 budget contains a set of projections for the cash deficit of the non-financial public sector (Budget Paper No 2, page 67). How do these projections compare with those that were advised to the government on its election in August 2001? Do these changes reflect changed forecasting parameters or changes in government policy? If the latter, why were these changes necessary?

Ms MARTIN: Prior to the mini-budget in November last year, the government did not publish forward estimates for the non-financial public sector. Forward estimates were published on a cash basis for the general government sector only. As a result it is difficult to draw a direct comparison between what is included in the budget papers for 2002-03 and that shown for prior years. However, the forward estimates for the general government sector were substantially lower in the 2001-02 budget papers compared with the mini-budget or the 2002-03 budget.

As Professor Percy Allan pointed out in his review of the Territory's financial position, the four budgets prepared prior to the government taking office incorporated unrealistically low growth forecasts for final consumption expenditure, and final consumption expenditure was underestimated by \$65m to \$70m a year. The need to factor in all the costs likely to be incurred by the sector which resulted in the forward estimates for general government and the non-financial public sector, showing a far more credible outlook with the expectation that the budget will be in balance by 2004-05 and, as you are aware, with that deficit reduction strategy in place and being kept.

Mr CHAIRMAN: There being no more questions ...

Mr REED: Yes there are.

Mr CHAIRMAN: Member for Katherine.

Mr REED: Mr Chairman, I would just ask the Treasurer to go back to Budget Paper No 3, page 73, the page on which there is the error in terms of the \$800m assets and to go to the line item 'Interest Received, \$828.614m 2001-02 and \$796.860m 2002-03'. Could the Treasurer explain to me what investments the Department of Education is receiving that level of interest on? I mean, \$800m in interest, it is not a bad investment.

Ms MARTIN: I am informed it is an error.

Mr REED: This is another error to add to the erratum. Well, we might take notice this is a growing list. Mr Chairman, it would be fair to say that we could, at least in relation to that page of these budget papers, have no confidence at all in relation to the veracity of the information that has been provided. It is an indictment on the Treasurer in relation to the confidence we can have in her budget books.

So, what should it be, Treasurer, rather than interest received? What is that line item? It is an \$800m item. I nearly got hung last year for, I think it was about \$8m.

Ms MARTIN: The totals are right, and if you go to page 80, total assets are ...

Mr REED: No, I am on page 73, thank you, Treasurer. What does that line say?

Ms MARTIN: The heading is wrong.

Mr REED: Yes, well what is it then?

Ms MARTIN: Total assets.

Mr REED: Total assets. It is interesting to note that the Treasurer has to be told what these things are, does not know herself what her own budget documents should read. Thank you. It is worth noting that that should be added to the erratum list that is ever growing. It would be interesting to add it up in value, \$800m is not a bad start. Thank you, Mr Chairman.

Mr CHAIRMAN: That is my pleasure. If there are no further questions that concludes - sorry, member for Brennan.

Commercial Advice and Services

Mr BURKE: I had a couple of questions that relate to output group 03.02, Commercial Advice and Services. I wanted to pick up on the question that Mr Wood asked on question 46. I am just intrigued that under an accrual accounting system that the government would consider there would be no foreseen contingent liability for any native title claim in the future in the Northern Territory, when the Commonwealth itself used possible legal action as a contingent liability. Are you saying that in the government's view there is no native title claim that could be the subject of litigation that could involve a liability to the Territory in the future, in your opinion?

Ms MARTIN: The Department of Justice has assessed this very carefully in terms of what happens within the court processes. To establish a contingent liability when there has not been proven any native title interest is simply pre-empting what there might be in terms of that kind of judgement in the court process. Quite sensibly, you don't flag it; quite sensibly.

Mr BURKE: Why did the Commonwealth do it?

Ms MARTIN: The Commonwealth has a different kind of process that is based on a fairly – what is a better term for that - yes, it is described as a 'high level estimate' that has to do with if there is a contribution to any claims that in fact do occur in states or territories. It is a very different figure and it is definitely calculated. But to flag a contingent liability before something has been proved through a court process to me would seem crazy, to a non-lawyer.

Mr WOOD: Just a supplementary: couldn't you have a sort of a global-type amount of money put away somewhere? That is why I put the argument about a possible wage increase to a department. If you put money there, you are not really flagging that they will get that, but it is like a bit of security.

Ms MARTIN: But if we look at how they might emerge over time, it is not necessarily cash. A native title ...

Mr BALDWIN: This is an accrual system. It does not matter.

Ms MARTIN: No, in terms of what a court might decide and what might be negotiated as a result of that court process does not necessarily mean it would be anything to do with a cash outlay.

Mr CHAIRMAN: I think ...

Mr DUNHAM: No, I want to pursue it.

Ms MARTIN: The Under Treasurer is keen to add to this, so ...

Mr CHAIRMAN: You want to pursue it. Well, I just keep looking at the page here and seeing we're at page 5 out of 10, and then there is another section here ...

Mr BURKE: Well, we only pull up when we have an issue and I mean ...

Mr CHAIRMAN: No, no, no, because ...

Ms MARTIN: Mr Chairman, could I just say that these questions come from the previous government, and that was their policy for years.

Mr BURKE: No, no. Our policy, which you stridently proclaim all the time, was to litigate.

Ms MARTIN: We are talking about contingent liabilities.

Mr BURKE: Now, you have a policy ...

Ms MARTIN: No, we are talking contingent liability.

Mr BURKE: You have a policy position to negotiate. Now, surely, if your policy position for the Northern Territory is to negotiate native title claims, no one could be expected to believe that negotiation would not incur some foreseen cost to Territorians possibly. So why isn't that possible foreseen cost seen as a contingent liability in some shape or form?

Ms MARTIN: Did the previous government then record a contingent liability against the very sensible arrangement that happened in Rosebery/Bellamack in the Palmerston area? Did you record a contingent liability against that? No.

Mr BURKE: Yes, well, firstly, we were not in an accrual accounting framework. You clearly cannot answer the question. I would be interested if I could get some advice from Justice just to answer that question clearly in relation to the Commonwealth position, the Territory government's position and why there is no necessity to show that in any shape or form.

Ms MARTIN: That is the advice from Justice.

Mr BURKE: I have one more question, a couple of questions: Treasurer, would you confirm that there have been no increases in taxes in this year's budget? Have there been any increases in charges in this year's budget? Have there been any increases in fines or fees in this year's budget? And/or have any new taxes, charges, fines or fees been imposed in this year's budget?

Ms MARTIN: I refer this to the Assistant Under Treasurer who has the specific details.

Mr SMITH: The simple answer is that there has been no increase in tax rates, fee rates, charge rates as a result of this budget.

Mr BURKE: Good. Emphatically, you can say that?

Ms MARTIN: Yes.

Mr BURKE: Thank you. Treasurer, you have said that you have created 3600 new jobs since you came to office. Can you break that down to full-time jobs, permanent part-time jobs and casual

employment?

Mr CHAIRMAN: Where is this linked ...

Ms MARTIN: That is not related to this output.

Mr BURKE: Where should I put it?

Mr CHAIRMAN: Well, I could think of a few things.

Ms MARTIN: What question is it supplementary to?

Mr CHAIRMAN: Are we talking about jobs in the public service? Or what particularly in terms of the budget outputs and the appropriation are we talking about here?

Mr BURKE: It is a proclamation of the Chief Minister and Treasurer that since she became Chief Minister she has created 3600 new jobs.

Mr CHAIRMAN: But is it within the budget documents?

Ms MARTIN: So it has nothing to do with appropriation?

Mr CHAIRMAN: I am not saying it is not a reasonable question but it is probably more a question for the floor of parliament.

Mr BURKE: This is an output oriented budget, right? We have already discovered that there is no sense in talking in cash terms, we have to talk in output terms. I have just heard at length that payroll tax would include an amazing amount of revenue in the Northern Territory because all these new jobs will be created and that will create \$5m in payroll tax. By your own admission you have created 3600 jobs, how many of those can you break down to full-time jobs, part-time and casual?

Ms MARTIN: Those figures come from the ABS data.

A member interjecting.

Ms MARTIN: My comment is that those figures come from the ABS data, that's it. It does not relate to an appropriation that we are dealing with here, nor the output that we are dealing with here. I would recommend that this question is out of order. I am proud that our jobs have grown in the Territory, and that is the key element of what this government is about.

Mr BURKE: So you do not know how your jobs have grown, or how many they have grown by? In fact they ...

Mr CHAIRMAN: Well, with all respect, member for Brennan, the Chief Minister has made a number of statements, and Minister Henderson in parliament, about jobs and jobs growth. I was there and listened and it is on the record.

Mr BURKE: With due respect, Mr Chairman, you are in the business of looking for a job as a minister under this Chief Minister. I am not. I am here to examine ...

Mr CHAIRMAN: No, I am the Chairman of the Estimates Committee and proud of it.

Mr BURKE: You can be as deferential as you like to the Chief Minister. I won't.

Mr CHAIRMAN: No, I am just trying to do my job as Chairman of the Estimates Committee, member for Brennan.

Ms MARTIN: We are right behind you, Mr Chairman.

A member: Just a touch.

Mr CHAIRMAN: Touch of what?

Mr Baldwin: Bias.

Mr CHAIRMAN: Oh, look I resent that ...

Mr Baldwin: Yeah, you probably do.

Mr CHAIRMAN: ... member for Daly. I have very positive feedback from members on your side of the way that I have tried to conduct these hearings.

Mr Baldwin: Yes, I am happy.

Mr CHAIRMAN: And I am trying to do my best.

Mr BALDWIN: If my colleagues are happy, Mr Chairman, I am happy.

Mr CHAIRMAN: Good on you. Member for Drysdale.

Mr DUNHAM: I am interested that the Chief Minister wants to use ABS figures when, in her budget papers, I go to Budget Paper No 2, they are very dismissive of the figures that are used. In fact, I quote from page 19: 'An abnormally large increase in the labour force in 2001-02 was due to an implausibly large increase in the participation rate'. The word 'implausibly' would seem to infer that the Treasurer's own people do not believe the statistics. Interestingly too, that the ABS figures that have been tabled in parliament for population have also been dismissed by this very same paper, Budget Paper No 2. I am interested that the Chief Minister is relying on ABS statistics for employment, when her Treasurer, in the documents signed as the one with the best data available to us, dismisses both of those indices.

Mr CHAIRMAN: I am afraid you lost me there, member for Drysdale.

Mr DUNHAM: I am saying that if the Treasurer is relying ...

Mr CHAIRMAN: Could you condense that ...

Ms MARTIN: Mr Chairman, I would really recommend that this be ruled out of order. It is not related to the outputs we are dealing with. It is simply absurd.

Mr CHAIRMAN: I would like to move on because, I mean, I am just seeing page 5 out of 10, I would like to really draw a close to this particular output area ...

Mr REED: 03.10.

Mr CHAIRMAN: No, it's output 02.01 - Financial Management Policy and Practice. There being no more questions, I would like to move on to output area 03.02, where the member for Drysdale has

asked a number of questions. Terry, do you mind laying that on the record, please.

Mr HANLEY: Just for members' information, top of the page is 03.02, half way down we had 03.20. They are in fact the same.

Mr CHAIRMAN: All right, so it is included. Obviously we have not closed off this particular output area, and those two questions 925 and 976 belong to the member for Drysdale.

Mr DUNHAM: Thank you, Mr Chairman. My question 925: how is the basis for PowerWater's dividend to government determined?

Ms MARTIN: The government's current policy position is that dividends paid to the government for the financial year will be calculated as 50% of the Power and Water Corporation's nett profit after income taxes. The corporation's statement of corporate intent is based on this policy. The actual dividend payment for the financial year will be known after the accounts of the Power and Water Corporation have been audited. For the 2001-02 financial year, the government anticipates receiving a dividend of \$10m from the Power and Water Corporation in September 2002. This is based on nett profit after tax figures, reported in the Power and Water Corporations statement of corporate intent. For the 2002-03 financial year based on SCI figures, the government anticipates receiving a dividend of \$13m in September 2003.

Mr DUNHAM: Thank you. That partly covers the next question where I actually list those dividends, because it would seem that it is a fairly anomalous year when we are receiving this \$13m dividend.

Question 976: why does the Power and Water Corporation anticipate paying \$10m as a dividend to the NT government in 2002-03, \$13m in 2003-04, and then dropping back to \$9m in the following year? Can you explain the variations to dividends over this period?

Ms MARTIN: The government expects to receive 50% of the Power and Water Corporation's nett profit after tax as a dividend, as explained last answer. The projected dividend receipts from the Power and Water Corporation change over time in line with their projected nett profit after tax. Further detail on the predicted position of the Power and Water Corporation could be sought in the corporation's SCIs referred to the Public Accounts Committee.

Mr DUNHAM: Could I direct the Treasurer to her debate on the statement of corporate intent, where she increased by 2.5% water and sewerage charges and claimed that it was necessary to ensure the business remains viable. I ask the Treasurer whether such a healthy dividend would indicate a business that was at risk, particularly given that her measures raised \$1m or something?

Ms MARTIN: In terms of PowerWater, the increases in the water and sewerage charging of 2.5% most recently, certainly were warranted in terms of being able to deliver effective services for Territorians for water and sewerage.

Mr DUNHAM: We are talking about business viability. We are talking about a business that has yielded you \$13m dividend, 50% - \$26m ...

Ms MARTIN: Because it is a government owned corporation.

Mr DUNHAM: ... and that measure will raise \$1m. You claimed it was necessary to ensure the viability. Was what you told parliament, in fact, correct?

Ms MARTIN: Absolutely! It maintains the viability of those services within the corporation and because we are shareholders, then those dividends come back to Territorians.

Mr DUNHAM: So when we talk about risks, those risks will be enumerated will they - the fact that it

was on such shaky ground prior to this \$1m increase?

Ms MARTIN: I do not know where you draw the conclusion that it was on shaky ground ...

Mr DUNHAM: Well, risks have to be delineated in this document. And there is nothing there about ...

Ms MARTIN: The Power and Water Corporation is not on shaky ground. The increasing costs - as costs do increase with CPI factors - of providing water and sewerage services are a fact of life.

Mr DUNHAM: Yes, it is a fact of life. It is tax, it ...

Ms MARTIN: And it is a fact of life.

Mr DUNHAM: ... had nothing to do with viability, did it? You will admit that, won't you?

Ms MARTIN: It did entirely.

Mr DUNHAM: So you believe that the 2.5% increase to water, if you had not done that ...

Ms MARTIN: Absolutely.

Mr DUNHAM: ... the entire viability of PowerWater would have been at risk. Is that what you are trying to tell this committee?

Ms MARTIN: No, and do not sound patronising, thank you.

Mr REED: As a supplementary, Mr Chairman. Treasurer, if the Power and Water Corporation was so pressured that it had to increase water and sewerage charges by 7.5% over a year because of what you say were cost pressures - CPI in particular which you stated - why doesn't that apply to electricity charges under the commercial arrangements that this corporation now finds itself?

Ms MARTIN: Because we try via the CSO to make up the difference.

Mr REED: You make that. All right, okay. To maintain low prices, to maintain the prices that they are currently?

Ms MARTIN: Yes.

Mr REED: Okay.

Mr DUNHAM: Could you point to that please in the CSO paper? I can show you where the table is. CSOs are in Budget Paper No 3 at page 287. Could you point to the CSO that you just spoke about?

Ms MARTIN: It is the top of the page.

Mr DUNHAM: Ah, uniform tariffs?

Ms MARTIN: Yes.

Mr DUNHAM: So you are using the CSO for uniform tariffs, which is set up for one particular reason - that is to make sure every Territorian pays the same rate - you are using that to hide a political promise to peg power?

Ms MARTIN: It is not a political promise. We have been very forthright about it, and if you would like to go out and tell every Territorian about that you will be helping me because you will be doing our job as well. That's great!

Mr REED: Sorry, Treasurer, what we are seeking to do is just get a clarity of what you are telling people. And the facts. The item that you just referred to was for uniform tariffs. Uniform tariffs, you would be aware, are to ensure that those people in small communities where electricity is generated by diesel gensets, and it is much more expensive to do that than to generate electricity here in Darwin, are not disadvantaged and that they pay the same electricity charges as we do here. Are you now saying that that line in the budget is not just uniform tariffs, but it is also a CSO to peg electricity prices? Is that what you are saying?

Ms MARTIN: I am informed that is the appropriate mechanism by which we do maintain that commitment.

Mr REED: Well, it is not very clear, Treasurer, if it is called maintenance of uniform tariffs and in fact it is to maintain electricity charges. They are two distinctly different things.

Ms MARTIN: And I am advised that that was the way it was done previously.

Mr REED: I do not believe so. We are on a different ocean now, Treasurer, in terms of you now have a corporation which has a statement of corporate intent for which you are responsible as the shareholding minister. We have to add to that line 'uniform tariffs CSO to maintenance of the consumption cost'.

Ms MARTIN: I am informed that that mechanism was previously used when the previous government was in to maintain those kind of commitments.

Mr REED: Can I ask then another question, Treasurer? The man that you so longingly idolise, Professor Percy Allan, the man that you idolise; I seem to recall that Professor Allan indicated a figure something in the order of \$50m might be required for a CSO. If it was not him, it was the former Under Treasurer in the PAC inquiry. How do you then explain the disparity in that estimate of costs for the maintenance of electricity charges and the support required to a corporation as a CSO, and the disparity in these charges; bearing in mind that this CSO is two-fold, it is uniform charges and maintenance of electricity?

Ms MARTIN: Well, it is a uniform tariff at a set rate. Look, the issue is here ...

Mr Reed interjecting.

Ms MARTIN: No, I have the answer and I have been patient. The issue is here - this government made a commitment to have electricity prices frozen for this term of government. We will therefore make sure that PowerWater is not disadvantaged in operating in a commercial way with that commitment and it will be funded accordingly. With water and sewerage, that component of the functioning of PowerWater has to be able to operate effectively, and has to be able to recover its costs. That required a 2.5% increase recently, and if you put that 2.5% against an increase that the previous government had a few years ago, which was 44% in one hit, 2.5% is very modest. If we are having the ridiculousness of this business of 'at risk' from the member for Drysdale, I would like to understand what he thought 'at risk' was a few years ago.

Mr REED: That's fine, Treasurer. We are not arguing about the pegging of domestic electricity prices – domestic and industrial and other users. We just want clarity and honesty in terms of how this is presented and to understand where the money is coming from and where it is going to. If that offends you, I apologise.

Mr CHAIRMAN: Are there any other questions under Output 03.02? There being no more questions and I don't believe there are any more written questions on the table, so I would like us then to proceed. This is output 04.01 entitled Community Service Obligations. I flag that I am intending to take a break at 3.30 pm. There are three questions in here. The member for Katherine has question 241.

Community Service Obligations

Mr REED: There is an additional CSO payment of \$19.9m to meet the government's uniform tariff commitment for PowerWater 2002-03. What, specifically, does this achieve?

Ms MARTIN: The uniform tariff CSO was increased by around \$19m in 2002-03 to \$39.4m. The CSO was increased in order to fully fund the shortfall in PowerWater's annual income against the recovery of efficient costs for electricity services provided to non-contestable customers. The prices for these customers are determined by government, not PowerWater.

The increase in the CSO is because the value of the CSO was previously calculated on the basis of bringing PowerWater's rate of return on services provided outside Darwin up to the level prevailing in Darwin. A Utilities Commission review of the CSO showed that after factoring in efficient costs at prevailing tariffs, PowerWater would be unable to earn a commercial rate of return on services provided in Darwin, and if the return earned in Darwin was at a commercial level, the CSO required to raise returns outside Darwin up to the level prevailing in Darwin would be higher.

Fully funding the CSO for electricity provides the right economic incentives for PowerWater's Board to make commercial decisions in a competitive environment; ensures that PowerWater's Board be subject to commercial performance targets; facilitates assessment of PowerWater's performance, in particular benchmarking against similar entities; increases the transparency of the CSO arrangements; and avoids the use of cross-subsidies.

As part of its advice on the value of and the methods for setting PowerWater's CSO, the Utilities Commission developed a methodology for estimating the CSO in future years. The CSO for 2002-03 had been developed in accordance with this methodology and indexed for cost increases. Full funding of the electricity to CSO takes account of the decision to freeze electricity tariffs for non-contestable customers at the current level. Had electricity tariffs for domestic customers increased by CPI, 2.5% from 1 July 2002, the resultant reduction in the CSO for 2002-03 would have been approximately \$1.3m.

Funding for the water and sewerage components of the CSO has been left unchanged at \$4.975m per annum.

Mr REED: I think we had the rest of the debate just a minute ago.

Mr CHAIRMAN: The member for Nelson has a question. It is question 69.

Mr WOOD: Treasurer, according to notes explaining allocations to the Northern Territory Treasury in Budget Paper No 3, pages 42 and 46, the community service obligation payment for the new PowerWater Corporation in this financial year is \$39.4m. According to the annual reports of the former Power and Water Authority, the Community Service Obligation payments for 1999-2000 and 2000-01 were \$59m. The estimates for last financial year show a CSO of were \$20.4m. Can the Treasurer explain why the community service obligation has dropped by \$40m and \$20m in the last two years?

Ms MARTIN: Yes, certainly. The community service obligation for the Power and Water Authority in 1999-2000 and 2000-01 comprised three components: the uniform tariff, the pensioner concession scheme and Aboriginal Essential Services.

In 2000-01 the value of these community service obligations was \$59m. The apparent decline is as a

result of changed treatment, not an reduction in expenditure in these functions. Previously, Aboriginal Essential Services was funded by a CSO provided by Treasury. In 2001-02 and consistent with the move to GOC status for PowerWater, where the directors of the corporation have greater levels of responsibility, it was considered that AES should remain a general government responsibility rather than a commercial responsibility of PowerWater.

Accordingly, as part of the November 2001 public sector agency restructuring, the responsibility for AES was transferred to the Department of Community Development, Sport and Cultural Affairs. The department has entered into a contractual arrangement with PowerWater to undertake these services and, as such, the expenditure is an operational cost to that department. The level of government funding for AES has, in fact, increased by \$10m to \$45.7m in 2002-03.

Funding for the uniform tariff CSO has increased by \$19m to \$39.4m on the basis of Utilities Commission analysis which allows for a commercial return on non-contestable customers and reflects the decision to fully fund the short fall in PowerWater's annual income against the recovery of efficient costs for electricity services provided to non-contestable customers.

The Pensioner Concession Scheme CSO for 2002-03 is \$2.5m. There has been no change in respect of pensioner concessions. The difference is due to changes in usage, as I have been advised by PowerWater.

Mr REED: Just some clarification there, Mr Chairman. Usage as in consumption?

Ms MARTIN: Yes, as I understand it.

Mr DUNHAM: Question 921: for the sake of *Hansard*, I will read it in, though I will note that each of those three have been answered in some way. At page ...

Mr CHAIRMAN: Do you just want to table it?

Mr DUNHAM: Well, I can say that my understanding is the subject uniform tariffs has increased because it has been changed to reflect a commercial rate of return as determined by the Utilities Commission. I understand that that was independently audited by the Utilities Commission and that the decision to peg domestic tariffs has been included in that. So all of those questions have been answered. But it does beg some further advice, and that is that, given that you have responsibilities as determined in Budget Paper No 6 about the community service obligations, we believe they should be transparent and they should be matters that are openly evident in this budget. We believe in merging those two things. It flies in the face of Percy Allan's recommendations to you in his report. I ask if you could table those papers that describe how the community service obligation has been determined and those portions of it that now make up the new appropriation.

Mr CHAIRMAN: There being no more discussion on ...

Ms MARTIN: I am advised that can be done, it is not a problem. But I would say that we would be very happy to offer a briefing on that. Any time you want a briefing, please, just ring.

Mr REED interjecting.

Mr CHAIRMAN: That is very heartening news from the member for Katherine. He is a very caring, in a way. I will tie off this output area, which was output area 04.01, Community Service Obligations. I do not believe there are any more questions. There are no questions on the table so that means we can proceed to output number 04.02, Tax-related Subsidies.

The member for Katherine has communicated to me that, in terms of the majority of the remaining questions that are under his name anyway, he is prepared to number them, have the question tabled

and the written answer read into *Hansard*. Let's see if we can start moving through this and get a little bit of momentum. I did say we would stop at half past. We have to give mind to people's comfort. So, starting off with question 225 and 229. Member for Katherine, are you prepared to table those and accept a written answer.

Tax-related Subsidies

Mr REED: No, those two, I would seek an answer. Question 225: the stamp duty concession for first home buyers has increased. Previously, this applied to all who were buying a home for the first time in the Territory. Why have you now ruled, Treasurer, that those who have previously owned a house outside the Territory are ineligible? How much money does this save? How does abolishing this incentive for people to come to the Territory fit with your population strategy to encourage both interstate and overseas migration to the Territory?

Ms MARTIN: The criteria to qualify for the stamp duty first home owner concession have been aligned with the First Home Owner Grant scheme. This provides a consistent set of rules to determine eligibility for both schemes, which provides certainty to applicants and reduces government administration costs. The assistance provided to first home buyers through HomeNorth is already aligned with the criteria for the First Home Owners Grant scheme, and accordingly, and very sensibly, there is now a consistent approach in the Territory for such schemes.

At the same time, the threshold of the first home concession was increased, and that was from \$80 000 to \$125 000, resulting in the maximum concession going from \$2096 to \$3640. While ineligible for the first home owner concession, those home buyers who have previously owned a house, whether in or outside the Territory, are now eligible to claim the new \$1500 principal place of residence rebate. The notional savings from narrowing the eligibility criteria to genuine first home buyers has been channelled into the new \$1500 principal place of residence rebate. The rebate on the stamp duty payable is available for the purchase of a principal place of residence, that is, not a first home. This measure was also introduced from 20 August 2002.

This rebate operates in conjunction with the increase of the threshold of the First Home Owners Concession from the \$80 000 to the \$125 000. A much broader class of home buyers will benefit from the combination of a PPR rebate and the new First Home Owner Concession scheme compared to the previous First Home Owner Concession.

Based on recent trends, it is estimated that each year an additional 2500 Territory households will benefit from both of these stamp duty concessions. The cost to revenue of both measures is \$2.9m per annum, comprising a cost of \$0.3m for increasing the First Home Owner Concession threshold to \$125 000 in property value, and \$2.6m for introducing the principle place of residence stamp duty rebate.

These measures together apply to a broader range of home buyers than previously, by offering the stamp duty concession to all purchases of owner/occupied housing in the Territory including repeat buyers, whether they be existing Territorians or newcomers. As such, the measures encourage a greater number of people to make a commitment to moving to, or remaining in, the Territory by purchasing a home to live in. This should also reduce a current disincentive for people wishing to move to another home and consequently should benefit the general housing market.

Mr REED: Thank you, Treasurer. Question 229 ...

Mr DUNHAM: Could I ask a supplementary question, Mr Chairman?

Mr CHAIRMAN: I had allowed the member for Katherine to proceed, so could you please proceed?

Mr REED: Question 229: how many applications of assistance under QuickStart II were received and how many were approved? How many accommodation units have commenced construction under QuickStart II and how does this compare with QuickStart's outcomes? How many accommodation

units are yet to be commenced under QuickStart II? What was the total cost of QuickStart II? Treasurer, if you have some advice that you can table in that regard ...

Ms MARTIN: I will table the answer, that is just fine. I do not have a separate table.

Mr CHAIRMAN: If you could table that, and I believe then that the member for Drysdale has a supplementary.

Mr DUNHAM: Thank you. I was pleased that the Treasurer has given an answer which is pretty much recorded at page 80 of the Budget Overview paper, that is that 2500 Territorians will pay around \$1500 less and that is computed to be \$2.9m. My calculator has that at \$3.25m, Under Treasurer, and I wonder if that \$300 000 variation could be explained merely as an error?

Ms MARTIN: I refer this to the Assistant Under Treasurer.

Mr SMITH: There have been savings, as was pointed out in the previous response by the Treasurer, due to the fact that the eligibility criteria has been narrowed to people who are buying their genuine first home in the Territory. Those savings have been channelled into that principle place of residence rebate. So, once you narrow down the criteria it means that there are not as many people eligible for the former concession in its former state, but they are now eligible for the principle place of residence rebate. There has, in a sense, been a movement of monies from the former concession into the rebate.

Mr DUNHAM: But with respect, you have named both numbers. Two thousand five hundred Territorians will benefit; they will pay around \$1500 each. I would have assumed that is a simple multiplication that would get you to \$3.2m and not \$2.9m.

Mr SMITH: Okay, and the answer - also the fact that not everyone is eligible to claim the full benefit of the concession because of the property value that they are purchasing does not meet the maximum threshold.

Mr DUNHAM: So, it would be better to say around 2500 Territorians will pay around \$1160 because that is a closer average. Would that be more truthful?

Mr SMITH: If you want to put it into average terms, that is fine. The way it is described is 'up to \$1500' which, if the property value is up to the \$125 000, they have full entitlement.

Mr DUNHAM: No, it does not. It says they will pay 'around \$1500'. The fact is that they will have to pay around \$1160 less - there are just two issues to be multiplied to get to an answer, and it does not get to the answer.

Ms MARTIN: Mr Chairman, I think the Assistant Under Treasurer has given a very accurate and fair answer.

Mr CHAIRMAN: Yes, I am going to act like a dentist here because we have the prospect that if we can work through the next two questions from Mr Wood fairly rapidly, the member for Katherine has given me an undertaking that under the next output area he is prepared that all of those questions be tabled and the answers be put into *Hansard*. So, if we could go to the member for Nelson. I would like to transact this business, it will make me very happy.

Mr WOOD: I shall try to make you very happy, Mr Chairman. Question 41 to the Treasurer: In Budget Paper No 2 at page 43 it says the government will abolish from October the liquor subsidy payable to roadside inns that are not connected to mains power, saving \$0.25m per year. Can the Treasurer tell us why the roadhouses got the subsidy in the first place. Can I just add a quick supplementary? And did they know that they were going to lose the subsidy?

Ms MARTIN: This particular subsidy was introduced to compensate roadside inns without access to mains power for increases in the cost of their liquor purchases due to changed tax arrangements in August 1997 and thus effectively continue their historical tax concession. Prior to August 1997, the Territory and states levied business franchise fees on liquor, tobacco and petrol as part of these arrangements. Unserviced roadside inns paid a flat fee for their liquor licences whereas all other licenced premises were also required to pay an *ad valorem* component. That was up to 11% of the cost of liquor purchased. Due to a High Court decision the tax arrangements changed in 1997, resulting in a higher wholesale sales tax rate uniformly applying to alcoholic beverages. The subsidy was necessary to restore the overall tax position of these outlets as existed prior to the changes.

Mr BALDWIN: Mr Chairman, could I have a supplementary on that?

Mr CHAIRMAN: Yes, of course you can have a supplementary.

Mr BALDWIN: Thank you, Mr Chairman. You are talking about 15 such sites being affected.

Ms MARTIN: Thirteen.

Mr BALDWIN: Sorry, the book says 15.

Mr CHAIRMAN: Fifteen in the budget.

Ms MARTIN: All right, 15 are entitled to it. Okay, it is right.

Mr BALDWIN: Fifteen entitled; but your own information on the Northern Territory website lists roadside inns unserviced as being 29. So why only 15 are going to receive the effect of this, and not 29?

Ms MARTIN: On the website there are 29.

Mr BALDWIN: Yes, and they are all listed. Now, I know ...

Ms MARTIN: I understand it is an eligibility.

Mr SMITH: I am not familiar with the document you are talking about, although 29 ...

Mr BALDWIN: On the website - Northern Territory Treasury website. Racing, Gaming and Licensing, Northern Territory Treasury. You go to roadside inns unserviced; lists 29 in that category. I know that there are a few in there because they are in my electorate that do in fact have power connected, but I know that most of those 29 all bar about six, do not have the power connected. Therefore is it 15 or is it somewhere around 20?

Mr SMITH: I think that 29 may well be a combination of both serviced and unserviced roadside inns. The number of 15 is broadly in line with the number of unserviced roadside inns which have been taking advantage or claiming that subsidy from us over the last 12 months.

Mr BALDWIN: There are more than 15 unserviced roadside inns on your website.

Ms MARTIN: I think what the Assistant Under Treasurer is saying is that they are the ones who are claiming. These ones – they're not.

Mr BALDWIN: So, what happened to the rest? That is the question.

Ms MARTIN: They did not claim it. I think that is what we are saying.

Mr BALDWIN: Would you like to take that on notice and get back?

Mr CHAIRMAN: I think that is a good idea...

Mr BALDWIN: You are talking about saving \$250 000 here, and that is on 15 such sites; if it is 20 or 27 or whatever it is, it is going to be a different figure. It would be worthwhile knowing. The other thing is quite a few of these, as you would appreciate, are in my electorate as are they probably in the members for Barkly and Stuart electorates, and it would be fair to say that we would be concerned if it was more than 15.

Mr SMITH: Can I just say that it actually says is 'currently claimed by around 15' roadside inns.

Mr CHAIRMAN: Okay, so that is taken on notice.

Mr BALDWIN: Hang on, I have another - well, surely this is the process for that.

Mr CHAIRMAN: Well, I will go back to the process, where I think a lot of our time is being squandered, but go ahead, member for Daly, and ask your question.

Mr BALDWIN: This is a very relevant question, Mr Chairman. You talk about it being applied from 1 October, the question that the member for Nelson asked was had they been notified and I assume that ...

Ms MARTIN: Yes, they have.

Mr BALDWIN: But your website says under Territory Revenue Management that up until 30 June 2002 a subsidy was claimable by licensed wholesalers in relation to their sales. Yet, on another part of your website - the Northern Territory Budget Key Revenue Measures in this budget - you talk about it applying from 1 October. So the discrepancy there is some months and I just need to know.

Mr SMITH: Yes, the explanation there is that there are two different subsidies that we are talking about. The reference to a subsidy for licensed wholesalers ceasing from 30 June 2002 is in relation to what we termed the low alcohol subsidy which was available on all lower alcohol product in the Territory and claimable at that earlier point in the production chain by licensed wholesalers. This subsidy that this question focusses upon is the special liquor subsidy which was available to roadside inns which is ceasing with effect from 30 September. Just going back to the low alcohol subsidy, that ceased under a national arrangements agreement between the Commonwealth and all the states and territories as part of a new low alcohol excise concession regime.

Mr BALDWIN: All right, but you will clear up the 15 for me? Thanks.

Mr WOOD: Question 209: Treasurer, is there a government rebate on solar hot water systems and how much is it, and has the rebate increased as the cost of solar hot water systems has increased?

Ms MARTIN: Rebates for the purchase of the solar hot water systems are provided through both Treasury and the Power and Water Corporation. Under the solar hot water systems subsidy administered by Treasury, eligible first home owners may qualify for a subsidy of up to \$400 on the installation of an eligible solar hot water system. The government provides \$250 towards the subsidy, with the industry contributing up to \$150. The rebate was introduced on 1 July 2000 and there has been no increase in the rebate and the amount at that time.

Under the other scheme, the Power and Water Corporation pays an amount to the purchaser of a solar hot water system to acquire the Renewable Energy Certificates, or RECs, applicable to that system. The REC scheme forms part of a federal government initiative to encourage renewable energy systems such as solar hot water systems. Under the scheme the federal government imposes heavy fines on electricity utilities such as PowerWater that do not look for ways to increase usage and support for renewable energy. As such, PowerWater is required to accumulate a certain quantity of RECs each year to avoid a fine. The price for a REC is market driven as electricity utilities offer an amount sufficient to attract enough RECs to meet their target. PowerWater is currently offering \$31 per REC. For a 300 litre solar hot water system, this equates to a rebate of between \$700 and \$900, that is 22 to 31 RECs.

The number of RECs attaching to a particular system is set by the federal government having regard to its type, capacity and location for usage. The REC rebate is available to all purchasers of eligible systems whether it be used in domestic or commercial premises. Under the Commonwealth REC Scheme, the rebate is highest with the conversion from an electric hot water system to a solar hot water system. The rebate reduces if a new solar hot water system is being acquired to replace an older solar hot water system and no rebate is available if the solar hot water system is to replace a gas hot water system. First home owners may qualify for both rebates leading to significant savings of a purchase of a solar hot water system.

Mr WOOD: Is that all in a simplified pamphlet?

Ms MARTIN: Do you want this?

Mr WOOD: No. I am just thinking in the point of view of someone who would like that information, that is fairly complex.

Ms MARTIN: Yes. There are some direct calculations. You do not have to understand the component of RECs, just how that relates to the rebate that you can get it relates to the rebate you can get according to the litre capacity.

Mr WOOD: You would get the \$400 plus the REC?

Ms MARTIN: No, that is the Territory scheme. The REC one comes in for a 300 ...

Mr WOOD: But they can get that as well?

Ms MARTIN: Yes, you can get two bites at it.

Mr WOOD: Solar hot water systems have gone up. They are pretty expensive now.

Ms MARTIN: Yes, probably be about \$2500.

Mr WOOD: They are about \$3000, I think.

Ms MARTIN: So that is real assistance.

Mr CHAIRMAN: Is that all the questions on output area 04.02? There being no other questions and nothing to be tabled I would like to move on to Output 08.01 which is the Central Holding Authority. All of these questions are asked by the member for Katherine in this output area, and he has said to me that he is prepared to have all these written questions tabled and the written replies incorporated into the *Hansard*.

Central Holding Authority

Mr REED: I will propose that, Mr Chairman. I propose that, with the concurrence of the Committee

and the agreement of the Treasurer, questions 163 through 1121 inclusive on pages 7, 8 and 9 be placed on notice and that answers be given at an appropriate time.

Mr CHAIRMAN: Thank you, member for Katherine.

Mr REED: If I have that assurance from the Treasurer.

Ms MARTIN: Certainly, member for Katherine.

Responsible Minister: Treasurer

Responsible Agency: Northern Territory Treasury

Question 163:

How much was spent on consulting services in 2001-02? Detail the individual contracts i.e who they were awarded to, at what cost and for what reason? How much is estimated to be spent on consulting services in 2002-03 and how much has been expended so far this financial year? Detail the individual contracts i.e who they were awarded to, at what cost and for what reason?

Answer:

As an explanatory note, the Central Holding Authority is not an agency, as agencies are defined by the act to mean a unit of government administration, or office, or statutory corporation that is nominated in an Administrative Arrangements Order as an agency.

The CHA is established by section 4 of the amended *Financial Management Act*. The act also specifies that the CHA forms part of the Public Account. The role of the CHA is to receive all money paid to the Territory or an agency, except where the money in question is required or is permitted to be credited to an Operating Account or to an Accountable Officer's Trust Account. All moneys appropriated to agencies by virtue of the *Appropriation Act* each year are paid from the CHA. Flowing from this, no money is appropriated to the CHA. Instead, parliament approves the payment of money from the CHA by virtue of the *Appropriation Act*.

In respect of the specific question above, nothing was expended by the CHA for consulting services in 2001-02 and nothing is estimated to be spend in 2002-03.

Question 219:

Explain the difference in estimates of 'agency revenue' between 2001-02 and 2002-03 and what are the sources of that revenue?

Answer:

The Central Holding Authority is not an agency and does not receive any appropriation as agency revenue. The CHA receives Territory revenue, the main components being GST revenue and Territory taxation.

Question 222:

Provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget? In terms comparable with the mini-budget detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms comparable with those used in the mini-budget translate to figures using accrual accounting methods?

Answer:

The Central Holding Authority is not an agency and does not have outputs. It is not possible to compare on a cash basis CHA expenses between the mini-budget and the 2002-03 Budget.

Question 266:

How many people are employed by the agency by output and activity? How many are employed on a full-time basis, part-time, casual and contract? How many were employed by the agency on 29 August 2001 on a full-time basis, part-time, casual and contract? How many were employed by the agency on a full-time basis, part-time, casual or contract when the public service was restructured in November last year? How many were employed by agency on a full-time, part-time, casual or contract basis for the last pay period in August?

Answer:

The Central Holding Authority is not an agency and employs no staff.

Question 268:

What was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

Answer:

The Central Holding Authority does not control any physical assets and hence it does not incur expenses in respect of repairs and maintenance.

Question 276:

Detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures?

Answer:

The principal inter-agency transfers for the Central Holding Authority consist of Territory taxes and regulatory fees collected by agencies and passed to the CHA, and payments to agencies from the CHA for outputs and for capital purposes.

The revenues are shown in the CHA statement of financial performance under Taxation Revenue and Fees from Regulatory Services. Only \$64m of these taxes relate to taxes paid by Territory government agencies.

Transfers to agencies for the purposes of outputs are shown in the CHA Statement of Financial Performance under Government Transfers. They comprise an amount of \$1.59 bn shown under the sub-heading 'Output Expense', with a further amount of \$29 m being shown under the heading 'Treasurer's Advance'. Those amounts are also shown in the CHA Statement of Cash Flows.

Transfer to agencies for capital purposes are shown in the Statement of Cash Flows under Investing Payments – Capital Appropriation. The amount is \$214.79 m.

Question 983:

Detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the minister's photograph and/or a message from the minister with an individual breakdown for print media, television, radio or brochure including direct mail:

- (a) by the minister's office;
- (b) by the minister's department or agency; and
- (c) the minister's electorate office

Answer:

The Central Holding Authority is not an agency. The budget for the CHA is confined to those expenses associated with the appropriation to agencies for the provision of outputs by these agencies for the government, the appropriation to agencies for capital purposes, and the costs associated with interest, superannuation and similar payments on behalf of the Northern Territory. The CHA does not have budgetary provision for, nor does it have any role in, advertising, promotion or the provision of information.

Question 985:

Does the data published for your agency in the Budget Papers –

- (i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the Budget Papers were compiled?
- (ii) where there is any material difference is there any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences and the nature of that advice?
- (iii) and where there is a difference did the agency undertake to advise their minister prior to the budget being delivered that these differences existed?

Answer:

The Central Holding Authority is not an agency. The information provided in Budget Paper No 3 sets out the expected revenues, expenses, assets and liabilities of the CHA at the time the budget was prepared. These estimates are based upon the information that was available to Treasury at the time, and reflect decisions of Budget Cabinet as advised to Treasury.

Question 988:

What has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

Answer:

The Central Holding Authority is not an agency and hence has not been required to 'introduce accrual accounting' as such, nor does it employ staff. It is a consequence of the accrual framework.

Question 989:

As part of the government's deficit reduction strategy, it was announced in the mini-budget that 'a budget improvement target of an average 4%' with the exception of 'the functions of hospitals, health and community services, schools, police and emergency services and custodial services which were expected to deliver a cut of 25% of the average level' was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have in 2001-02, how much did that

amount to and was it achieved – in total and by output and activity?

What is the budget improvement target for the agency in 2002-03? What is the total amount and what is it by activity and output?

Is the cash relating to the budget improvement cut included in the agency's budget and if so how is it treated in the 2001-02 and 2002-03 figures?

Answer:

Given the nature and role of the CHA, it would not be appropriate to subject the CHA to any deficit reduction strategy or any similar initiative that might be applied to an agency in the normal course of events.

Question 992:

How much of the agency's revenue can be attributed to inter-agency transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

Answer:

Of the Central Housing Authority's total budgeted revenues of \$2.003 bn for 2002-03, \$64 m represents taxes from other agencies, primarily payroll tax and income tax equivalent payments by Northern Territory government entities. Of the total CHA budgeted expenses of \$1.909 bn, \$1.774 bn represents current or future transfers to other Northern Territory government agencies. The majority of this is the payment to agencies for outputs. The balance of \$0.135 bn represents current or future transfers to the Commonwealth and household sector in respect of superannuation and long service leave payments. In addition a further amount of \$0.215 bn, shown on the CHA Statement of Cash Flows under Investing Payments – Capital Appropriation, represents transfers to agencies for capital purposes.

Question 998:

What is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government and where does this cost or liability appear in the Budget Papers relating to the agency?

Answer:

The Central Holding Authority is not an agency and has no employees. As such it has no liability for payroll tax.

Question 1035:

Detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid in 2001-02?

Answer:

The Central Holding Authority is not an agency and will not pay any state taxes or fees. The CHA is administered by the Treasury and records the financial transactions of the Territory. As such, state (and for that matter, Territory) taxes paid by other agencies are paid through a collection agency (usually Treasury) to the CHA, where they are recorded as revenues in the Taxation Revenues category.

Total taxation revenues from other Territory government entities are:

- payroll tax \$50m; and
- income tax equivalents \$14m.

The reference to taxes in the Appropriation Bill, under the heading Central Holding Authority, refers to the Commonwealth Superannuation Contributions Tax that is payable by employers in respect of contributions to certain superannuation funds.

Question 1043:

Explain what the entry 'Expenses relating to prior year receipts means' (or in the case of some agencies 'Receipts relating to prior year expenses') means? Detail what the amounts listed against this entry are for both 2001-02 and 2002-03?

Answer:

This question has been framed without examining the relevant pages of Budget Paper No. 3. There is no reference in Budget Paper No. 3 to either 'expenses relating to prior year receipts' or 'receipts relating to prior year expenses' in the case of the Central Holding Authority.

Question 1052:

How many staff are employed by the minister in their Ministerial Office, including Alice Springs or any other centre. How many of these staff are paid for by the Department of the Chief Minister and how many are paid for by the minister's agency or department?

Answer:

The Central Holding Authority is not an agency and it employs no staff. Financial services provided in respect of the Central Holding Authority are delivered by existing Treasury resources. The question is not relevant to the Central Holding Authority.

Question 1121:

Excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation what has the agency actually got to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

Answer:

The role of the Central Holding Authority is outlined in the Budget Papers. The CHA does not provide outputs for the government. It is the vehicle from which moneys appropriated by parliament are paid to agencies in order that they can provide outputs, and for specified purposes.

The expense of \$1.59 bn shown in the CHA Statement of Financial Performance under Output Expense (with the same amount shown in the CHA Statement of Cash Flows) represents the amount that is budgeted to be paid to agencies for 2002-03 for the provision of outputs.

Mr CHAIRMAN: In that case, I would like us to break for 10 minutes. We will reconvene at 3.50 pm.

Committee suspended.

Mr CHAIRMAN: The committee will now proceed to consider questions regarding the business unit Northern Territory Treasury Corporation. Do we have the same personnel as we had previously?

Ms MARTIN: No, I would like to introduce a new player here, John Montague, General Manager of Treasury Corporation.

Mr CHAIRMAN: Welcome, John. Welcome to our happy day. If we could proceed then. I liked the style of the final bits of our last session. This is output 00.03, Involves more that one Output Group - Government Loans and Investments. There are a number of questions asked by the member for Katherine.

Government Loans and Investments

Mr REED: Mr Chairman, with the leave of the Committee and the agreement of the Treasurer to provide answers to questions 165 through 1963, I propose that they be taken on notice and an answer be provided through *Hansard*. That is inclusive of pages 1, 2 and 3, including question 1958.

Mr CHAIRMAN: I just want to check that there are no other questions by any other members. I cannot see any. I am certainly in agreement. Are you in agreement, Treasurer?

Ms MARTIN: I am fine.

Mr CHAIRMAN: Therefore the Secretary will take note that all those written questions are tabled and the written answers are incorporated into *Hansard*. There being no more questions in relation to this particular output ...

Dr LIM: Yes there is.

Mr CHAIRMAN: There is?

Dr LIM: 1958 in the name of Mr Burke. Did you include it?

Mr REED: No, no, I have just done it. Pay attention.

Responsible Minister: Treasurer
Responsible Agency: Northern Territory Treasury

Question 165:

Detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures?

Answer:

The following table details all inter-agency transfers for 2001-02 for Treasury Corporation. The transfers are predominantly interest and loan related rather than the purchase or provision of a chargeable service. Most of the Treasury Corporation's transfers relate to non-discretionary items.

Revenue Categories	Agency	Amount \$000	Explanation
Goods and Services Revenue	CHA	262	Management Fee from Treasury
Interest Revenue from	CHA	150 381	
	Construction	125	
	Fleet	137	
	Port	2 610	
	Housing	25 107	
	PowerWater	25 094	
	NTU	150	
	Local Govt	212	
		204 078	
Expenses Categories	Agency	Amount \$000	Explanation
Purchases of Goods and Services	DCIS	45	IT systems provided
	Education	12	
	NT Fleet	35	Lease of vehicle
	Treasury	126	Administration fee
		218	
Pay-roll Tax	CHA / Treasury	16	
Employer Superannuation Contribution	CHA / Super Office	30	
Provision for Income Tax Equivalent	CHA	9 782	

Similar amounts are expected for 2002-03.

Question 168:

How much of the agency's revenue can be attributed to inter-agency transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

Answer:

Agency revenue from inter-agency transfers in 2001-02 is \$204.078 m. Agency purchase of goods and services from inter-agency transfers in 2001-02 is \$218 000. Similar amounts are expected in 2002-03.

Question 171:

As part of the government's deficit reduction strategy, it was announced in the mini-budget that 'a budget improvement target of an average 4%' with the exception of 'the functions of hospitals, health and community services, schools, police and emergency services and custodial services which were expected to deliver a cut of 25% of the average level' was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have in 2001-02, how much did that amount to and was it achieved – in total and by output and activity?

What is the budget improvement target for the agency in 2002-03? What is the total amount and what

is it by activity and output?

Is the cash relating to the budget improvement cut included in the agency's budget and if so how is it treated in the 2001-02 and 2002-03 figures?

Answer:

Budget improvement measures were allocated at the whole of agency level. Agencies and ministers were responsible for determining how these measures would be achieved with an emphasis on efficiency improvements in back office functions. The corporation's budget improvement target in 2001-02 was \$90 000 (for the part year), and this was achieved.

Most of the corporation's budget is non-discretionary as it relates to the government's borrowing requirement and the servicing of debt. The budget improvement target has been applied to final consumption expenditure and savings have been achieved in personnel costs and reducing expenditure on Territory Bonds promotion interstate and related travel. However, this was done in such a way that it did not effect the investment in Territory Bonds, as evidenced by the fact that 2001-02 was a record year for investment in Territory Bonds.

The budget improvement target for 2002-03 is \$166 000 for the full year. The target will be achieved through the full year effects of measures taken in 2001-02 and are reflected in lower operating costs. No additional savings measures are required.

Question 176:

What has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

Answer:

Northern Territory Treasury Corporation has always used accrual accounting so no additional costs have been incurred.

Question 216:

What were the interest payments on Territory debt, by item, in 2000-01, 2001-02, and what are the estimated payments for 2002-03? What is the interest rate on each of these debt items?

Answer:

The question is quite unclear in that it is not known what is meant by the term 'debt item'. This is not a term or concept used in the Territory. However, it is assumed that the question relates to type or category of borrowing.

The total interest payments on Territory debt are as follows:

2000-01 Actual \$164.7m
2001-02 Actual \$165.0m
2002-03 Estimate \$165.7m

Interest payments broken up by the three main categories of Territory Bonds, payments to Commonwealth and Private Placements are shown in the attached table:

	2000-01	2001-02	2002-03
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Treasury Bonds (including Migration Bonds)	21 809 740	20 362 000	21 965 000
Commonwealth	18 824 804	14 472 000	13 820 000
Private Placements	124 111 961	130 134 201	129 871 000
	164 746 505	164 968 201	165 656 000
Weighted average cost of borrowing	8.4%	7.4%	7.5%

Question 1947:

What is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government and where does the cost or liability appear in the budget papers relating to the agency.

Answer:

I have already answered this question on behalf of all agencies, (refer Question 199, directed to Treasury).

Question 1948:

Detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid in 2001-02.

Answer:

Details of Territory taxes and fees paid by Treasury Corporation in 2001-02 and expected expenditure in 2002-03 are provided in the table below.

Tax Type	2001-02 Estimate \$000	2002-03 Budget \$000
Payroll Tax	15	16
Total	15	16

Note: The figure for state taxes does not include the Treasury Corporation's Tax Equivalent Regime Payment or the dividend paid to the Government as these items are not part of normal operating expenses.

Question 1949:

Excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation what does the agency actually have to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

Answer:

Treasury Corporation is a Government Business Division and therefore does not have outputs. Rather, Treasury Corporation operates on a single line of business. Treasury Corporation's 2002-03

estimate of operating expenses excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation is \$172.989m. Treasury Corporation's 2001-02 operating expenses excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation are estimated to be \$170.057m. These figures have been calculated using the figures published in the August 2002-03 Budget Papers.

It should be noted that the budget estimate, nett of these various amounts, has no real meaning. Agencies pay taxes and fees for competitive neutrality reasons and incur other cash and non-cash expenses on the same basis as any other service provider. These items need to be included to assess the full cost of business rather than a nett cost concept.

	2001-02 Estimate \$000	2002-03 Budget \$000
Total operating expenses	170 093	173 027
Less state taxes	-15	-16
Less repairs and maintenance		
Less depreciation	-21	-22
TOTAL	170 057	172 989 <i>Source: Northern Territory 2002-03 Budget Paper No. 3</i>

The figure for state taxes does not include the Treasury Corporation's Tax Equivalent Regime Payment or the dividend paid to the government as these items are not part of normal operating expenses. State taxes (for example, payroll tax) form part of the normal operating expenses of the corporation and are therefore included when determining the Operating Result Before Income Tax that is shown on the Statement of Financial Performance. The income tax equivalent is calculated on the basis of this operating result and is shown separately on both the Statement of Financial Performance and the Statement of Cash Flows.

For 2002-03 the estimated income tax equivalent expense for the corporation is \$9.782m. The equivalent figure for 2001-02 was \$7.368m.

A dividend is not an expense, but is instead a return to the owner on the amount invested in the enterprise. The estimated dividend for 2002-03 is \$8.598m, while the equivalent figure for 2001-02 was \$13.688m. Any payment by the corporation of either a Tax Equivalent Payment or a dividend will also be reflected as a reduction in the level of financial assets (and hence nett worth) on the Statement of Financial Position.

Question 1950:

Explain the difference in estimates of 'agency revenue' between 2001-02 and 2002-03 and what are the sources of that revenue?

Answer:

Treasury Corporation is a Government Business Division, and the term 'Agency Revenue' does not apply to Government Business Divisions. Government Business Divisions retain all operating revenue and do not receive appropriation.

Question 1952:

How many staff are employed by the minister in their Ministerial Office, including Alice Springs or any other centre. How many of these staff are paid for by the Department of the Chief Minister and how many are paid for by the minister's agency or department?

Answer:

Nil.

Question 1954:

Explain what the entry 'Expenses relating to prior year receipts means' (or in the case of some agencies 'Receipts relating to prior year expenses') means. Detail what the amounts listed against this entry are for both in 2002-02 and 2002-03.

Answer:

There is no such entry for the corporation.

Question 1956:

Provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget, detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms comparable with those used in the mini-budget translate to the figures using accrual accounting methods.

Answer:

The information presented for all Government Business Divisions in the 2002-03 Budget is directly comparable with that presented in the November mini-budget as GBDs budgets have been presented on an accrual basis since 1999-2000.

Question 1958:

Provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms comparable with those used in the mini-budget translate to figures using accrual accounting methods.

Answer:

Question 1958 is a duplicate of Question 1956. The answer has thus already been provided.

Question 1959:

Does the data published for your agency in the Budget Papers:

- i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the Budget Papers were compiled?
- ii) where there is any material difference is there any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences and the nature of that advice? and
- iii) and where there is a difference did the agency undertake to advise their minister prior to the Budget being delivered that these differences existed?

Answer:

- i) no.

ii) not applicable.

iii) not applicable.

Question 1960:

How many people are employed by the agency by output and activity? How many people are employed on a full-time basis, part-time, casual or contract. How many people were employed by the agency on 29 August 2001 on a full-time basis, part-time, casual and contract basis? How many were employed by the agency on a full-time, part-time casual or contract basis when the public service was restructured in November last year? How many were employed by the agency on a full-time, part-time, casual or contract basis for the last pay period in August.

Answer:

Information is not provided by 'Activity', as this term has no particular meaning under the new financial framework. Neither is information provided by output *per se*, as Treasury Corporation is a Government Business Division with a single line of business.

Staffing	29/08/01	29/08/02
	Full-time	Part-time Full-time Part-time
- Permanent a	9	6
- Temporary b	1	2
Casual		1
	10	18
Total	11	8

Notes:

a) Figure includes paid and unpaid inoperative staff (i.e. staff on extended paid leave or leave without pay).

b) Figure includes staff on Executive contracts and temporary contracts. The break down of staff on contracts (i.e. not permanently appointed) is categorised below:

Staffing	29/08/01	29/08/02
<i>Non-Permanent</i>		1
Executive Contract Officer	1	1
Other		
Total	1	2

Question 1961:

What was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

Answer:

Nil – any costs incurred are paid by Treasury. Costs would then be reflected in the administration fee paid to Treasury for the provision of corporate services to Treasury Corporation.

Question 1962:

Detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the minister's photograph and or message from the minister with an individual breakdown for print media, television, radio or brochure including direct mail:

- a) by the minister's office;
- b) by the minister's department or agency; and
- c) the minister's electorate office.

Answer:

Although not specified, the question is taken to mean expenditure in 2001-02.

I answered part (a) of the question during examination of the Department of the Chief Minister's budget.

In respect of part (b), the total spent by Treasury Corporation in 2001-02 on advertising, promotion, dissemination of policy issues and provision of information that includes the minister's photograph and/or message from the minister was:

Print Media: Nil

Brochure: \$3 680 – the Territory Bonds prospectus included a message from the Treasurer and a photograph accompanied the message.

Television: Nil

Radio: Nil

Part (c) of the question was to be answered by Madam Speaker with information provided by the Legislative Assembly.

Question 1963:

How much was spent on consulting services in 2001-02? Detail the individual contracts, i.e. who they were awarded to, at what cost and for what reason? How much is estimated to be spent on consulting services in 2002-03 and how much has been expended so far this financial year? Detail the individual contracts i.e. who they were awarded to, at what cost and for what reason?

Answer:

In 2001-02 Treasury Corporation spent \$24 091 on consultancy services. This is detailed in the following table:

Consultant	Cost	Purpose
Sungard Treasury Systems	2 599	Modification of the Quantum Treasury Management System
Brainware	79	Quantum GAS interface update
ITMS	21 511	System administration and maintenance

The estimated consulting costs for 2002-03 are \$24 091. To date, two consultancies have been undertaken, totalling \$6007 and are detailed in the table below:

Consultant	Cost	Purpose
ITMS	\$4813	System administration
Brainware	\$1194	Ongoing maintenance of interface between Quantum and GAS

Mr CHAIRMAN: That being the case, we can then proceed to output 01.01 Government Loans and Investments. There are two questions there from the member for Katherine, 217 and 240.

Government Loans and Investments

Mr REED: Question 217: Budget Paper No 3, page 299, the Territory will refinance \$289.9m of borrowings in 2002-03. In what year or years do the borrowings or borrowing mature and what interest applies to those borrowings or borrowing? What is the breakdown of borrowings for which these interest payments are made?

Ms MARTIN: I have to say, member for Katherine, the question is somewhat unclear. There is \$295.6m of maturing debt in 2002-03 of which \$289.9m will be refinanced in this financial year. I have a table of the summary of maturing debt in 2002-03 which I am happy to table.

Mr REED: I would be happy if that was noted, Mr Chairman.

Mr CHAIRMAN: Question 240, member for Katherine.

Mr REED: Question 240: (a) could the Treasurer explain why the operating surplus of NT Treasury Corporation came in \$9m less for 2001-02 than was anticipated at the time of the mini-budget in November?; (b) Budget Paper No 3, pages 58 to 59: will the Treasurer show us where the \$9.8m of 'income tax' and \$11.4m of dividends paid (\$7.4m and \$8.6m respectively in 2001-02) will show up as receipts in 2002-03, and explain to us how such payments contribute to sound budget management and outcome delivery in the Territory?; and (c) Could the Treasurer explain to us whether the doubling of cash and deposits held by the corporation from \$34m in 2001-02 to \$71m in 2002-03 is consistent with a well-planned and well-managed financing program?

Ms MARTIN: To answer (a) first, the change was primarily the result of a reduction in interest received from the Northern Territory of Australia due to the refinancing of debt at a lower interest rate. The weighted average interest rate on the total amount of debt between the Corporation and the Northern Territory of Australia declined almost 1% when \$228m of long standing debt with an interest rate of 12.5% matured and was replaced at an interest rate approximately 6%.

(b) the income tax and dividend payments by Treasury Corporation will be received by the Central Holding Authority within the line items Taxation Revenues and Royalty Rents and Dividends respectively. Government business divisions pay taxes and dividends for competitive neutrality reasons. These payments reflect the return from the business divisions to government, and it is on a comparable basis with non-government entities.

(c) the estimated increase in cash and deposits is related to the changed status of Northern Territory Treasury Corporation which became a government business division on 1 July 2001. Application of the GBD dividend policy means that Treasury Corporation will pay income tax equivalents to 30% of profit and 50% of after tax profit as a dividend to government. The balance of profit will be retained by Treasury Corporation. Previously, 100% of profit was paid as a dividend to government. This change in agency status and therefore treatment of dividends will result in a build up in balances for the Treasury Corporation. These cash holdings will be invested in accordance with approved guidelines and the return is expected to be within acceptable limits. However, GBD policy allows for special

dividends, thus this level of cash and deposits will be kept under review.

Mr DUNHAM: I have a supplementary as well.

Mr REED: I have, too. I just pick up on the first point there. With the refinancing of those loans, I take it, Treasurer, that this is being achieved on the same basis that it has been over the last few years whereby in fact I as Treasurer, embarked on it with refinancing the longer term, some of the longer and the highest cost debt in more favourable terms. I think the example you gave was 12% to 6%, and that sort of stuff.

Ms MARTIN: Yes, 12.5% to approximately 6%.

Mr REED: So it is a continuation of that process, is it?

Ms MARTIN: Yes it is, and I might just get further comments from yourself, as General Manager, John.

Mr MONTAGUE: General Manager. Yes, it was primarily due to the refinancing of \$228m worth of 12.5% coupon debt at a level of around about 6%.

Mr REED: Is there an overall aim here in terms of restructuring just long term and high interest rate debt, or are you focussing on medium term? What is the approach at the moment?

Ms MARTIN: I refer that to John.

Mr MONTAGUE: The position at the moment is that we look to maintain a diversified borrowing program, such that we borrow from a variety of maturities. The nature of our funding needs is longer dated, so we try to match that as much as we have done in previous years. So in most cases we are trying to borrow for terms of five years and in excess.

Mr REED: Could I get an explanation then of, and perhaps this might be best done in a response later, what the current debt profile looks like, and what it is going to look like when the current process that you are embarking on is complete? Could that be provided to me at some time so that I can get some idea of what the debt profile is and what it is intended to be?

Mr MONTAGUE: It certainly can be provided.

Mr REED: Thank you.

Mr DUNHAM: I am curious as to why this GBD pays 30% profit dividend and PowerWater pays 50%. Is there a reason for the anomalous treatment?

Ms MARTIN: I refer that to the Under Treasurer.

Ms PRINCE: The 30% relates to the income tax payment; the Northern Territory Treasury Corporation is part of the income tax equivalents arrangements. The dividend is 50% of profits.

Mr DUNHAM: Of the dividend, sorry, I misunderstood.

Ms PRINCE: There were two payments.

Mr WOOD: Mine will be short and sweet, I think. Question 84: Treasurer, in Budget Paper No 3, under the heading Royalty, Rents and Dividends, it says the dividends from the Northern Territory Treasury Corporation would drop by more than \$5m this financial year. Can the Treasurer explain the

drop and perhaps, when she does, she might explain, because I think it has something to do with mineral royalty revenues, how they were higher than were expected?

Ms MARTIN: As of 1 July 2001, the Northern Territory Treasury Corporation became a Government Business Division, a GBD, and therefore now makes a tax equivalent payment in addition to a dividend. As a GBD, it enters into the Territory's tax equivalents regime for competitive neutrality reasons, which require it to pay income tax equivalent payments. The amount of tax payable is based on the corporation's accounting profit, multiplied by the current company tax rate of 30%. GBDs are required to pay 50% of their after tax profit as a dividend as opposed to the previous practice of paying 100% of profit as a dividend. The tax equivalent payment offsets, in part, the reduction in dividend. The corporation's level of cash reserves will be kept under review.

Mr WOOD: Yes, I must admit I thought it might have had something to do with the drop in the royalties.

Ms MARTIN: No.

Mr CHAIRMAN: Are there further questions on this output area? There being no further questions on output 01.01, Government Loans and Investments, we have concluded our consideration of this output area. I do not believe there are any outstanding written questions and answers that need to be tabled. I call on the Secretary to explain the next set of output groups that we are going to deal with and where it all stands in the scheme of things, please.

Mr HANLEY: Thank you, Mr Chairman. Originally, under Minister Ah Kit, Output Group 04.00, Arts, Museums and Library Services sat. The Chief Minister will be answering questions on the Arts and Museums side. What I have done is extracted the questions from the 04.00 Output Group, and I have provided everyone with copies. They have all the questions in there from that output group. The Chief Minister will only be answering questions on Arts and Museums.

Mr CHAIRMAN: We have a change of personnel at the table with the Chief Minister. If we can take our seats, please, so we can proceed. Are we right, Chief Minister?

Ms MARTIN: I certainly am, thank you, Mr Chairman.

Arts, Museums and Library Services

Mr CHAIRMAN: The committee will now proceed to consider questions regarding Arts and Museums, specifically Output Group 04.00 which is within the Department of Community Development, Sport and Cultural Affairs budget responsibilities. The first group is 04.00 Arts, Museums and Library Services and there is a question there, No 24, from the member for Nelson.

Mr WOOD: Thank you, Mr Chairman. Can the Minister for Arts and Museums explain - and this was originally addressed to the Minister for Community Development - why he has the budget for Arts and Museums but not the portfolio responsibilities for these areas? Who has ultimate responsibility for the budget under this arrangement, and for policy?

Ms MARTIN: Ultimately, the responsibility for the Arts and Museums' budget and related policy lies with the Minister for Arts and Museums. Accountability and responsibility under the *Public Sector Employment and Management Act* and the *Financial Management Act*, however, is delegated to the chief executive of an agency. In this case ... Excuse me, I have not introduced my team. Here I am talking about them without naming them.

Mr CHAIRMAN: Sorry. That is remiss of me also.

Ms MARTIN: Here we have Chief Executive Officer of Community Development, Sport and Cultural Affairs, Mike Dillon, and Executive Director, Arts, Museums and Libraries, Sylvia Langford. I welcome both of them here. Apologies.

The accountability and responsibility under the *Public Sector Employment and Management Act* and the *Financial Management Act* is delegated to the chief executive of an agency, in this case, Mr Dillon. In this case, the chief executive of the department is the accountable officer who has administrative day-to-day responsibility for Arts and Museums and is responsible to me, as Minister for Arts and Museums, for the associated arts and museums budget and policy.

This is not an uncommon practice. For example, the Office of Ethnic Affairs is within the Department of the Chief Minister and yet it is administered by the Department of the Chief Minister on behalf of the Minister for Ethnic Affairs.

Mr WOOD: Yes.

Ms MARTIN: Have you got that one?

Mr WOOD: Yes. It is all right. I will read it when I am going to bed.

Mr CHAIRMAN: Are there any supplementaries in this output group? If there are no further questions that concludes our consideration of this output group.

Mr ELFERINK: Hang on! I have three questions on this ...

Mr CHAIRMAN: This is specifically on 04.00. So, we are moving just over the page now ...

Mr ELFERINK: Yes, I apologise, Mr Chairman.

Mr CHAIRMAN: That is all right. So, there are no questions tabled, so we will move straight on now to Output No 04.01, which is called Sector Support. You are the shadow here, member for Macdonnell, so you get first call.

Sector Support

Mr ELFERINK: I will start with a comment, Mr Chairman, that it is gratifying to see that Arts and Museums has received so much extra in the budget which had been difficult for other departments or divisions to achieve. I congratulate the government on deciding to spend so much extra in this area. However, it does raise a couple of questions, Mr Chairman. The first one, Chief Minister, is: what is being done to increase visitation numbers to the Northern Territory museums and art galleries? That is specifically question number 154.

Ms MARTIN: Yes, and I welcome it. Like many areas of government, Arts has received a substantial and real increase. Visitation numbers did increase to the Northern Territory museums and galleries in 2001-02. During that financial year the total overall visitation figure to the Museums and Art Galleries of the Northern Territory venues was 245 010 people. It exceeded the total for the previous year of 239 831. The following venues reported an increase in visitation numbers: Bullocky Point, Museum of Central Australia in Alice Springs, and the Central Australian Aviation Museum. This growth in participation is an excellent outcome, particularly for a year in which tourism figures across the Territory were affected by the tragic events in the United States.

To look more specifically, the growth was achieved particularly at MAGNT. Ongoing exit surveys and visitor evaluation studies were conducted to ensure programs are strategically implemented and are responsive to visitor needs. Education audiences at the Bullocky Point facility increased from 10 697 during the 2000-01 year to 11 186 in the last financial year. Programs to encourage direct participation and increase the museum's capacity to deliver programs and services to its visitors included 29 active volunteers working with the staff at MAGNT in 2001-02 in the delivery of tours, education and school holiday activities - which is a fantastic thing to see: 29 active volunteers. It really makes a difference for the capacity to deliver to those visiting. Also, the development of a five year

strategic marketing plan to ensure that the museum optimises promotional and marketing opportunities.

Just to look at the figures first, the Alice Springs Cultural Precinct showed an 11% increase in visitor numbers in the 2000-01 year of 37 193 to 41 336 for the last year. The reasons for that were the continuing presentation of a quality, varied exhibition program which attracts both locals and visitors and complemented by loyalty and membership schemes. You would have to say that the Namatjira Retrospective was a prime example of that, it was a superb exhibition. An expansion of the performing arts into children's theatre seasons has resulted in 1564 people attending the recent production of *The Big, Friendly Giant*; 1615 attending *Possum Magic*; and 920 attending the recent production of *Snuggle Pot and Cuddle Pie*.

The precinct has also acted and fostered strong links with Australian galleries, commercial hirers and major performing arts touring companies to attract quality, visual and performing arts programs into Central Australia. The number of commercial venue inquiries has increased by more than 60% and the precinct has an excellent reputation in the commercial market as a well-equipped professional venue. The recent allocation of a further \$250 000 in capital works to ensure the technical capacity of the Araluen Centre means it can continue to offer quality programs.

The precinct is planning to take greater advantage of its placement in Central Australia and to respond to visitor needs by repositioning itself as a centre of excellence in the display, research and collection of Western Desert art. The precinct continues to develop strategic partnerships with tourism organisations such as the NTTC and the Central Australian Tourism Industry Association to ensure that the precinct is promoted and accessible to the tourism market. In line with identified visitor needs, the precinct is currently developing projects and partnerships with Desert and Central Australian Aboriginal art centres to provide for an increased opportunity for visitors to experience, appreciate and understand indigenous art and culture.

Marketing resources are soon to be increased with the employment of an additional part-time marketing officer to promote the precinct in the local, national and international tourism market.

Through regular visitor surveys, the precinct canvasses visitor feedback in relation to facilities and programs and the data from these surveys is used for the ongoing refinement and development of the precinct to ensure increased visitation and client satisfaction. So, a good result.

Mr ELFERINK: A couple of quick supplementaries if I may, Mr Chairman. How many nights out of the year is Araluen actually booked out for use in terms of stage nights?

Ms MARTIN: I will refer that to Sylvia Langford.

Ms LANGFORD: Sylvia Langford, Executive Director, Arts, Museums and Library Services. I cannot give you an exact figure for the last financial year ...

Mr ELFERINK: Ballpark?

Ms LANGFORD: ...it varies from year to year depending on the product that is touring, that is available to us. It depends on the hires that we have, the straight hires which means where we have no entrepreneurial interest in the product that is being presented. The theatre is certainly used on a regular basis for film screenings every Sunday evening. Witchetty's, the community access space, is used regularly on a weekly basis by a number of community groups.

Mr ELFERINK: Minister, will you take that on notice for a breakdown of that at your departmental officers' convenience? Thank you.

The other question I had is in relation to Witchetty's or what was originally Witchetty's Restaurant. What is the status of that at the moment and what is the proposed future use of the Witchetty's

Restaurant in Alice Springs?

Ms MARTIN: I will refer that to Sylvia Langford.

Ms LANGFORD: As I am sure you are aware, the space has not operated as a restaurant for a number of years, probably since - off the top of my head - 1996 or 1995. It is a community access space. That means we are using it as a low cost access space for hire by local community groups.

Mr ELFERINK: And that is basically what is planned for it?

Ms LANGFORD: We plan to continue that, yes. It is exceptionally popular. It is used on a very regular basis for all manner of art forms.

Mr ELFERINK: As a veteran of laughing stock, I can agree that it has been used a fair bit. Question 164: in Budget Paper No 3, page 175 - provide a list of programs where the \$6.625m in public programs will be spent in 2002-03.

Ms MARTIN: That sum of \$6.625m has been allocated for public programs delivered by the Alice Springs Cultural Precinct, Museums and Art Galleries of the Northern Territory, the Northern Territory Library and Information Services as follows: The Alice Springs Cultural Precinct, \$2.115m; Museum and Art Galleries, \$3.839m; and NT Library and Information Services, \$671 000, which comes to the total of \$6.625m.

Mr ELFERINK: Are you in a position to table that one for my personal reference, or the Committee's reference?

Ms MARTIN: It is actually in Budget Paper No 3. We will table it. It does not matter.

Mr ELFERINK: Thank you. I have no further questions in relation to that other than question ...

Mr CHAIRMAN: That will be the next output. Now, there are a number of questions that remain here and it has been pointed out to me that question 510 from the member for Greatorex and question 710 from the member for Brennan will actually be dealt with by Minister Ah Kit. I am just relaying to you what I have been told. That leaves, working the hierarchy of things, the member for Nelson with question 122.

Mr WOOD: Minister, question 122: what funding is provided for the Darwin Entertainment Centre. How does that compare with last year, and is the funding ongoing?

Ms MARTIN: I am just finding it, member for Nelson.

Mr WOOD: It is probably in the Minister for Community Development's file.

Ms MARTIN: No, no, we have to be flexible. We will answer all these questions.

The Darwin Entertainment Centre, as you are all aware, is owned by the Darwin City Council and leased for a peppercorn rental to a company limited by guarantee, the Darwin Performing Arts Centre. DEC currently receives financial support from both council and government. The Territory's contribution through the arts sponsorship program is \$317 000 per annum, plus \$150 000 per annum for repairs and maintenance, a total of \$467 000. Asset management services are provided through the Department of Infrastructure, Planning and Environment. Under the triennial funding agreement, Territory funds are channelled through the council. The current triennial agreement expired on 30 June this year, and negotiations with council are near completion in relation to a new agreement. Within the Territory's contribution, \$25 000 has been previously earmarked for the Local Hirer's Subsidy Scheme, and \$60 000 for the Entrepreneurial Fund. Although negotiations are continuing

with council over the agreement, it is expected that the total level of government funding for 2002-03 to DEC will remain at \$467 000, and that asset management services will continue to be provided by DIPE.

Mr WOOD: How does that compare with last year?

Ms MARTIN: This year's funding has remained the same as last year.

Mr WOOD: You are not looking at raising it? There are going to be cost of living increases. There won't be any increase in funding?

Ms MARTIN: No, this year's funding for DEC has remained the same as last year. However, negotiations between the Territory and council include options to reallocate funding to increase the operational components in light of a reduced call on repairs and maintenance. Is the funding ongoing? Council has indicated the new agreement should be limited to one year, with an option for extension to three years. Initially, this was to allow for the potential development of a convention centre on the DEC site. We also allow for further consideration of levels of funding support.

Mr WOOD: My second question is 185: can the minister tell us what this financial year's budget allocation will be for the Darwin Symphony Orchestra, the Eisteddfod and *The Beat* and how do these allocations compare with last year.

Ms MARTIN: Are you going to declare a self interest?

Mr WOOD: No, I am not in any of those, that is why there is one left out.

Ms MARTIN: I thought you were in the Eisteddfod, weren't you?

Mr WOOD: No, not since 1971.

Ms MARTIN: In 2002, the DSO received a total allocation of \$150 000, comprising \$100 000 in operational funding and \$50 000 for project funding. Funding for 2001 was at the same level. Administrative and operational funding to major arts organisations is provided on a calendar year basis, and is subject to an application and negotiation process. Funding is negotiated with individual organisations and is conditional upon set performance targets and agreements.

In October 2002, round table meetings will be held with annually funded arts organisations, including the DSO, and organisations will be advised of funding decisions for 2003 by December. We are also continuing to lobby the Commonwealth government for funding for the orchestra. We are the only orchestra in Australia that does not get that, and the ACT - the territories are excluded.

As far as the Eisteddfod goes, the North Australia Eisteddfod Council Inc received \$15 000 funding support to assist with the presentation of this year's programs, and the Centralian Eisteddfod Council received \$7500 in funding support. The North Australia Eisteddfod Council also receives ongoing in-kind support through the provision of office accommodation and art space, which is 96a Winnellie Road, Winnellie. 2001 funding for both Eisteddfod Councils was at the same level as for 2002. Funding for the council is subject to a project application process, and the next ask for this year's project funding round closes on 15 October this year.

Following representation by Arts, Museums and Library Services to the Department of Education and Training earlier this year, the North Australia Eisteddfod will receive funding of \$5000 and the Centralian Eisteddfod Council \$1500 per annum commencing in the 2002-03 financial year.

What I would like to see hand in hand with that is a much greater participation from our schools in some of the wonderful opportunities that are presented through those Eisteddfod Councils, both for

North Australia and Centralian. *The Beat* is not funded through the Arts Sponsorship Program, that is DEET.

Mr WOOD: Just quickly, does the Eisteddfod have to pay for their office accommodation, or is it subsidised?

Ms MARTIN: No.

Mr WOOD: I thought that was a problem they had last year where they were having to pay out that amount of money.

Ms MARTIN: No, they do not pay - no rent.

Ms CARNEY: Chief Minister, I wonder if you would mind clarifying something I did not understand. What is the additional funding to the Central Australian Eisteddfod of \$1500?

Ms MARTIN: From DEET, an education component.

Ms CARNEY: It is from DEET. Okay, so it gets \$7500 plus ...

Ms MARTIN: Plus another \$1000, so it is up to \$9000.

Ms CARNEY: And the second part of my supplementary question is in respect of the \$7500. That is the same funding level as maintained last year?

Ms MARTIN: Yes.

Ms CARNEY: Thank you.

Ms MARTIN: That is an additional from Education, isn't it? Yes, new funding from Education.

Ms CARNEY: That is the \$1500? Thank you.

Mr CHAIRMAN: The next question is 534 for the member for Goyder.

Mr MALEY: Chief Minister, detail funding allocations in the 2002-03 budget for the development of an indigenous arts strategy?

Ms MARTIN: The research and development phase of the indigenous arts strategy is being undertaken initially within existing operational resources by department officers in consultation with stakeholders. Such consultation is critical to ensure that the policy development takes account of the aspirations of the indigenous arts sector. The sector and other related stakeholders will have the opportunity, therefore, to contribute to its development, a very important component.

For example, the initiative will be on the agenda of an indigenous economic development forum to be held in Alice Springs - as I talked about through the Department of the Chief Minister - late this year, in late November, and to which representatives of the indigenous arts sector will be invited.

We are keen to identify the most appropriate strategic interventions that complement rather than duplicate existing programs, especially those delivered by the Commonwealth government. One of the key aspects of indigenous arts strategy is how we work with those funding sources that come through ATSIC or through the Australia Council; how we work with our neighbours because when you are dealing with indigenous art it does not stop at the border. So, we are talking to Western Australia, South Australia and Queensland. On one level you have this over-arching indigenous strategy and

how we work with the other states, and then on a Territory level we will look at how we work more cooperatively with all those who are funding indigenous art right throughout the Territory.

Mr CHAIRMAN: Is there a supplementary there, is there?

Mr ELFERINK: On the tail-end of that one. I am curious, Chief Minister. There was some issues recently in relation to intellectual property rights and branding arts under some symbol, like indigenous names. I am wondering if that is being pursued by the department, and what stage that is at?

Ms MARTIN: It will be picked up in the strategy. All those issues which are quite naturally very critical to the ongoing sustainability of indigenous arts both, in the Territory and across Australia, will be part of that strategy. I do not know whether Sylvia has more to add.

Ms LANGFORD: We have certainly been working very, very closely with the sector and particularly, with the two representative bodies, Desert and ANCAA, to ensure that any resolution of the issues does reflect the needs and concerns ...

Mr ELFERINK: So they have not been resolved at this stage?

Ms LANGFORD: They haven't as yet. The Commonwealth program has not been successful. There was an attempt to implement a national program. That has not been successful. Certainly, the sector here in the Territory has advocated that any approach should be regionally based, and we have been supporting and working with them on that.

Ms CARNEY: Chief Minister, this was a question, as I said yesterday, redirected ...

Ms MARTIN: Sorry, which number?

Ms CARNEY: 601, my apologies. ... for the Tourism Minister. Question 601: what is the budgeted 2002-03 expenditure to fulfil the election promise to 'support the construction of indigenous cultural centres in Alice Springs and Tennant Creek'?

Ms MARTIN: Alice Springs first. Government will be considering submissions relating to the development of the Desert Knowledge Precinct in Alice Springs including a draft concept plan and negotiation of land required for the precinct development. The Desert Peoples Centre concept plan includes provision for a cultural centre. This plan is currently being reviewed by relevant government agencies to provide the required information to allow government to make an informed and strategic decision, and the complex negotiations continue with all relevant stakeholders. So, a strong commitment there, but at this stage there is a lot more negotiation to continue before we get anywhere near allocations.

For the Tennant Creek Cultural Centre, we have agreed in principle to provide funds of up to \$1.5m to Julalikari Council Aboriginal Corporation towards the completion of the cultural centre in Tennant Creek, and this funding has been set aside for this purpose in this year's budget. Discussions are continuing with Julalikari to ensure the best result for Tennant Creek relating to the disbursement of the funding. The work is continuing there, but a very exciting project.

Ms CARNEY: Yes. Could I ask a supplementary question? What sort of timeline do you expect of the Alice Springs cultural centre? You can be broad.

Ms MARTIN: The discussions are happening almost every week about how we move towards the Desert Peoples Centre and then the key component of that is the cultural centre. I can get you a briefing, keep you up to date.

Ms CARNEY: I may well seek one.

Ms MARTIN: The Minister for Central Australia, anytime you would care to pop across, would love talk to you about it.

Ms CARNEY: Always happy to see the Minister for Central Australia, Chief Minister.

Ms MARTIN: I know you are.

Ms CARNEY: May I ask another supplementary question? This question about the construction of indigenous cultural centres was referred to in a document published entitled *Labor Means Business – Tourism*. There are a number of promises made in this document. I am wondering whether you are able to advise me how the promise of the provision of cross-cultural education for tourist associations in the Northern Territory is going?

Ms MARTIN: You will have to refer that to the tourism minister.

Mr CHAIRMAN: All right, if there are no – member for Grotorex.

Dr LIM: I do have a question supplementary to 154: Minister, can you advise me whether the Road Transport Hall of Fame and the Old Ghan facility - are they part of Museums?

Ms MARTIN: No, they are not, but they do get funding through the regional programs.

Dr LIM: Regional program of?

Ms LANGFORD: They are eligible to apply for funding through the Regional Museum Grant Support Program.

Mr CHAIRMAN: That sparked a supplementary from the member for Macdonnell.

Mr ELFERINK: A very quick one. Minister, have you located or decided on the site for the cultural centre in Alice Springs at this stage?

Ms MARTIN: The Desert Peoples Centre, the land being discussed is - how do I describe where it is? - on the road to the airport near CSIRO. Is that good enough? Opposite Yirara College.

Mr ELFERINK: So it is the same one that under the former government was identified?

Ms MARTIN: Yes. Same one. It has all sprung from the Alice in 10 project, so claim credit for having put it in place.

Mr CHAIRMAN: Are there any further questions on this particular output group? There being no further questions that concludes consideration of this particular output area and no questions on the table. We will then move to output number 04.03, Public Programs. The member there is a question there from the member for Macdonnell, question 170.

Public Programs

Mr ELFERINK: A very quick one, Minister. Will the Portraits of Senior Territorians program be continued - and I will add an addendum to that question – at current funding levels?

Ms MARTIN: I think it is good. I thought last year it was terrific. There was some great art. The Portrait of a Senior Territorian Art Award is scheduled to be presented again this year in the Main Hall commencing 3 December 2002. A project officer has been appointed to manage this year's event.

The art award is managed by the Department of Community Development, Sport and Cultural Affairs through Arts NT on behalf of the Office for Senior Territorians. The Government House Foundation provides the acquisitive prize which currently stands at \$3000.

Mr ELFERINK: Are you going to be funding it to the same value as it has been?

Ms MARTIN: Yes, it is. So we have \$26 000 plus staffing for it.

Mr ELFERINK: Plus staffing?

Ms MARTIN: Yes.

Mr CHAIRMAN: Any other questions? There being no other questions on this output area, I close consideration. That closes all the areas at last that the Chief Minister has been involved with. At my count, Chief Minister, you spent nearly 14.5 hours here. I am told that some people did it standing on their head in the old days, but I would like to compliment you on your patience, perseverance and, from my perspective, your willingness to try to answer questions and be helpful to the Committee. There are a lot of questions on notice. For my part, anyway, I would like to thank you and all the officers who have supported you over the last 14.5 hours of pure joy. Thank you very much.

Mr BURKE: And when are you going to make me a minister?

Members interjecting.

Mr CHAIRMAN: Anyway, I could say I was about to join the Liberal Party, but I won't.

While the changeover is occurring, I would like the committee to meet briefly in the Ormiston Room, just so we can talk about a report here. I would not envisage it being any more than five minutes while people get settled at the table.

Committee suspended.

MINISTER STIRLING

Mr CHAIRMAN: We are now about to examine the Racing, Gaming and Licensing portfolio. On behalf of the committee, I welcome the Minister for Racing, Gaming and Licensing and invite you to introduce the officials accompanying you, and to make an opening statement if you so desire on behalf of Racing, Gaming and Licensing.

Gambling-related Grants.

Mr STIRLING: Thank you, Mr Chairman. I have with me Mr David Rice, Mr Andrew Smith and Ms Jennifer Prince. I am sure the member for Daly, as a former minister for Racing in the previous government, fully understands Racing, Gaming and Licensing and what it is about. I propose to go straight to the questions in output 06.00 Gambling-related Grants.

Mr BALDWIN: Thank you, Mr Chairman, and thank you, minister. These are very straightforward questions, by the way, Mr Chairman. I was just looking for some numbers against them.

Starting with question 993: how is the cost of \$250 000 to provide policy research and education arrived at, and what is the source of funding for research and education.

Mr STIRLING: Mr Chairman, the amount of \$250 000 is to be allocated from the Community Benefit Fund for gambling research, education and administration. An initial purpose for the funding will be to collate baseline data and analysis on the impacts of gambling activities in the Territory, and related studies. Over time, the research funding will be more closely aligned to amelioration programs. These funds also provide administrative and other support for the Community Benefit Fund committee.

Mr BURKE: A supplementary, Mr Chairman. There was a comprehensive survey done on the effects of gambling in the Northern Territory within the last five years. I imagine the government is of the mood that things have changed somewhat, and if so, why? Because I wonder why you need to do another study?

Ms STIRLING: In the time I was shadow minister for Racing, Gaming and Licensing, the member for Brennan was part of the committee that sought to introduce community gaming machines into the Northern Territory. One of the things that the committee was very strong on, in terms of recommendation, was to get a baseline study of the level of gambling and gaming in the Northern Territory so that we had a measure with the introduction of gaming machines, to move forward into the future to know exactly what their effect was on the community.

I sought, at various appropriation debates, Question Time, and indirectly with the minister of the day, to get a copy of the report. I understand it was Professor Jan McMillan who had been commissioned to do that report. To this day, I have not seen that report. I am advised that it was not worth a look, that it did not take us anywhere in terms of bench line studies. That is why it is necessary now, even though we have lost the opportunity some six, seven years after the introduction of community gaming machines to know what the bench line was seven years ago.

Mr BURKE: I find that hard to believe.

Mr STIRLING: You know full well.

Mr BURKE: If you have not even seen the report, how can you say it is not worth reading? Professor McMillan was employed at a great cost. She was employed for some period of time after the introduction of gaming machines, and you have not seen the report?

Mr STIRLING: If it was such a quality report, why wasn't it provided to parliament in the first place?

Mr BURKE: So you have never seen the report? Okay.

Mr STIRLING: Why wasn't it provided at Question Time? Why wasn't a copy given to me? I only asked for about three years!

Mr BURKE: You are the minister now and you have not seen the report? You have been in government 12 months ...

Members interjecting.

Mr CHAIRMAN: Order! The call was for the member for Daly and I think you were asking question 995.

Mr BALDWIN: Question 995: how is the gambling tax target of \$29.51m for 2002-03 calculated? How does that compare with 2001-02?

Mr STIRLING: The gambling tax target for 2002-03, \$29.51m, compared to actual receipts for 2001-02 of \$28.546m, represents a moderate growth rate of 3.4% from 2001-02 to 2002-03. The calculation of the targets detailed by a component path is in a chart. I am happy to table that and shoot that across to the member.

Mr BALDWIN: Thank you very much. I appreciate the table.

Mr CHAIRMAN: It is being tabled from this way minister, so thank you for that. While that is being tabled, can we move on please, member for Daly?

Mr BALDWIN: Question 997: what were the total tax receipts from gaming machines in the Northern Territory and provide detail? I am talking here about 2001-02. Hopefully, you have a listing, hotel by hotel, club by club, and the percentages?

Mr STIRLING: Mr Chairman, total tax receipts from gaming machines in the Northern Territory for 2001-02 were \$12.911m. Details by hotel, clubs, and casinos is as follows: community gaming machines – hotels, \$4.062m; clubs, \$8.159m; and casino-based gaming machines at Lasseters Casino \$0.690m and MGM Grand nil. The above amounts represent the tax received by the Territory from gaming machines. The Commonwealth also receives tax in the forms of goods and services tax and income tax where applicable.

Mr BALDWIN: Minister, is it possible to get a breakdown of hotels and clubs individually? Do you have a table like that, Syd?

Mr STIRLING: I understand it would not take a lot of work to get that information together. I do not have it, but we could get it to you.

Mr BALDWIN: Well, normally you would get it to monthly, I understand.

Mr STIRLING: We are prepared to get that information to you.

Mr BALDWIN: For the last month, just something we could use as a guide at this time. I will take that as a yes we will get that.

Question 999: what were the tax receipts from NT TAB in the 2001-02 period?

Mr STIRLING: Mr Chairman, it is a broad question. It is not exclusive in relation to receipts from which particular taxes because the NT TAB is subject to a range of taxes. Tax legislation generally provides the administering authority with broad information gathering powers, but it tempers these with strict secrecy provisions to prohibit the release of tax-specific information on a particular taxpayer unless the taxpayer consents to that release.

Similar secrecy provisions are generally contained in the tax provisions of the gambling legislation, although often a relevant operating agreement will provide consent for the release of tax-related information. Specific consent has been obtained from NT TAB to release information regarding the level of its gambling taxes paid to the Territory in 2001-02. Consent has not been obtained in relation to other taxes paid by NT TAB. So, in relation to gambling taxes, NT TAB is subject to wagering tax and bookmakers turnover tax. In 2001-02, the total wagering tax receipts were \$4.612m, and \$811 was received in bookmakers turnover tax.

Mr BALDWIN: I appreciate the confidentiality of parts of that question. Would you say, though, minister, that the returns you are getting - even the turnover tax, but certainly from the aggregated taxes - from the TAB now that it is privatised are in line with predictions at the time of the sale of that, and you would be aware of what they were given that you had all the briefings at the time. In other words ...

Mr STIRLING: Well, I may have been aware then. I do not have a picture in my mind if that is what was predicted or not, so I cannot answer your question.

Mr BALDWIN: Is it a healthy return, is what I am saying? Is it performing to expectations? Are you happy with its performance and its return to the ...

Mr STIRLING: I am told it is performing to expectations.

Mr BALDWIN: Very good. Question 1001: what are the estimated tax receipts from the two Territory-based casinos for 2001-02, individually if you can, and there may be some confidentiality here, too, although there shouldn't be.

Mr STIRLING: Again, Mr Chairman, it is broad. It is not explicit in relation to receipts from which particular taxes. The casinos, like the TAB, are subject to a range of Territory taxes and, again, the legislation generally provides the administering authority with broad information-gathering powers but at the same time it tempers those with strict secrecy provisions generally also contained in the tax provisions of the gambling legislation.

Specific consent is contained in the casino operating agreements to release information regarding the casino taxes, but consent has not been obtained in relation to other taxes paid by the casinos. The actual casino tax receipts for the two Territory based casinos for 2001-02 are: MGM Grand \$0.141m, that includes unclaimed prizes; Lasseters Casino, the land based casino, \$0.701m including unclaimed prizes; Lasseters Casino, the Internet, \$0.842m; a total of \$1.684m. You would understand that unclaimed prizes are prizes which have been won but not picked up by the public.

Mr BALDWIN: You might, just for the sake of *Hansard*, explain what other taxes are, the ones you cannot talk about. I do not want the figure, just the explanation.

Mr STIRLING: Payroll tax, stamp duties.

Mr BALDWIN: All of the other corporate taxes.

Question 1002: How much is allocated for the regulation and management of kava in the Territory in this current budget period 2002-03?

Mr STIRLING: For 2002-03, \$18 000 has been specifically allocated for the implementation of the Kava Management Plan and the amount of \$18 000 is the estimated cost to carry out six inspections in the Arnhem region in 2002-03. Other kava regulatory costs have been absorbed in the overall appropriations for the Gambling, Liquor and Other Regulation output.

Mr BALDWIN: How is that going, generally, the whole system of licensing of kava in terms of the retail, the wholesale and the license absorption into the communities. Are there any hitches?

Mr STIRLING: There are mixed reports. I think at places like Waruwi at Goulburn Island, you have a nice, enclosed market. It is pretty good. It is running as you would expect under the legislation. We still have a black market problems through the Laynhapuy Homelands in particular, generally based in and around Nhulunbuy and Yirrkala. I never thought that just because we regulate everything and license it that you are going to do away with that overnight. There are still elements of the kava using community who have those relationships with those suppliers and continue to use them.

Mr BALDWIN: In terms of the black market, minister, I did not expect it to disappear overnight either, but what is happening in terms of it and getting on top of it from a licensing point of view which you have the portfolio for, and also police?

Mr STIRLING: I have amounts, vehicles and seizures here on a table. I am happy to table that.

Mr BALDWIN: I wouldn't mind. Is the black market generally dwindling, or growing, in your estimation?

Mr STIRLING: It depends where you draw it from, but I would think dwindling over the last 12-18 months since we moved to have it in place. You know, you could draw a point perhaps five years ago when it was just absolutely and totally out of control, the number of suppliers in the market, because they had the whole market, obviously. Now that we have regulation and licensing in there, they should have 100% of the market. I don't know in percentage terms what it would be, but certainly police take a serious attitude to it. I certainly encourage them to, and I think it gets tougher all the time.

Mr BALDWIN: Just on the price which will have a big result on what happens in the black market, the retail price of kava compared to the black market price, if you know it - I mean, the idea of the licensing was that we would not only get regulation into it, but hopefully some price stabilisation as well. Does the retail price of bags of kava in those licensed communities come in cheaper than what you can get it on the black market, or is there now a competition going on?

Mr STIRLING: I am not out there buying it myself, so I don't know, but certainly there was a large measure of exploitation in the price paid on the black market before, and often with kava that was significantly weakened with other products that they thought they could mix with it and get away with. I would have thought that those extravagant profits that they were making from highly exploitative prices would be a thing of that past, that they would have to meet or get very close to the regulated price. Again, that would be a reason that the profits get thinner but the penalties are severe, that eventually will get on top of it.

Mr BALDWIN: And the return to the communities in terms of revenue from the now regulated sale of kava?

Mr STIRLING: We do not have details but we can get it.

Mr BALDWIN: Yes, I wouldn't mind some explanation of the revenues that are coming back to the wholesaler and the retailers.

Dr LIM: Is any of the of the revenue from the kava regulation directed into community education programs and awareness programs?

Mr STIRLING: Yes, there is a proportion of it to be allocated for health and education programs through Territory Health Services. It is still being worked through with Territory Health Services at the moment.

Dr LIM: Well, actually there is no program at the moment since the regulation of kava so far?

Mr STIRLING: No, it is still being worked through.

Mr BALDWIN: Last question in this area. Question 1005: how many applications for liquor licences were successful during the year 2001-02? How many applications for a liquor licence were not successful during that same period?

Mr STIRLING: Mr Chairman, during 2001-02, 10 applications were approved for the grant of liquor licences; two applications were unsuccessful. For the same period, 833 special liquor licences were issued and three were rejected.

Mr BALDWIN: Do you have a breakdown of the approved, I do not need the non-approved.

Mr STIRLING: I do and it can be tabled.

Mr BALDWIN: Ready to be tabled. Very good.

Dr LIM: Let me ask, Mr Chairman, are the ones declined for take-away licences or on premises?

Mr STIRLING: Certainly one was a take-away. One is in abeyance, so it is not completely rejected at this time. The other one was a social club.

Mr BALDWIN: One supplementary, if I may, Mr Chairman. It just seemed that since you have the Director of Licensing sitting beside you, and the Commissioner of Taxes, we might be able to clear up that little question I had earlier during Treasury about the unserviced roadside inns and the number of 15 as against what is on the website. I know you were going to get me the answer but I just thought seeing that the Director of Licensing was here.

Mr STIRLING: Going back into a closed chapter, I would have thought, Mr Chairman, is inappropriate.

Mr CHAIRMAN: Yes. The member for Daly is aware that it was undertaken during the Treasurer's time here to supply you those figures. I honestly think you should be content with that.

Mr BALDWIN: Well, I might just comment on that, Mr Chairman. The question was about a subsidy which belongs in Treasury, and I am happy that that stays closed now that we have done it. But this was a question of a technical nature about the number of roadside inns that are unserviced, which belongs, rightfully, in Licensing. Here we have the Racing, Gaming and Licensing Treasury web page, and I just thought to save the Commissioner of Taxes some work, the Director of Licensing might be able to answer the question. But I am happy to wait if that is the view. It is just that the officers are here, it would have saved some work for the officers.

Mr CHAIRMAN: Someone is probably already beavering away doing it, member for Daly.

Mr BALDWIN: That might be your opinion, Mr Chairman, but I thought I would ask because the man himself is here.

Mr Kiely: You cannot go back when a thing has been closed.

Mr BALDWIN: I am not going back, I am not going back.

Mr CHAIRMAN: I take it that is the minister's reply, so if there are no other questions in this particular output, which was Output 06.00, Gambling-related Grants, I close off. This concludes the consideration of this output group.

We will move into the Department of Employment, Education and Training, which will need a bit of a team change. I thank staff from Racing and Gaming for coming along. If we could have a change over, and the member for Blain has to sit in the shadow's position. If people could take their seats, please.

DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING

Mr CHAIRMAN: Could everyone take their seat please. We will make a start.

We are now examining the Department of Employment, Education and Training portfolio units. I welcome the Minister for Employment, Education and Training and I invite him to introduce the officials accompanying him and, if he desires, to make an opening statement on behalf of the Department of Employment, Education and Training.

Mr STIRLING: Thank you, Mr Chairman. I have Mr Trevor Saunders, Mr Ken Simpson on my right, Mr Peter Plummer, Ms Jennifer Prince and Ms Jodie Kirkman.

Involves More Than One Output Group

Mr CHAIRMAN: Thank you. The way it works is that the shadow minister has the first call and then it goes on questions, written questions, and then it goes to written questions from committee members and other MLAs. So, it is over to you, member for Blain.

Mr MILLS: Thank you, Mr Chairman. I am happy for Mr Wood to have his first question and the second question that ...

Mr Wood: Three.

Mr MILLS: No, but the second question that you will be asking, I have a similar question. So I am happy for you to start.

Mr WOOD: Okay, Mr Chairman?

Mr CHAIRMAN: I am a stickler for order. I do not want us to descend into chaos. But you are telling me you think this will expedite the process?

Mr STIRLING: It will for me, Mr Chairman, because I have those first.

Mr CHAIRMAN: All right.

Mr WOOD: Thank you, Mr Chairman. Question 101: Budget Paper No 4, page 15, says that the Education Department will spend \$3.7m to fit out five floors of the new Mitchell Centre to enable it to relocate in one building. Where are the staff located now? How will taxpayers benefit from this expenditure? How many times has the Department of Education moved in the past decade? How much was spent on office refits for the department during the last financial year?

Mr STIRLING: Mr Chairman, the head office staff are located now at ANZ Building, Tamar House, AXA Building, Callum House, Minerals House, Darwin Central, Harbour View Plaza, Ludmilla Primary and Wulagi Primary School. After the Mitchell Centre is completed, head office staff will be located at Harbour View Plaza, Wulagi Primary, Mitchell Centre and Minerals House.

In terms of how the taxpayers will benefit directly and indirectly, the Mitchell Centre will improve the effectiveness of the delivery of employment, education and training services to the public. The current location of head office staff of DEET will improve coordination and delivery of employment, education and training services to the public. There will be more effective communication with the public as most Darwin-based employment, education and training support services can be accessed from one location. It will allow for some services and their associated inputs to be rationalised. For example, the time, cost, distance, travel for staff attending inter-divisional meetings also has a significant impact on the cost of delivering services. The location of staff in one building will rationalise this arrangement with savings from the co-location, and the ability to be distributed to schools.

It will provide employment and supply of the duties that people and business involved in the construction and allied industries and it will encourage the owners of inner city buildings that are older and less attractive as office accommodation to upgrade and refurbish. That will add valuable inputs to the Territory economy and ensure that the inner city remains attractive to visitors.

How many times has the department moved in the past decade? Precise details are not recorded. For many years, the agency has been accommodated in several inner city buildings and some urban schools with the movement of staff between these buildings rather than to new buildings. The buildings leased are since the early 1980s: Tamar House, the ANZ Building formerly Westpac Building, and, since the early 1990s, Callum House and the AXA Building. I expect the location of all DEET office staff in the Mitchell Centre will overcome problems moving staff from one building to another and generally improve office accommodation for DEET employees and the public accessing

these facilities.

How much was spent on office refits for the department in the last financial year? \$23 000 was spent on office partitioning and refurbishments during the 2001-02 financial year. It relates to the refurbishment of the ANZ Building, for painting and partitions and other minor work. The office plans for the Mitchell Centre will involve an open office layout that will minimise expenditure on offices and expensive changes to services like airconditioning, information technology and lighting.

Mr WOOD: Can I ask a quick supplementary to it? Does refits include changes like telephone and computer connections? Is that part of a refit?

Mr STIRLING: I am told that information technology funding and fitouts would be in the IT component of the budget, not in this.

Mr WOOD: If it was possible, could I get a figure on the refit regarding IT and change of telephones, as of last financial year? I do not need it now, but just some idea what that costs.

Mr STIRLING: I am told we can get that information.

Mr MILLS: The next question, to avoid duplication, is very similar to Mr Wood's second question. So that you can find it, minister, it is question 379. It is very similar to question 145.

Mr CHAIRMAN: Whereabouts is that?

Dr LIM: Page 4 of 10.

Mr CHAIRMAN: Thank you, member for Greatorex.

Mr MILLS: If you do not mind, I will ask the next question as question 379, and perhaps Mr Wood can run up with supplementaries connected to that?

Mr WOOD: I can add mine after you.

Mr MILLS: Certainly. They seem to be parallel questions. The question is related to Commonwealth funding. What is the increase in the level of Commonwealth recurrent grants to government schools in the Territory for 2002-03? What is the increase in the level of Commonwealth recurrent grants to non-government schools in the Territory for 2002-03?

Mr STIRLING: In 2001-02, the Northern Territory received Commonwealth general recurrent funding of \$16.414m for government schools. In 2002-03, the anticipated amount is \$17.519m. It represents an increase of \$1.105m.

In 2001-02, non-government schools in the NT received \$30.303m of Commonwealth general recurrent funding. In 2002-03, it is anticipated the amount will be \$31.688m. It represents an increase of \$1.385m.

I have a response in similar fashion for the member for Nelson, on Commonwealth funding and I will table those if you want it.

Mr WOOD: I have a supplementary.

Mr MILLS: Go with the supplementary.

Mr CHAIRMAN: Before we proceed, in terms of tabling the documents, who is holding them there?

Oh, over there. Okay. Just so we know, so we can get hold of them. Thanks very much. It has been tabled, Terry.

Mr WOOD: There are a couple of parts of question 145. One was how much has the Territory government provided? The other one was: if there is an increase, does it include the maintenance funding transferred from DIPE to Education Department? What is the appropriation per student for government and non-government schools?

Mr STIRLING: I might deal with the full question: how much does the Commonwealth provide in funding for primary and secondary education for this financial year? The Commonwealth government will provide \$83.51m for primary and secondary education in 2002-03. It includes \$49.327m for government schools, and \$34.183m for non-government schools.

How much has the Territory government provided? The NT government will provide \$388.426m for primary and secondary education in 2002-03. This includes government primary, including preschool, of \$236.73m; government secondary, \$119.203m; government international - \$0.989m; and non-government primary and secondary, \$31.424m. The comparative figure for 2001-02 is \$353.248m. It includes government primary including preschool, \$211.75m; government secondary, \$107.738m; government international, \$0.989m; non-government primary and secondary, \$32.764m; an increase of \$35.178m in funding for 2002-03 made up of a decrease of \$1.34m to the non-government school sector and an increase of \$36.518m for the government school sector.

The decrease for the non-government school sector is attributable to the timing of capital subsidy payments and the distribution of indirect costs. The increase to the government school sector relates to the budget for repairs and maintenance of \$18.75m being included in the DEET budget for the first time. It was previously recorded in the Department of Infrastructure, Planning and Environment budget. The other increases/decreases valued at \$16.428m include funding for 100 additional teachers, baseline funding adjustments, provision for general wage and consumer price index increases, truancy officers and budget improvement measures.

The cost per student for government and non-government students including indirect costs are provided in Budget Paper No. 3 at pages 63 to 74.

Mr MILLS: Just a supplementary. On page 68 of Budget Paper No 3 it indicates the average cost for educating students and lists a primary student at a government school \$10 488, secondary at \$13 000, non-government, \$7820 and secondary in a non-government school, \$7369. I am interested to know how this figure is arrived at, particularly for government schools, and, secondly, is the same measure used to derive that figure for government as for non-government?

Mr STIRLING: I am advised it is a pretty complicated formula; it is not the sort of stuff that we are going to sit here and deliver verbally. If it was such an important question, it should have been put in writing three weeks ago. I do not propose to go into it.

Mr MILLS: Can I have that information provided at a later stage?

Mr STIRLING: If you bother to write, yes.

Mr MILLS: I presume it is already on *Hansard* now. It would be in writing.

Mr BALDWIN: Will you give it if we put it on notice? That is the system.

Mr STIRLING: You can put questions on notice any time.

Mr MILLS: The question, I presume, will be on notice now.

Mr BALDWIN: We are asking for an undertaking, Mr Chairman, that if it is on notice, will we get a answer?

Mr CHAIRMAN: It is up to the minister to declare whether he is taking it on notice.

Mr STIRLING: I am not taking it on notice, Mr Chairman. If it is such a vital question, there were 27 days from the day that the budget was announced in parliament until we got to the Estimates Committee yesterday in time for members to prepare their questions and put them in writing. If it is such a vital question now, it can be put in writing and submitted in the normal process, and it will get an answer.

Mr MILLS: So I take it that is a no; you will not cooperate in this regard?

Mr WOOD: Supplementary, Mr Chairman.

Mr BURKE: Before we move on – no, what we are seeing, Mr Chairman, from the minister is a refusal to cooperate with the process that was decided by parliament in that a supplementary question from the floor could be then taken by the Secretary and turned into a written question for the minister to respond to.

Mr CHAIRMAN: Let's go to the rules and have a look at what they say.

Mr BURKE: He has refused to accept that procedure. Don't you know them by now? You have been sitting there for a while.

Mr CHAIRMAN: I will just ignore that. You are trying to bait me, member for Brennan. I am just trying to see what the rules do say. Could you give me assistance here, Terry, please. It says here, 4.10.1: *With the minister's or Speaker's agreement, supplementary questions unable to be answered at hearings may be taken on notice and subsequently answered in writing.* From what I am reading of the rules here, it is the minister's call whether he takes that on notice or not. The minister has indicated he does not want to take it on notice, member for Brennan. Now, you can make and do with that ...

Mr BURKE: I am asking you what your ruling is, Mr Chairman.

Mr CHAIRMAN: I am ruling according to the rules, which say, 'with the minister's agreement'. The minister has not agreed to take it on notice, so it is not on notice.

Mr WOOD: Can you bear with me one minute, Mr Chairman. Are you reading from section F – A question is taken on notice at hearings ...

Mr CHAIRMAN: Yes, 4.10.

Mr WOOD: 4.10, I am not sure if I am reading the same document.

Mr CHAIRMAN: It was part of the information, member, that was distributed.

Mr WOOD: Yes, I have that. They relate to the standing orders for this ...

Mr CHAIRMAN: Well, it has been distributed to members.

Mr WOOD: Yes, under section F, questions taken on notice at hearings and additional information ...

Mr CHAIRMAN: Whereabouts are we looking now?

Mr WOOD: Under the standing orders.

A member: It is a resolution of the parliament.

Mr WOOD: Yes, it is a resolution of the parliament. Section 31 says: 'The minister or speaker may advise the Estimates Committees that an answer to a question or part of a question will be provided later to the committee'. Section 32: 'A minister will speak and may also give the committee additional information about an answer given by them or on their behalf'. Section 33: 'The additional information or answer is to be written and given by a time decided by the committee and may be included in a volume of additional information to be laid on the Table of the Assembly.

Mr CHAIRMAN: I think the operative word there, member for Nelson, is 'may'. I have read from the manual that was distributed to all members, and it seems to me quite clear there that it is at the discretion of the minister. If you want to dissent from my ruling, you are quite free to do so, and we will take it to the Speaker.

Mr BALDWIN: Mr Chairman, just to clarify this because it may come up again, the Chief Minister has taken all of those sorts of questions on notice, they have been written down by the secretary of the committee ...

Mr CHAIRMAN: No, just to be clear about this, member for Daly, she did not take all questions. There were a number here, and I do not have the *Hansard* in front of me, but there were a number that she declined to take on notice.

Mr BALDWIN: But generally speaking, the ones that were ...

Mr CHAIRMAN: Well, generally speaking, but I don't think you can say all.

Mr BALDWIN: Where we sought additional information, they were taken on notice.

Mr CHAIRMAN: The minister has made his call. I have made my ruling on it. If you want to take it further, well, if you disagree with me, I would like to proceed, but if you disagree with me you can take it to the Speaker. That is the avenue that you have.

Mr BALDWIN: Can I just raise one more point with you, and that is the resolution that we debated in parliament, Mr Chairman, and that said that written questions 'may' be submitted to the committee. It did not say 'have' to be. If the minister is refusing to answer a question because there is something to hide, I could understand that. But if there is nothing to hide, why wouldn't you just put it to the Secretary to have it answered on notice?

Mr CHAIRMAN: I have made my ruling. If a member, or members, want to dissent from that, we will take it to the Speaker. But the minister has made it plain he does not want to take that question on notice.

Mr BALDWIN: He does not want to answer, that is how plain it is.

Mr MILLS: Mr Chairman, I accept your ruling. I accept that the spirit in which this was declined for further information to be given, was mean-spirited, because this is a question that I think that is quite in order, and a question that could be carried on, and the answer provided in due time. I do not require it right now, and it is a question that the non-government sector would be very interested in hearing has been declined.

Mr WOOD: Can I ask a supplementary?

Mr CHAIRMAN: Of course you can.

Mr WOOD: Just a point of explanation, minister. You gave a figure of \$388.62m was how much the Territory government provided. Am I right in saying a large percentage of that is still Commonwealth money? And the other \$83.51m that was mentioned before is a sort of direct allocation? Is that all from the Territory's coffers, that \$388m?

Mr STIRLING: Most of that comes through the normal Grants Commission process through from the Commonwealth.

Mr WOOD: Would it be possible to find out what that breakdown is later. I am not saying now, but how much of that money comes from the Commonwealth, because the question was really to see how much comes out of our own coffers to Education.

Mr STIRLING: You have the answer to that.

Mr WOOD: The \$388m, yes, but it comes from the Commonwealth grants.

Mr STIRLING: Mmm. So does the ...

Mr WOOD: I know. I have heard that argument many times. The local government does the same thing too. All right, I will find another way.

My supplementary question - and the reason there is supplementary, minister, is because when I received this information it was after the time for written question. It relates to a possible proposed Catholic secondary school at Palmerston. I have a note here that says the Catholic Education Office applied for funding in December 1988. No response at that time from the government.

Mr STIRLING: 1998.

Mr WOOD: 1998, sorry. There was a full planning brief submitted in the lead-up to this budget at the request of NT DEET. Land has been secured at Lambrick Avenue but subject to native title claim. What is the status of that school?

Mr STIRLING: A figure of \$10m was not approved at Budget Cabinet earlier this year.

Mr WOOD: But was that for government or non-government?

Mr STIRLING: Non-government.

Mr WOOD: Even here it says 'secondary government high school'. So we have been misinformed, misled.

Mr STIRLING: It is the same amount. There was the Catholic that was knocked back.

Mr WOOD: So there is funding for this school in this budget?

Mr STIRLING: No. It was knocked back at Budget Cabinet. Did not get up.

Mr WOOD: Thank you. So what is the future status?

Mr STIRLING: They would have to come back into the bidding process again.

Mr WOOD: Okay. So there is nothing in this year for that school?

Mr STIRLING: No.

Mr CHAIRMAN: Member for Blain, are you taking up the threads of your question now?

Mr WOOD: I have one more question ...

Mr MILLS: If I can get these ones out of the way because I think they follow in the sequence over there.

Mr WOOD: Can I just get this out of the way? Question 223, minister, in Budget Paper No 3, page 279, under the heading 'Specific Purpose Grants', the figures show that the total current and capital grants to government schools is almost \$22m, but to non-government schools, the total is \$34m. Can the Treasurer explain that difference and how it affects the education budget formation process?

Mr STIRLING: The minister will explain that difference, Mr Chairman. The amounts detailed in Budget Paper No 3 for specific purpose payments from the Commonwealth are: government schools, capital and recurrent \$17.519m; government schools, capital \$4.32m; non-government schools, recurrent and targeted programs \$33.308m; non-government schools, capital \$0.875m.

Under the *State's Grants (Primary and Secondary Education Assistance) Act 2000*, supplementary funding for general recurrent and capital grants are provided to states and territories to assist in the achievement of specific objectives agreed by Commonwealth and state ministers. The funding is supplementary to that received by the Northern Territory via the Grants Commission process and other specific purpose payment arrangements, like the Indigenous Education Strategic Initiatives Program (IESIP), and targeted programs. In the 2002-03 financial year, IESIP and targeted programs are expected to be \$20.21m and \$7.278m respectively.

The general recurrent and capital grants provided to the non-government schools sector represent the total funding for the sector from the Commonwealth. To provide a reasonable comparison, you would need to take account of this. Generally, non-government schools in the Territory receive about 60% of their direct recurrent from the Commonwealth; 20% from the Northern Territory; and about 20%, the balance, is provided by fees and sponsorship obtained by the non-government school. In comparison, government schools are predominantly funded by government as self-raised funds hold a minor place in the delivery of educational programs.

Programs sponsored by specific purpose payments are factored into the budget in the same manner as programs funded by the Territory. They present few administrative problems, although specific purpose payments are sometimes used to promote a Commonwealth agenda that may not be congruent with that of the Territory. They are also used as seed funding for programs, and the Territory needs to be mindful of this when agreeing to a specific purpose payment arrangement. The withdrawal of a specific purpose payment can leave the Territory in the difficult position of having to withdraw from the program or itself provide the additional resources to keep it running, if it remains a relevant program, particularly where you have built up community expectation around the program that the Commonwealth thought was a good idea, funds it for three years, walks away, and the Territory is left with the bill.

Mr WOOD: One supplementary, probably related again to the other question. Does the Commonwealth give specific capital works money to schools, and is it split up into government and non-government?

Mr STIRLING: Those are those figures I gave you in Budget Paper No 3, specific purpose payments from the Commonwealth. You have government, capital and recurrent, government capital, non-government recurrent and targeted, non-government capital. That is those figures.

Mr WOOD: Does the non-government sector decide where its capital funding will go? In other words - all I am trying to get at, and I will claim ignorance here - if they wanted to build a secondary school and there is capital works money from the Commonwealth or from yourselves allocated to non-government sector, who decides whether, for instance, this school at Palmerston can be built or not?

Mr STIRLING: I will ask Mr Saunders, because he is right on top of this.

Mr SAUNDERS: The money that is provided by the Commonwealth direct to non-government sector is managed by a block grant authority, which is the non-government sector that manages that authority. They decide where the Commonwealth grant money goes as capital. In relation to capital works monies provided by the Northern Territory government, that is decided by Cabinet.

Mr WOOD: That is the \$388m? Out of that, they decide where any capital funding goes?

Mr SAUNDERS: That \$388m is not all capital, it is recurrent and capital.

Mr WOOD: No, but out of that block of funds?

Mr SAUNDERS: That is right.

Mr WOOD: So in this case, they would have asked for funding out of that, to build this school, and it would have been rejected. Is that correct?

Mr SAUNDERS: Yes.

Mr WOOD: Is there any reason why it was rejected?

Mr BALDWIN: Cabinet did not approve.

Mr WOOD: So it is a Cabinet decision?

Dr LIM: It is up to the minister to respond, but the minister is not responding.

Mr CHAIRMAN: Can we hold on a second. I should have instructed the witnesses that, for *Hansard* purposes if you could just advise us of your name and your position. I know it is a bit repetitive, but it helps the *Hansard* staff attribute what you say. Also, to remind everybody that the questions are really directed through the minister, who then has the call on whether the officers will answer it or whether he will answer it.

Mr WOOD: Well, that is my final question, Mr Chairman.

Mr CHAIRMAN: Could you just repeat it?

Mr WOOD: I just asked the minister: did Cabinet basically reject that application for funding for this school, in the last financial year, or this financial year?

Mr STIRLING: Cabinet makes decisions on a whole lot of priorities before it. It was not simply a case of rejecting things out of hand. I cannot go into all the reasons of Cabinet ...

Mr WOOD: It is all right, I am not asking for detail.

Mr STIRLING: ... but it was a Cabinet decision, based on the priorities it had before it.

Mr WOOD: That is okay, thank you.

Mr CHAIRMAN: Over to the member for Blain. He has a whole series of questions, starting somewhere around ...

Mr MILLS: Question 258.

Mr CHAIRMAN: Question 258.

Dr LIM: Mr Chairman, may I just ask a question, I am a little confused here. There seems to be a swathe of questions that were given unique identifiers: 224, 231, 237, 239, 242, 244, and 358. They all seem to be missing, not there.

Mr HANLEY: They are here. Once we have finished Education, we will give you those. So they can slot in like that.

Dr LIM: All right.

Mr MILLS: Before going on, if I may, minister? With regards to the question that I asked seeking further clarification based on the figures on page 68 of Budget Paper No 3, it is clarification, and I know it may have been fairly detailed and I am prepared to wait, but can you please give an indication as to why you would withhold that?

Mr CHAIRMAN: I think I have probably given a ruling ...

Mr MILLS: No, I just need to have an understanding of it.

Mr STIRLING: It is a complicated process. We are happy to invite you up to a briefing. It is probably about a 20 to 25 minute explanation, to go through it ...

Mr MILLS: I understand that.

Mr STIRLING: I don't pretend to understand it all myself. I welcome you to a briefing.

Mr MILLS: I am more than happy with that.

Mr STIRLING: If you ring my office, ask us for a briefing, I will have officials there to take you through it.

Mr WOOD: Would I be able to come to that, minister?

Mr STIRLING: Absolutely.

Mr WOOD: Thank you.

Mr MILLS: Question 258: (a) what advertising/promotional activities have you as minister, or government programs, the Northern Territory's history, its attractions or resources in any form including print and electronic media, advertising, books and general printed matter have been funded by the office of the Minister for Employment, Education and Training and the office of the Department of the Chief Minister in the period 1 September 2001 to 1 September 2002;

(b) what was the total amount spent on the advertising/promotional activities referred to in question

(a) by the office of the Minister for Employment, Education and Training and the office of the Department of the Chief Minister?

(c) What advertising/promotional activities have you as minister or government programs, the Northern Territory's history, its attractions or resources in any form including print and electronic media, advertising, books and general printed matter have been funded by the Department of Employment, Education and Training or any of its agencies in the period 1 September 2001 to 1 September 2002? and

(d) what was the total amount spent on the advertising/promotional activities referred to in question (c) by the Department of Employment, Education and Training and its agencies?

Mr STIRLING: Mr Chairman, the part (a) of this question relates to the Chief Minister's office and the Chief Minister answered that part. In regard to the remainder of part (a), (b), (c) and (d), these are also asked in questions 261, 282 and 350. This response covers each of those questions.

My office has funded general advertising in relation to community and schools events, special messages and other information of interest to the community and the printing of business cards. Total expenditure for the period 1 September 2001 to 1 September 2002 was \$8321 comprised of: advertising - \$7233; marketing and promotion – zilch; and document production - \$1088.

The Department for Employment, Education and Training has spent \$260 708 on marketing and promotions during the period 1 September 2001 to 1 September 2002. This expenditure was incurred to market or promote important community events relating to Employment, Education and Training. The major events included show circuit, Education Week, World Teachers' Day, Principals Forum, Women's Day, vocational programs like the Skills Olympics, and school leaver's programs. The purpose of the participation in the events was to promote the value of employment, education and training and to communicate the types of services available in the Territory. I am not aware of any contractors that were paid in advance or received in-kind support by way of government facilities or support staff. In regard to royalties there are no arrangements in place to offset future royalties against costs incurred.

The Department of Employment, Education and Training spent \$93 359 on advertising during the period 1 September 2001 to 1 September 2002. The expenditure was incurred to advertise employment, education and training related matters such as relief teacher advertisements, teaching opportunities in the Territory, bursaries, public safety notices, student assistance schemes and the purpose of the advertisements was to advertise important employment, education and training matters. It is not possible, given the time frame and the cost involved, to individually cost each of those events, nor is it possible to identify those that had minister's photograph and/or a message from the minister. It is obviously not a focus at all of the marketing, promotion or advertising campaigns.

In regard to the procurement activities, these comply with the standard guidelines used by the public sector in regard to my electorate office. No expenditure is made in relation to my role as minister.

Mr MILLS: Just a clarification. You made reference to a section that it is not possible to list. Can you just restate what that was?

Mr STIRLING: Let me just go back to it. The purpose of the advertisements was to advertise important employment, education and training matters. It is not possible, given the time frame and the cost involved, to individually cost each of these events, nor is it possible to identify those that had the minister's photograph and/or a message from the minister within it.

Mr MILLS: Okay. Question 263: Explain the difference ...

Mr CHAIRMAN: Just to clarify here, that question has also wrapped up question 261. Is that correct?

Mr MILLS: Yes.

Dr LIM: May I ask supplementary to 261 that ...

Mr CHAIRMAN: Of course, member for Greatorex.

Dr LIM: Minister, you advised that you were not able to provide information within the time frame that you had. Could you undertake to provide that information within the next month? All the advertising etc which contained your photographs? You still can give us that information over the next 28 days or so.

Mr STIRLING: I will just check what it would take. It is a time consuming process. It is going to involve public servants going back through records never provided by your predecessors at any time. We asked that question appropriation after appropriation.

Dr LIM: The Chief Minister has provided some of that information, and I would assume that you could do likewise, an open and transparent government, minister.

Mr STIRLING: Good, the Chief Minister's department may have more resources or money. I am not going to have public servants chasing up and down records to satisfy your curiosity, never provided by our predecessors.

Dr LIM: I was looking for information that pertains to your expenditure on advertising, that is what it is.

Mr STIRLING: I have given you the answers.

Mr BURKE: A supplementary question, Mr Chairman. Minister, this is a fundamental part of your government's policies, part of the reasons you claim you were elected, that you would cut down on advertising which featured minister's photos. Surely a reasonable question from the opposition at budget time is that in your portfolio area you should be able to provide either that comparison or certainly the amount that your department has spent which features your message, because that is the same type of advertising which you in opposition railed against.

Mr STIRLING: Let us compare a few figures. Your ministers never gave us that information at all. Let us compare hospitality - \$341 300 for you blokes, 50 grand, if we make 50 grand in a year under the Martin government. Tell me who was ...

Mr BURKE: Are you going to provide the information that was asked for or not?

Mr STIRLING: I am not going to have public servants chasing up and down dusty records to satisfy the curiosity of the member for Greatorex. You have your answer and that is that.

Dr LIM: Twelve months and dusty already?

Mr BURKE: Are you prepared to – we have heard that the minister refuses to provide the information, Mr Chairman.

Mr CHAIRMAN: He has answered the question in his way, member for Brennan, which is ...

Mr STIRLING: In the way the predecessors, the previous government, Mr Chairman.

Mr BURKE: I move dissent from the ruling.

Mr CHAIRMAN: On what basis?

Mr BURKE: I can move dissent because you have ruled in favour of the minister. I want to hear the Speaker's opinion.

Mr CHAIRMAN: Okay. Set the process in train, Terry. There will have to be a written dissent on behalf of the member for Brennan, is that correct? So if you put that in writing now, member for Brennan, that will be transmitted to the Speaker, and the Speaker will make a ruling.

We will continue. We are up to question 263, is that right, member for Blain?

Mr MILLS: We are passing 261, and we are on to 263: explain the differences in estimates of 'agency revenue' between 2001-02 and 2002-03, and what are the sources of that revenue?

Mr STIRLING: Mr Chairman, there is a level of detail involved in this answer. It runs for two pages which should be tabled and given straight to you.

Dr LIM: Could I ask, Mr Chairman, that with the tabling of the documents that the minister has just offered, that we can revisit this question within this output group at a later time.

Mr CHAIRMAN: I beg your pardon.

Dr LIM: The minister has just tabled a two page response to question 263. I am asking that we can still revisit this output.

Mr CHAIRMAN: Of course, that has been our *modus operandi*, member for Greatorex.

Mr MILLS: Minister, a supplementary on question 263. Are you aware of any ...

Mr STIRLING: Mr Chairman, I cannot accept a supplementary when he has not seen the answer. Surely the supplementary is based on the response.

Mr MILLS: I shall come back to it then, minister. Question 264: how much was spent on consultancy services in 2001-02? Detail the individual contracts, that is, who they were awarded to, at what cost and for what reason. How much is estimated to be spent on consulting services in 2002-03, and how much has been expended so far this financial year? Detail the individual contracts, that is, who they were awarded to, and at what cost and for what reason?

Mr STIRLING: Mr Chairman, DEET engaged consultants to apply professional expertise to enhance the delivery of employment, education and training services. It is a cost effective way of doing business; it promotes and sustains local business in the Territory. The major consultancies that the agency enters into are provision of information technology services. I will provide the consultancy arrangements by category.

Information technology, management services consultancy: to provide information technology services to the department such as the wide area network, local area network and specific technical advice service for software and hardware used by teachers and support staff; the provision of information technology services provided by the government business division, information technology management services and subcontractors of that entity; the department also contracts specific businesses in the Territory to provide information technology services where needed. The purpose of engaging ITMS consultants is to develop and maintain the computer networks that the department accesses. These computer networks have been available on a continuous basis for students, teachers and support staff alike.

Audit and review: to provide professional services in the area of accounting evaluations and investigations to ensure the operation of administrative arrangements of the agency are efficient and

effective. The provision of audit and review services are generally arranged by the Department of the Chief Minister Risk Management Services, although local firms are engaged where specific expertise is required and available. The consultants provide expert and independent advice to the department to improve administrative and operational effectiveness.

Development of education and training projects: to provide professional services in the area of development of strategic advice in respect of school programs, for example, the curriculum framework. Provision of these services are obtained from a range of providers including other government agencies that have expertise, particularly in education. Outcomes: the consultants provide expert and primary advice to help build on the local expertise of departmental staff.

Human resource services: to provide professional services in the area of recruitment, investigation and other human resource programs. The provision of these services are obtained from a range of providers, although the majority are local small businesses or franchises that provide expert advice in this area. Often, independent advice and service is sought in areas where there is likely to be adversarial situations, such with grievances and/or investigations. The consultants provide expert and timely advice to help build on the local expertise of departmental staff and, at times, allow an independent solution to be achieved in what can be a difficult human resource situation.

There are a couple of pages to be tabled here, Mr Chairman.

Mr CHAIRMAN: Yes, thank you.

Mr STIRLING: The consultancies that exceed \$100 000 in value are as per second page. The first page is the expenditure by the major category.

Mr MILLS: Going back to question 263, the supplementary: during the last session the Treasurer indicated, listed by agencies, lapsed allocations. Are you aware of allocations that have lapsed within your agency? I would like an understanding on allocation made by Treasury that has lapsed, and for what reason.

Mr DUNHAM: No, well, they do not anymore because apparently there is a title called – what is that thing called in the budget paper?

Mr CHAIRMAN: Member for Drysdale, before we call on your expert opinion, the minister and the officers with the minister are discussing what it means.

Mr STIRLING: Mr Chairman, perhaps if Jennifer could deal with that

Ms PRINCE: I do not have the schedule in front of me any longer. But the Department of Employment, Education and Training was provided with an amount for Treasurer's Advance towards the end of the year based on their estimate of requirements at that time. But because, as often happens in the last couple of weeks of the financial year, not all of the amounts that were required actually did appear, and some of that allocation was lapsed.

Mr MILLS: So does that mean some provisions were provided, basically, and they did not need all that appropriation and just sent some back? How does it work? Is it just there is an amount given and you do not need it, or is it just not used?

Mr CHAIRMAN: Well, it is really up to the minister to direct this question, if you want Ms Prince to continue answering that question.

Mr STIRLING: Mr Chairman, just in that situation where money was provided, it was not all used. If it is not used, it goes back. In that sense it has lapsed.

Mr MILLS: Yes, I understand that.

Mr STIRLING: Unless they seek to carry it over into the ...

Mr MILLS: And it may be difficult to answer at this point, but to go a little further to find out, I need an more of an understanding as to how that occurred. Was it just that there was an amount given and there were efficiencies, or it was a program that was not run, or what? We are talking about education and ...

Mr STIRLING: Mr Chairman, Mr Saunders has it figured out.

Mr SAUNDERS: Under the old arrangements, appropriations lapsed at the end of the year. Basically, if you do not spend the money you do not get to keep it. We sought carry over approvals and they are discussed later in the questions that you put to the minister. The actual revised budget for the agency was \$442.72m. At the end of the year we had spent \$442.496m leaving an allocation to lapse of \$224 000.

Mr MILLS: \$224 000? The figure we had in Treasury was \$2.5m.

Mr SAUNDERS: That is a carry over.

Mr MILLS: That is the lapsed allocation?

Mr BALDWIN: No. He is right. It was lapsed.

Mr CHAIRMAN: Anyway if we could continue.

Mr MILLS: I still have a question with regard to that. Perhaps, minister, with your consent we could have that run by me again because the figure that we had provided to us during Treasury was \$2.5m.

Mr SAUNDERS: The allocation at the end of the year, if we think that we are going to need that allocation for the subsequent year, we would get approval to reduce the current year's allocation and increase next year's, increase the capacity to spend that money next year. So, at the end of the year, the amount that is carried over has already been taken out of the budget, so there is no allocation for that. That is traditionally how it works.

Mr CHAIRMAN: Can we move on, member for Blain?

Mr MILLS: By all means. I guess the consultancy one there has been tabled?

Mr STIRLING: Yes.

Mr MILLS: I reserve the right for supplementaries on this one, if I get a chance to look at it.

Question 267: provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget, detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms comparable with those that are used in the mini-budget translate to figures using accrual accounting methods.

Mr STIRLING: Actual expenditure in respect of 2001-02 will be provided at a whole-of-agency level in the Treasurer's Annual Financial Report and at a more detailed level in DEET's annual report. The DEET annual report will be tabled in the November 2002 sittings. Information for 2002-03 is not provided in a form consistent with the mini-budget as it is on an accrual basis, and the Treasurer, I

think, explained the development of the accrual basis budget for all agencies in her presentation to the committee.

Mr MILLS: Minister, you would be well aware that the last day and a bit has been focussed on this aspect in terms of how much money is there actually in the budget contrasted with the amount of money that has been broadcast around the community, so that is where this strikes. We are not going to use additional time unnecessarily on this point, but the issue is to gain an adequate understanding, and from the point of view of opposition, we need these figures to get a clearer grasp on what is there for the education of students. It is quite clear that it is not \$505m. That is actually the education of students.

Mr STIRLING: Mr Chairman, again I would invite the member to contact my office. I am sure that we could take the member through the process of this transitional phase, and I appreciate it is difficult. I do not pretend to understand it all myself in terms of the move from cash to an accrual form of reporting, and this transitional two or three years until we are fully into the new accrual system is not easy. The best response, if the member is genuinely interested in this and how the differences work, is to please contact my office and we will go through it. I will sit in with him.

Mr MILLS: Thank you, minister.

Mr BURKE: Through you, Mr Chairman, it seems strange, minister, that after the best part of two days departments do not seem to have been able to have found a way to answer that simple question to get a cash difference. It is obviously a policy of the government not to reveal what is the cash difference so that the opposition can get a true idea as to what the difference in spending between 2001-02 and 2002-03 is. That is the only assumption we can make.

Mr MILLS: Yes. I am here to ask questions, I guess, rather than to make statements, but I would like to say again what the member for Brennan just said, that really comes to the point of it, being in the business of presenting figures to the community, they simply want to know how much is actually there for the education of students, and I find \$505m is not really quite the figure that people can actually understand.

Question 269: As part of the government's deficit reduction strategy, it was announced in the mini-budget that 'a budget improvement target of an average of 4%' with the exception of 'the functions of hospitals, health and community services, schools, police and emergency services and custodial services which were expected to deliver a cut of 25% of the average level' was to be imposed for the mini-budget and future budgets. What budget improvement target did the agency have for 2001-02? How much did that amount to, and was it achieved in total and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount, and what is it by activity and output? Is the cash relating to the budget improvement cut included in the agency's budget and, if so, how is it treated in the 2001-02 and 2002-03 figures?

Mr STIRLING: Mr Chairman, what budget improvement target did they have in 2001-2002, how much did it amount to and was achieved in total? The budget improvement amount for the agency in 2001-02 was \$1.979m. The agency remained within allocation in 2001-02 and achieved the budget improvement by implementing strategies that involved carefully examining all recruitment decisions and ensuring that expenditure was confined to the efficient delivery of core services. The budget improvement measures were applied to all outputs at varying levels.

What is the budget improvement target for the agency in 2002-03? What is the total amount, what is it by activity and output? The budget improvement measures applied for 2002-03 total \$4.236m. These will be distributed to all agency output groups and outputs based on agreed strategies of the agency. They will incorporate strategies like centralising the delivery of corporate services, placing restrictions on staff recruitment to ensure agreed staffing formula allocations are maintained, and other efficiency measures are implemented. The planning and implementation strategy for the budget improvement measures by output and output group will be finalised during September/October 2002.

Is the cash relating to the budget improvement cut included in the agency's budget? If so, how is it treated in 2001-02 and 2002-03? The budget improvement measures are included in Budget Paper No 3 for 2001-02 and 2002-03. So it is difficult to quantify across all of the separate areas of the agency, but it is \$4.2m out of a total of \$504.7m.

Mr MILLS: I am sorry, at the beginning did you say that it was not achieved?

Mr STIRLING: Was.

Mr MILLS: Was. I may approach these budgetary matters in a simple way, but would it have been made easy by the fact that there were teachers allocated but not paid because they were not there? So, basically, if you are running a school and you have funding allocation for a certain number of teachers, but you run your staff so that they are covering all bases but you are three teachers short, you are actually doing well at the end of the year, but your teachers are probably struggling a bit, those that are there.

Mr STIRLING: Well, the salary saving might be one thing. I would not argue that you are doing well at all if you are one teacher short in the system out of nearly 2000 classroom teachers. We have an ongoing situation where the figure is 14, 15, 16, 17, somewhere in that order on any given day. Relief teachers get ever more difficult to obtain. Sure, if the position is not being filled there is a salary saving there, but it is no saving in terms of what the department is striving to achieve.

Mr MILLS: I totally accept that, but I am just wondering, in reference to the budget, is that where you have been able to make these targets easily?

Mr PLUMMER: Peter Plummer, Chief Executive Officer. No, not at all. All schools were staffed to allocation. Admittedly there were times when there were teachers who resigned, and gaps, and do not forget in between times you have the relief teaching budget to cover that as well. So the answer is, no, there is no savings in that area.

Dr LIM: Mr Chairman, let me ask a supplementary to this. Minister, what is the base figure that the budget could be tied to? Is it based on the \$505m figure, or some other figure?

Mr STIRLING: It is the global figure.

Dr LIM: The total, in other words, you are agreeing to the \$505m. You are nodding? *Hansard* is not going to hear you nod, that is all, and I am looking for you to confirm for me. Is it based on the \$505.667m or is it not?

Mr STIRLING: It is based on global but the agency will have to make the savings out of the cash that is available to them.

Dr LIM: Hold on then minister, I am getting more confused now than before. In your Budget Paper No 3, page 63, you quote total operating expenses for year 2002-03 at \$504.667m. I am asking now, is your budget improvement target based upon that figure, or some other figure? And you said based on your operational budget, so what does that mean?

Mr STIRLING: Ms Prince.

Ms PRINCE: The budget improvement measures were calculated at the time of the mini-budget on the basis of the cash allocation. There were forward estimates in place for 2002-03 at that time. The general approach was to use final consumption expenditure, so that includes things like interest payments and grants. In the case of education, as with the other agencies listed, there was a much reduced target because of the important face to face areas. The savings were essentially calculated on head office rather than school-based expenditure.

Mr MILLS: So, basically \$505m, and we will take \$4m back, so it is \$501m?

Dr LIM: Well, I am getting shakes and nods across the table here.

Mr CHAIRMAN: People could be talking about different things, member for Greatorex, so we will just let the discussion distil a little bit, please.

Dr LIM: That is fine, my question was quite basic, about what is the base figure.

Mr CHAIRMAN: A very reasonable question.

Mr STIRLING: Sorry, do I have a question?

Members interjecting.

Mr STIRLING: Well, you ramble on. Are you going to ask a question? Say: 'Minister, the question is ...'.

Members interjecting.

Dr LIM: Minister, oh, come on! You and I have been here a long time in parliament, so if you would pay attention to my questions ...

Mr STIRLING: Well, you are rambling on. If you want to ask me a question say: 'Minister, the question is ...'.

Dr LIM: I am not; I have asked you a question.

Mr Baldwin: The Under Treasurer knows what the question is.

Mr STIRLING: 'Minister, the question is ...' I get sick of listening to you.

Members interjecting.

Mr Baldwin: Bull.

Mr CHAIRMAN: All right. Order, order!

Dr LIM: My question is ...

Mr STIRLING: You can withdraw that.

Mr BALDWIN: No, I won't. What are you going to do?

Mr STIRLING: Well, I am not here to be insulted by mugs like you.

Members interjecting.

Mr CHAIRMAN: That is enough!

Mr BALDWIN: The Under Treasurer knows what the question is; you don't!

Mr CHAIRMAN: If the member for Greatorex has a question I will ask him to repeat it and then we will move through an answer, please.

Dr LIM: Okay, and I hope that the minister will be listening this time. I asked before: you have a budget improvement target. What is your base figure? Do you base a figure on your total operating expenses in your 2002-03 budget of \$504.667m or some other figure?

Mr STIRLING: Ms Prince.

Mr Dunham: I thought you understood accrual accounting.

Mr STIRLING: You did not hear me before.

Mr Burke interjecting.

Mr STIRLING: Are you deaf? You are too close to the cannon.

Mr CHAIRMAN: Order! Please. Ms Prince, please proceed.

Ms PRINCE: Thank you, Mr Chairman. The \$505m of operating expenses is inclusive of the budget improvement measure. So it does not come out of the \$505m. The \$505m is inclusive of the savings method.

Dr LIM: Okay. So, what are the savings based on? You have to work on some figure. You cannot just say \$505m. You just cannot do that. There has to be a base figure somewhere.

Ms PRINCE: I am sorry, I thought I did explain that in my last answer.

Mr STIRLING: I thought you did too.

Ms PRINCE: I am happy to go over it again.

Mr CHAIRMAN: Could you please repeat it and then we can move on, Ms Prince.

Ms PRINCE: At the time of the mini-budget, there were forward estimates for the Education Department and for all other agencies. So there was an estimate for 2002-03 and the amount for 2001-02. The final consumption expenditure, which is basically the running costs of the agency and the savings measures applied to it, was carried through to the forward estimates. So, it was already included in the base back in November. That was in respect of the 2001-02 year and it carried through to the 2002-03 year.

Dr LIM: I did hear that response. Could you give me absolute figure on that?

Mr CHAIRMAN: Through the minister, please.

Dr LIM: Oh, the minister. Could you give me an actual figure based on that response?

Mr STIRLING: Ms Prince may be able to.

Ms PRINCE: That is right. I think that you gave the savings measure for 2002-03 and that is the number.

Mr STIRLING: \$4.236m.

Mr MILLS: Off the base figure?

Mr STIRLING: No, it is an added in.

Mr MILLS: It is still a bit unclear.

Mr BURKE: So roughly, in terms of calculating what the agency had to spend, you used the figures in the mini-budget - which is around \$336m - to calculate the percentage of that which worked out to about \$4m. Is that roughly correct? We are talking about a cash allocation of around \$336m. Is that correct?

Mr STIRLING: Jennifer?

Ms PRINCE: I do not think it is quite that simple.

Mr BURKE: It is around that. It is certainly nowhere near what is in the budget. Nowhere near what they are saying they are spending. Nowhere near \$505m.

Mr MILLS: That is quite clear; it is not \$505m.

Mr CHAIRMAN: Through the minister again.

Mr STIRLING: Mr Plummer.

Mr PLUMMER: The budget saving figure has already been taken out of the budget we now have. Those savings are not just out of Education; they are out of Employment and Training which was not part of the department at the time, and they are also out of Work Health Authority which was not part of the department at the time. So, it is quite difficult to break out the figure of \$4.236m and assign what was for Education at the time - I do not recall that - and what was assigned to Work Health and what was assigned to Employment and Training. Now we live within the budget we have now have, nett it out.

Dr LIM: All right, that's the \$4.236m is what you took out as savings. Maybe I am just thick – on what basis did you calculate the \$4.236m is what I am trying to get at? Where did you get the 4% of savings? Where was that money? They said, okay, we are going to make that saving out of this and take out \$4.236m. Where was that big sum of money that you took out your 4% efficiencies? I know you talk about cash before ...

Mr SAUNDERS: Dr Lim, Jennifer Prince has already mentioned that the face-to-face element of the budget has been excluded from this calculation. The budget improvement was based on the head office component of the agency and Mr Burke was right, it is not \$400m and something; it is probably closer to calculated on \$100m; 0.025% of that gives you \$4.236m budget improvement. So DEET as an agency was fortunate in that the lower the number the better. It is calculated on about \$100m or the head office component of the agency. I think that is the best answer that I can give.

Mr BURKE: Can you tell us what the figure was, what the head office component was, that 0.025% of?

Mr PLUMMER: I haven't – but the rule was, it was an improvement target of an average of 4% as asked in your question, and with the exception of hospitals and health and community services, schools, police and ourselves, we had to deliver a cut of 25% of that, and that is how it was worked out.

Mr CHAIRMAN: We will move on. Thank you, member for Greatorex.

Dr LIM: Thank you.

Mr MILLS: Question 270: Minister, how many people are employed by the agency by output and activity? How many are employed on a full-time basis, part-time, casual and contract? How many were employed by the agency on 29 August 2001 on a full-time basis, part-time, casual and contract? How many were employed by the agency on a full-time basis, part-time, casual or contract when the public service was restructured in November last year, and how many were employed by agency on a full-time, part-time, casual or contract basis for the last pay period in August?

Mr STIRLING: Mr Chairman, the agency does not necessarily employ people against specific outputs. At 30 August 2001, the Personnel Integrated Payroll System showed a full-time equivalent of 3488 employees on the system for that payday. The number varies from day to day, depending on leave, contract details and other factors. At 22 November 2001, the Personnel Integrated Payroll System showed a full-time equivalent of 3551 employees on the system for that payday. At 29 August 2002, the Personnel Integrated Payroll System showed full-time equivalent of 3632 employees on the system for that payday.

The nett variation, August 2001 and August 2002, was plus 144; an additional 144 employees at DEET. In regard to the number of employees employed on a casual/permanent basis: full-time permanent, 3224; full-time temporary, 725; part-time casual, 17; part-time permanent, 245; and part-time temporary, 180. These staff numbers provide the number of people employed; that figure is not converted to full-time equivalents.

There is a table here.

Mr CHAIRMAN: We will table that, minister, thank you. That will be distributed.

Mr MILLS: Minister, the additional 144, would that be a result of the incorporating of other agencies into this department?

Mr STIRLING: I would like to have that checked and get back to you because of the question of the amalgamation. I am told that it is Education only compared with Education only; apples with apples. But let's confirm.

Mr MILLS: Yes. I understand it would be very complex. Such as DTAL, though, perhaps hanging off this, where is DTAL now? Is it with you guys now?

Mr STIRLING: We will get back to you on that.

Mr DUNHAM: Is that a standard report that you are giving there on personnel? Is that a report of the type that every other agency would use and is it standard across each of those reporting agencies?

Mr STIRLING: Mr Simpson?

Mr SIMPSON: Ken Simpson, Deputy CEO. The table that is been reported compares the number of employees on the payroll on pay 1 of 2001 and on pay 26 of 2002. That is, it compares the start of the financial year to the end of the financial year.

Mr DUNHAM: But if it is straight off PIPS, if you have employees who might be working two hours a day and you have 10 of them, so it is not full-time equivalents; it is people who receive money from PIPS.

Mr STIRLING: I said that.

Mr SIMPSON: The table that has been tabled is FTEs.

Mr DUNHAM: It is FTEs. Thank you.

Mr CHAIRMAN: I believe that there are two tables coming around, members. Could we move on, member for Blain?

Mr MILLS: Certainly, Mr Chairman. I was waiting to see this chart that outlines the people employed for this department and I was actually trying to get a picture, minister ...

Mr STIRLING: I am sorry, member for Blain. We can clarify that.

Mr MILLS: 144?

Mr STIRLING: I am confident that Mr Saunders – Mr Saunders is confident that he can clarify that for you.

Mr SAUNDERS: The table that you have has included Work Health and Employment and Training in both periods at the beginning of pay 1 and pay 26, so the nett increase is in relation to those two agencies coming into the amalgamated agency.

Mr MILLS: That is the increase?

Mr SAUNDERS: The increase is not related to ...

Mr MILLS: Oh, it's not?

Mr SAUNDERS: It is not related to those two agencies, and on the table that you have you will see Work Health and Employment and Training, and they have been added in to both periods.

Mr MILLS: I see. I have only just got this one. Thank you, Mr Saunders. Connected to this question is a supplementary, it has been circulating in the ether, minister, and I ask if you could clarify this for me: reports of the increase in sick leave and stress leave as a result of the amalgamation and the like. I am just wondering if you could assist me in clarifying whether the number of stress leave occurrences and sick leave occurrences increased since the amalgamation?

Mr STIRLING: Just to seek clarification to the question, Mr Chairman, since the amalgamation of Work Health, the old NTEETA, the Employment and Training into one department?

Mr MILLS: That is right. The whole show being brought together.

Mr STIRLING: It has not been put to me. I would be very surprised. We will have a look at the figures and get back to you, but I would be surprised if that was the case.

Mr MILLS: It is circulating, and I do not run those things until I know for sure. It is running wider than that, too, in terms of the general public sector.

Mr STIRLING: We will certainly find out in relation to this agency and we will let you know.

Mr MILLS: Question 273: what has been the cost of the change to accrual accounting, and the implementation of Working for Outcomes for your agency? Is there a continuing cost, or need for more staff?

Mr STIRLING: The change to accrual accounting, the working graph and model, has been achieved through the use of existing resources, maximisation of previously unused features available in

corporate and agency systems, and training and coordination provided by Treasury, and the Department of Corporate and Information Services. This has occurred over the last 18 months, and will continue over the next two to three years. It would not be possible to differentiate the costs related to these developments from other financial management costs.

Mr MILLS: Question 275: detail the inter-agency transfers for the agency and how they are dealt with in the agency's expenditure and figures.

Mr STIRLING: In 2002-03, the total expected inter-agency expenditure for the Department of Employment, Education and Training is \$21.456m. I could read you the figures, but I don't think it is going to mean anything to you.

Mr MILLS: Will they subsequently be tabled?

Mr STIRLING: They will.

Mr MILLS: Thank you.

Mr STIRLING: We will arrange to table this document. But I just add the reminder there, these are estimates of the expenses to be incurred and may change throughout the year. The receipt and payment of inter-agency transfers are treated as standard accounting transactions in the same manner as with other vendors. But you have Treasury, Infrastructure, Planning and Environment, Centralian College, NT Police, Fire and Emergency Services with different amounts, so we will get the document across.

Mr MILLS: Thank you. Hopefully it will come soon.

Mr STIRLING: I can give you my copy now.

Mr MILLS: Yes good, so I may come back after looking at that with some supplementaries.

Question 278: how much of the agency's revenue can be attributed to inter-agency transfers, and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

Mr STIRLING: The agency expects to receive \$96 000 in intra-agency revenue from the Office of the Commissioner of Public Employment for the trainees apprentices program. The expected intra-agency expenditure for goods and services in 2002-03 is provided on that table that is coming around to you; that is from the earlier question.

Mr MILLS: How does that actually work in terms of, I guess, simple folk are looking at money flying backwards and forwards, I will give you a job and then I will pay you; how does this actually work in accounting terms, as this agency speaks to other agencies?

Mr STIRLING: Mr Saunders.

Mr SAUNDERS: The transactions occur in the same manner as any other transaction to another vendor ...

Mr MILLS: Any vendor?

Mr SAUNDERS: They are paid by electronic transfer in the majority of cases.

Mr MILLS: So, is the money, the cash, given to DEET to facilitate this? Perhaps I should clarify that. Is the amount of money to facilitate this, speaking of dealing with other agencies, is that given to DEET to manage?

Mr SAUNDERS: Yes, it is.

Mr MILLS: Cash, real money?

Mr SAUNDERS: Yes.

Mr MILLS: Question 279: Minister, does the data published for your agency in the budget papers:

(i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time that the budget papers were compiled?

(ii) where there is any material difference, is there any supporting advice issued by the Treasury or the Treasurer's office with regard to those differences and the nature of that advice? and

(iii) where there is a difference, did the agency undertake to advise their minister prior to the budget being delivered that these differences did exist?

Mr STIRLING: Mr Chairman, I find it a curious question, but I will simply answer, 'No', to the question, 'Does it differ materially', and it does not differ materially so parts (ii) and (iii) are not applicable.

Mr MILLS: Question 281 ...

Mr BALDWIN: Hang on.

Mr CHAIRMAN: I believe there is a supplementary from the member for Daly.

Mr BALDWIN: Thank you. I am going directly to question 279: the material difference. We understood from the Auditor-General yesterday that the column in Budget Paper No 3 on the opening table, Employment Education and Training - if you go to the bottom of the 2001-02 estimate ...

Mr CHAIRMAN: Which page are we looking at here?

Mr BALDWIN: 63.

Mr CHAIRMAN: 63?

Mr BALDWIN: Yes. The output appropriation, the amount appropriated for 2001—02, is \$336.424m. So, if you have that figure in mind, we are told by the Auditor-General it should relate to the mini-budget column of the same period 2001-02, Use of Balances \$355.034m, page 43.

Mr CHAIRMAN: So is that coming from *Hansard*, member for Daly?

Mr BALDWIN: No, this is coming from me, Mr Chairman, member for Daly.

Mr CHAIRMAN: I see, member for Daly.

Mr BALDWIN: There is a material difference there of \$18.610m. I was looking for an explanation as to how that difference has occurred. It has been explained by the Chief Minister on a number of agency levels during her period, and perhaps ...

Mr CHAIRMAN: We have heard a lot of things said here over the last couple of days. I am not really sure that the Auditor-General did say that.

Mr BALDWIN: He did.

Mr CHAIRMAN: Did he?

Mr BALDWIN: Yes. And we have put this question to the Chief Minister. Mr Chairman, we have put this ...

Mr CHAIRMAN: Has there been a *Daily Hansard* released on that?

Mr BALDWIN: Yes.

Mr CHAIRMAN: Can you point to where the ...

Mr BALDWIN: No, I asked the question. I know what I asked and I know what the Chief Minister ...

Mr CHAIRMAN: With all respect, member for Daly, you are quoting a respectable source: 'This is what they said'.

Mr BALDWIN: Okay. Let us leave the Auditor-General for a minute.

Mr CHAIRMAN: In terms of our Public Accounts Committee's dealing, we were very assiduous on both sides to quote chapter and verse of where these quotes come from. It is very, very important if you are going to build a case.

Mr BALDWIN: Okay. I will put aside what the Auditor-General said. But could the minister, forgetting what the Auditor-General said, explain the material difference between that figure ...

Mr STIRLING: \$336.424m.

Mr BALDWIN: \$336.424m, and the figure in the mini-budget of \$355.034m for that same period. They are cash brought forward in the same periods but, obviously, they represent a different amount - \$18.61m. There are reasons, I assume: ups and downs. There is certainly some carry over there and also some monies into Consolidated Revenue or something. I just want to know what the difference is; where the \$18m has gone. It is a reasonable question. It builds the base of ...

Mr STIRLING: We are seeking an assurance that you do not get us in more trouble with your answers ...

Mr BALDWIN: And I am asking of the Minister for Education.

Mr STIRLING: We will try Mr Saunders in the first instance, Mr Chairman.

Mr SAUNDERS: I need to make a couple of assumptions before I answer your question. If you say the Consolidated Revenue amount in the mini-budget, you are trying to compare that number, which is \$343.689m ...

Mr BALDWIN: Yes, add the cash.

Mr SAUNDERS: No. The \$343.689m with the output appropriation of \$336.424m?

Mr BALDWIN: No. I am trying to compare the figure of \$343.689m mini-budget, adding to that the figure of the cash of \$11.345m, which is your carried forward cash. You have a figure up there under

Use of Balance heading, \$355.034m. It should relate in some way to the figure in the Budget Paper No 3 of \$336.424m. There are good reasons why it does not and there is \$18m missing, and you can tell me where it is all gone. That is what I want to know.

Mr STIRLING: Mr Saunders.

Mr SAUNDERS: The \$336.424m ...

Mr BALDWIN: Yes.

Mr SAUNDERS: ...you would have to then add the \$10.627m immediately above that onto the \$336.424m to compare like numbers.

Mr BALDWIN: Yes, are you certain? Because that is not what the Auditor-General said but I will leave the Auditor-General out of it. I accept that.

Mr CHAIRMAN: It is a fair enough question directed, if Mr Saunders is attempting to answer it and I know Ms Prince is also interested in this question.

Mr SAUNDERS: \$343 689m included the ...

Mr BALDWIN: I am sorry, where did you get that from?

Mr SAUNDERS: From the 2001-02 mini-budget on page 43, the consolidated revenue account. That number included the OCPE which, post the mini-budget, was set up as a separate agency. You then have to take that amount off, \$343m, which will give you \$334m. You would then have to add on to that number \$2m to Treasurer's Advance which would give you ...

Mr BALDWIN: Sorry, where are you finding the Treasurer's Advance, because I am trying to follow this to see where the money flops out.

Mr SAUNDERS: Okay, post the mini-budget this agency, DEET, received a Treasurer's Advance for \$2m ...

Mr BALDWIN: Money from 1.9.

Mr SAUNDERS: 1.9, yes; \$334m plus \$2m gives you \$336m. That number is about equal to output appropriation in Budget Paper No 3.

Mr BALDWIN: So the \$424m; we will not worry about \$100 000.

Mr CHAIRMAN: I think we are close enough are we, member for Daly?

Mr BALDWIN: Well 400 000 you know, half a million, what is half a million?

Mr CHAIRMAN: Member for Brennan, I am aiming to break very close now to 6.30 pm but member for Brennan has a question.

Mr BURKE: I will defer.

Mr MILLS: If you do not mind it is just a supplementary based on the question before us. Very confidently, no dramas at all with this, nil, nil, nil. But we had revealed to us that there was a fairly significant error in the Budget Paper No 3, page 73, that interest received was in the order of \$796m.

Extraordinary amount.

Mr STIRLING: Mr Plummer?

Mr MILLS: You know it is a mistake

Mr PLUMMER: So I do not have to say anything.

Dr LIM: It took a long time for us to uncover it.

Mr STIRLING: It was never hidden.

Mr CHAIRMAN: Before we break, just on that we have to take into account that it has been a large job for public servants, particularly in Treasury, to come up with the budget papers with the change from cash to accrual accounting and no one is perfect in this world. I would not like us to be too negative. I think we have to point out if there are errors in things, but let us just not try to slice people up all the time about errors. We all make mistakes.

Mr BURKE: Mr Chairman, the moot point here is that the opposition is diligently asking questions and looking for information. We would expect in return that the agencies waiting to appear before this committee would themselves be monitoring what is happening in the Chamber. In the previous debate with the Treasurer, a glaring mistake was found and admitted to in this agency's budget. I find it disappointing that the agency officers and the minister have no knowledge of it unless they are reminded by the Under Treasurer. Now, it seems to me no one is following the debate from the agencies to come. If you want the debate to be more laborious I would have thought that if agencies take no notice of what is happening down here, it will be laborious.

Mr CHAIRMAN: Thank you for pointing that out, member for Brennan. I would suggest now that we break for an hour and come back close to 7.35 pm.

Committee suspended.

Mr CHAIRMAN: There is one letter, a correction from an earlier session in relation to Arts and Museums, that I will ask Terry to table; it is just a clarification of a point by Sylvia Langford. I will let Terry distribute. Thanks, Terry.

We will make a start back into the Department of Employment, Education and Training. I should point out that during the meal break I was given a letter by the minister and Leader of Government Business. I ask the minister to speak to that letter, please.

Mr STIRLING: Thanks, Mr Chairman, and thanks for the opportunity. I have been, and the government has been, very concerned about the progress and process of the committee thus far to the extent where it would seem a dim prospect indeed to have all ministers appear before the committee. I have a proposal that I thought may assist. It is an enhancement-type proposal. I hand delivered during the adjournment a letter from myself to the Chairman of the Estimates Committee and I propose to read that letter:

Dear Dr Burns

Since the resolution establishing the Estimates Committee was passed by the parliament on 22 August 2002, opposition members have been aware that the process would adjourn at 11.30 pm on Tuesday and Wednesday evenings and cease at 7.00 pm on Thursday.

Accordingly, the committee and opposition members have been well aware of the need to allocate their time in such a way that would ensure that all ministers are subject to questioning. It is apparent the opposition has squandered the time available to it through repetitious questioning and political grandstanding. Examination on Tuesday of the Auditor-General's Office - an agency employing four people - for over two hours, illustrates the approach that has been adopted.

As chair of the committee on no less than 37 occasions on Tuesday, you drew attention to the fact that the opposition needed to make progress through its questions. At dinner time on Wednesday the opposition had used 60% of the total time available, to ask 25% of its questions.

It is clear, if the opposition continues on this path, there will be no time for the portfolios of a number of ministers to be examined. This includes many critical areas of government activity, including crime prevention, community development, health, which has a budget in excess of \$500m, and infrastructure construction.

As a one off action, aimed at overcoming the opposition's incapacity during the estimates process on this occasion, the government has decided that after the dinner break on Wednesday night, those ministers yet to appear before the committee will provide written answers to all the questions that have been submitted. These answers will be provided to the committee, and recorded in Hansard. This move will see answers to each of the 1093 questions that have been submitted provided to the opposition and placed on the public record.

The government takes this step close to 24 hours before the committee is due to rise. This will enable members of the committee the opportunity to consider the answers, and it is hoped it will see the value derived from the last day of the Estimates Committee maximised.

In the meantime, I will continue to be available for questioning by your committee. In relation to my portfolio responsibilities, I would be grateful if you could allow me the opportunity following the dinner break to advise the committee of this initiative.

Mr DUNHAM: It is a dummy spit. It is a dummy spit, Syd, and you know it.

Mr CHAIRMAN: Member for Drysdale, I propose now that the Estimates Committee goes into deliberative session to consider this letter and our response to it, so I call the committee ...

Mr BURKE: Hang on, Mr Chairman. You are going to go into a deliberative session without any ...

Mr CHAIRMAN: If you like I will move formally that the committee goes into deliberative session. Do I have a seconder for that motion? The member for Barkly. All those in favour. All those against. I think the member for Nelson was in favour, so we are now moving into deliberative session.

Mr BURKE: I move dissent from your motion.

Mr CHAIRMAN: The committee is adjourned until we ...

Mr DUNHAM: Hang on, he has moved dissent. There is a process here, Mr Chairman. He has moved dissent.

Mr BURKE: Is this a committee of the parliament?

A member: No, this is steamrolling.

Mr DUNHAM: Oh Sydney, you are getting too precious. You are in government, mate, it used to be tough in opposition for you.

Members interjecting.

Mr STIRLING: You will get the answers 24 hours early. That's it.

Mr BURKE: How can you go into deliberative session without even hearing the response from the Leader of the Opposition? Just answer me that.

Mr STIRLING: Your blokes did not even vote.

Mr BURKE: No, they have not even had a chance to talk to me. You are going into deliberative session, on your letter and your comments, without any opportunity to hear the Leader of the Opposition or for us to even caucus for our opinion.

Mr STIRLING: Why would you oppose this when we have given you the answers 24 hours up front, then you can go to your supplementaries? You can read the answers. You have the answers 24 hours in advance.

Mr BURKE: How about I suggest we sit next week for three days. You do not even know what the suggestion could be. It is just a plain dummy spit.

Mr STIRLING: Why is it a dummy spit? We are giving you the answers 24 hours in advance.

Ms Carney: We told you this would happen.

Mr BURKE: You are just protecting witnesses.

Mr STIRLING: You can have ministers, every minister here ...

Mr BURKE: You are just protecting the dunderheads you have there. You do not want to front them up here, that's your problem.

Mr STIRLING: Every minister is available to come before the committee tomorrow. You have the answers 24 hours in advance.

Mr BURKE: Well, you can explain that out there.

Mr STIRLING: I don't know why you would oppose this.

Mr BURKE: You are the one who set the process, you go and defend it. You are being gutless, you are. You are the one who would have a cooperative regime, you go and defend it out there.

Mr BALDWIN: This is your process, and you want to close it down.

Mr STIRLING: Why would you object to getting the written answers 24 hours in advance?

Mr BALDWIN: Because we want to question the ministers.

Committee suspended.

Mr CHAIRMAN: The recording is on now. Members should be aware that they are being recorded. The committee has met in deliberative session and there has been a motion passed with four in favour and with two abstentions, and that motion reads as follows:
The committee accepts the tabling of all remaining answers to questions posed to ministers and that should occur as soon as possible ...

Dr Lim interjecting.

Mr CHAIRMAN: Please, member for Greatorex.

...that should occur as soon as possible and these documents should be tabled through the secretary of the committee.

In short, the committee has accepted the tabling of all remaining answers of all ministers. I should add, including the minister for Education in terms of his answers or further portfolios. He might want to give a direction to the staff to start copying 10 copies of that. However, in the meantime, I propose that we begin to ...

Mr DUNHAM: Mr Chairman, surely this letter is open for debate of the committee. We are in committee here. There has been a letter presented. We have talked about a deliberative session and I believe that there are matters here that have to be raised in committee.

Mr CHAIRMAN: Well, the committee - that is the core Estimates Committee - has the right to look at procedural matters as laid down in our terms of reference and in our standing orders, and has done exactly that. Any discussion above that is really superfluous from other ancillary members of this committee. The six members are the Estimates Committee.

Mr DUNHAM: I am surprised that you would say ...

Dr LIM: Mr Chairman, may I draw your attention to a point that you made earlier that you expected us to debate this in this Chamber, after we arrived back in here.

Mr CHAIRMAN: No, I said that I expected that you would ...

Dr LIM: Let me finish what I have to say. If your undertaking earlier has now been broken as soon as you walk out of the room, then where do you stand as a chairman?

Mr KIELY: Let me say something here. No, no, no, look you are just making up lies. You are making up lies, straight up.

Dr LIM: I object to that, that is unparliamentary language. Withdraw that!

Mr DUNHAM: Is this a point of order, Mr Chairman?

Mr CHAIRMAN: Member for Sanderson, I would ask you to withdraw that.

Mr KIELY: I withdraw.

Mr CHAIRMAN: I would like to comment on that, member for Greatorex. What I said in deliberative session was that no doubt there would be comment on this letter in this session. But the major function of this session is to move through the questions, and that is what I propose to do now. I call on the member for Blain to continue, please.

Mr BURKE: Mr Chairman, do I assume that you are changing the procedures as decided by the parliament without even asking to hear the opinion of the Leader of the Opposition?

Mr CHAIRMAN: Leader of the Opposition, with all respect, we are not changing procedures. There is not one procedure that is being changed. What has happened, through the magnanimity of the Leader of Government Business, is that the answers to all the questions that have been asked of ministers are about to be tabled - and, hopefully, they are on their way down here - in order to

expedite the business of this committee.

In terms of how the opposition decides to ask questions and supplementary questions, and what questions you ask, and how you use the remaining time, is entirely up to you and is unaltered. What has altered is that there will be written answers to the written questions available to members. I would have thought that you, as Leader of the Opposition, would welcome that. I certainly welcome that because I am on the record repeatedly with this committee ...

Mr Dunham: You should have been done it two days ago, you goose.

Mr Kiely: Oh, order.

Mr CHAIRMAN: ... with my concern ...

Mr KIELY: Point of order, Mr Chairman.

Mr CHAIRMAN: ... at the way at which – it has been like swimming in molasses with you crowd really.

A member: That is a great independent statement.

Mr BURKE: Mr Chairman, am I to understand that you were approached by the Leader of Government Business during the evening meal break with a suggestion, or in fact, a direction, accompanied by a written letter that you were to go away and deliberate this position?

Mr CHAIRMAN: No. No, you are entirely wrong. What happened was that the Leader of Government Business ...

Mr BURKE: Were you approached by the Leader of Government Business?

Mr CHAIRMAN: ... gave me a letter that was addressed to me as Chairman of the Estimates Committee. There was nothing - I went away and I read the letter.

Mr BURKE: Mr Chairman, let us not rewrite history here, because I was in the room. You came back straight after the evening meal. You quickly closed the meeting, called an emergency meeting of the committee. You did not even allow the Leader of the Opposition to even respond to the fact that that letter had been presented to you.

The first thing I will say to you, Mr Chairman, is that I believe that you are in contempt of the parliament. You are in contempt of your position as chairman of this particular committee in the action you took and the undue pressure that has been put on you by the Leader of Government Business, and the way this whole charade has been conducted. That is the first point ...

Mr CHAIRMAN: Leader of the Opposition, let me put it on the record that I am very comfortable with the written responses to all written questions, this simply what it is about, being tabled for this committee. I would have thought that your shadow ministers, the Minister for Tourism, so on and so forth, would welcome having those written responses and associated documents for tabling, that they would welcome them tonight, to expedite the process.

Mr BURKE: Mr Chairman, it would appear that the opposition has no option but to go along with the revised procedures you have put in place.

Mr CHAIRMAN: There are no revised procedures. Do not try and pretend that there is, Leader of the Opposition. The procedures are not revised. We are sitting here, we can start interrogating the

questions, question by question, output by output. The only thing that is changed is that there will be documents available to your shadow ministers with written answers to those written questions. That is all that has changed. There is not one procedure that has changed.

Mr BURKE: Well firstly, Mr Chairman, we have not had an opportunity to see what these new procedures are. What we have seen ...

Mr KIELY: There are no new procedures.

Mr BURKE: ...what we have seen only is that you have re-ordered the business of this Committee ...

Mr KIELY: There is no re-ordering of business.

Mr BURKE: I am not talking to you.

Mr KIELY: You are not talking sense.

Members interjecting.

Mr CHAIRMAN: Order, order! The Leader of the Opposition has the floor. It is appropriate that he speaks.

Mr BURKE: It should have been painfully obvious to the government by now that there are a number of questions that we have asked, all of them written, that have required a large number of supplementary questions. Any glance at the *Hansard* will show that supplementary questions differ in many respects based on the answers that we are being given, because those ...

Mr CHAIRMAN: And you are still free to ask those supplementary questions.

Mr BURKE: ...that many of those written answers have been answered in different ways. I understand that the new procedure that you are putting in place is that all of those answers will be provided in bulk to the opposition at once. Is that the way I understand it?

Mr CHAIRMAN: Absolutely. As soon as practical this evening.

Mr BURKE: As soon as practical this evening. Okay. And at that point you expect the opposition to no longer ask any written questions?

Mr CHAIRMAN: No, absolutely not. What I am saying is that the operation of the committee will go on as it has for the past two days, hopefully, a little bit more expeditiously. You can proceed in the same way that you have, but you will have the benefit of having access to the written answers to those questions, and hopefully that will expedite the process.

I am not trying to say that you should ask this question and not that question, or trying to limit you in any way in any supplementary that you can ask or whatever. All I am saying is that the Leader of Government Business has said that the written answers will be tabled, plus the attachments. So, instead of what we have had in the past where we have had to go around with the written attachments and someone has had to say, 'I will come back to question 289 because you have just given me this attachment', the shadow minister will have the opportunity of having this evening that attachment to that question. I do not really see why you are struggling against it Leader of the Opposition. I thought you would have welcomed it.

Mr BURKE: Well, Mr Chairman it seems to me that the only people who are struggling are the government. It was the government who put in place the process. It was the government that

dominated the debate in the parliament to ensure that this was the process that was put in place against the advice and guidance of the opposition including ...

A member: And the PAC.

Mr BURKE: It is the government that has now decided, not the opposition, the government has decided that they do not like the process and now want to change the process. What the opposition - and that needs to be fairly and squarely on the record. It is not the opposition that has any problem whatsoever with the process that has been put in place and is working its way judiciously through that process. It is you, Mr Chairman, and your colleagues who have the problem with the process. We will now work through as best we can with the process in place and whatever procedures you ...

Mr McAdam: Well, let us begin. The process has not changed, let us begin.

Mr BURKE: ...and we will ensure that we do our very best for Territorians to ensure that we can interrogate this budget, which certainly for as long as self-government has existed I understand, Territorians have had an opportunity to have their budget at least questioned and debated. It seems to me that the option of this new government is written questions and written answers: 'Do not come near us an individual because we do not know the answer to the question. We do not want to be shown up'. If that is the way ...

Mr CHAIRMAN: Well, if you can work through the business ...

Mr BURKE: If you call that a new, honest, open and accountable system, go out there and try to explain that to Territorians, but we will work through the process.

Mr CHAIRMAN: Thank you.

Mr STIRLING: Mr Chairman, just before we go on, I would like the Leader of the Opposition to withdraw the opening remarks he made in relation to yourself and holding you in contempt of both this committee and parliament. I think they were unparliamentary. He has failed to justify them. It would have to be by way of substantive motion in the House anyway, so he should withdraw.

Mr BURKE: I have not been disabused of my view that certainly in the case of the Leader of Government Business the actions that you took over the lunch break were contemptuous of the Chairman and contemptuous of the committee and contemptuous of the process that was put in place. I do not believe the fact that all you did was hand a letter. I believe you pressured the Chairman. I believe in doing so, you are contemptuous of this parliament, and you go and prove me wrong.

Mr STIRLING: Mr Chairman, unless he wants to substantiate that by way of a censure motion, I suggest he withdraws it. It is unparliamentary.

A member: Righto. Let's go into parliament and have the censure motion.

Mr CHAIRMAN: Look, I am a big boy. I will take on the chin what the Opposition Leader has said to me. I am just intent on trying to move along with the business. I am not going to go down side roads.

Mr DUNHAM: Mr Chairman ...

Mr CHAIRMAN: You are not going to slap around as well, are you, member for Drysdale?

Mr DUNHAM: ... you may well be intent on going down the path of asking questions. This is a political stunt, Mr Chairman. This letter uses words – I mean, Syd's over there, all precious about words like 'squandering, grandstanding, incapacity,' Mr Chairman, incapacity of the opposition. That

has not been shown today.

Mr Kiely interjecting.

Mr DUNHAM: Now, if you could just keep your little Jack Russell quiet, Mr Chairman, I am happy to speak to this matter louder because I will have my say.

Mr CHAIRMAN: If you could just hold on. There is a bit of menace going on here and I do not like it. I call on members from both sides just to settle down. Member for Drysdale, please continue.

Mr DUNHAM: Thank you, Mr Chairman, because I will have my say. This is a political stunt. The information that Syd is giving us now ...

Mr CHAIRMAN: No, no, please refer to him as the member for Nhulunbuy.

Mr DUNHAM: Sorry - the Leader of Government Business is giving us at the 11th hour is something he could have given us on day one. We gave the questions 10 days out, and as we walked in here, we were still getting questions in sequence. So it took them 10 days to work out which way was up for us, notwithstanding that the departmental agencies had these questions for 10 days. We are now being given to understand that he can have them here in the blink of an eye. Well, we want them here. We want to see them stacked over there, and it is probably a very good idea because we all knew, including you, the member for Barkly, and the member for Sanderson knew ...

Mr CHAIRMAN: Please don't point, member for Drysdale.

Mr DUNHAM: ... knew when we signed a report as members of the PAC that this would take two weeks, and we knew that you either had to have two committees sitting in one week, or two weeks. Now, you signed off on that, Mr Chairman, and for you to come in here looking for remedies for a problem of your own making is just abysmal. This is a problem that was created by the government and this is an 11th hour gammon solution that is being paraded out to try to get various members off the hook - and we know who they are - and it is done in a way where we have a letter that is provocative and uses language that is only calculated to infuriate the opposition, and it has done that.

Mr CHAIRMAN: All right, member for Drysdale, thank you for putting that on the record. Is there anyone else who wants to put anything on the record before we proceed?

Mr McADAM: I suggest we get on with the next question which I understand to be 278.

A member: Yes, I think straight into business, Mr Chairman.

Mr CHAIRMAN: I would like to move into business. The member for Blain, if he could return to his seat, please. I think it was actually question 281, was it?

Mr DUNHAM: You are a pussy, Syd. You are a pussy, boy. Never seen anything like it.

Mr BALDWIN: Gutless and weak.

Mr CHAIRMAN: The member for Blain. I think we all should take ten breaths.

Mr BALDWIN: You included, Mr Chairman, I think.

Mr CHAIRMAN: I think some people would like to see me stop breathing.

Mr DUNHAM: No, I am happy. I think you were merely trying to combat a situation that is not of your

making. We know what you signed off on.

Mr Baldwin: You might make minister yet.

Mr CHAIRMAN: What, in the Liberal government?

Mr Baldwin: No, no, in the Labor government.

Mr CHAIRMAN: Member for Blain, please.

Mr MILLS: Before starting, I just have to put on the record that I am very much offended by the tone of this letter with regards to our treating this matter, 'squandering time'. That is not the case at all, and I will proceed.

Mr CHAIRMAN: Thank you, member for Blain.

Mr MILLS: Question 281: detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid 2001-02.

Mr STIRLING: Mr Chairman, I am bemused by the anger of the members opposite in relation to the suggestion I made and the letter I wrote to you. I would have thought they would welcome the opportunity to have the answers in writing, up front, so that they could get a little bit strategic about their questioning in relation to any supplementary question. It is clear to me, Mr Chairman, they are too lazy or too thick to read the answers and make up the supplementary questions ...

Members interjecting.

Mr STIRLING: ...they want to be hand fed by the committee all the way through. Eleven years in opposition, Mr Chairman, three days to get through thousands of questions. These guys cannot even get through a thousand.

Mr ELFERINK: A point of order, Mr Chairman! I do not see how this relates to the question that the Leader of Government Business was asked. The question was quite specific.

Mr CHAIRMAN: Leader of Government Business, there has been some tumult here. I would ask everyone on both sides just to take a step back and let's get back to business of answering the questions. You have made your point and if you could. We are on to question ...

Mr STIRLING: I have not quite finished, Mr Chairman, because if the attitude is such that they do not want the answers in writing, we can change it. They are obviously offended. They do not want them, they do not want to read them. We can say, hold the bus, don't bring them down, if that is their wish.

Mr BALDWIN: On Tuesday, why didn't you give us this on Tuesday?

A member: The old stand over bowver boy tactics.

Members interjecting.

Mr MALEY: A point of order, Mr Chairman!

Mr CHAIRMAN: There is a point of order here from the member for Goyder.

Mr MALEY: Mr Chairman, your own rules at order 39 talk about a member persistently disrupting the

business of the committee and that is exactly what is happening.

Mr CHAIRMAN: There have been a number of members, thank you member for Goyder. I think that there have been a number of members from all sides, you know, there has been a bit of tumult here. I just ask that we take a step back, we get back to business. We have had our say and we move on with the business, please.

Mr DUNHAM: Can I just say, Mr Chairman, that if words like lazy, hicks, squandering and grandstanding continue to be used, that will be the vernacular of this debate, and it is up to you to bring order. That is all I will say.

Mr CHAIRMAN: Thank you for that member for Drysdale.

Mr DUNHAM: It is all yours.

Mr CHAIRMAN: I know it is all mine, that is what I am attempting to do. Minister, if you could continue with your answer to this particular question, please.

Mr STIRLING: Yes, Mr Chairman, as long as, I imagine the word goose is used by yourself.

Members interjecting.

Mr CHAIRMAN: Come on, members, I would ask, you know, adjure you - how's that for a word? – I adjure you to get back to the business of this committee. Minister, if you could please continue.

Mr STIRLING: Thank you, Mr Chairman. The member for Daly really convinced me. I am wounded.

Mr CHAIRMAN: Yes.

Mr STIRLING: The total 2002-03 expected expenditure of state taxes and fees to the Department of Employment, Education and Training is approximately \$14m. The level of expenditure for this year has been influenced by the reduction of payroll tax from 6.5% to 6.3%, and the overall increase in employee expenses by \$18.34m. The Department of Employment, Education and Training paid \$13.583m in state taxes and fees in 2001-02, amount relating to payroll tax.

Mr MILLS: Question 282: Detail how much, sorry, I think this one has been dealt with. Question 285 ...

Ms CARNEY: Can I raise a matter, that is really a housekeeping matter. I was not quite sure where to raise it. Mr Chairman, you will remember the question I asked of the Chief Minister last night, I think it was question 129, but I am not certain. I asked whether she would provide a copy of the guidelines that were developed in relation to advertising that the Australian Labor Party promised prior to the election. The Chief Minister advised, after my request, that she would provide those guidelines today. I know we are working strange hours but I would have thought that the close of business would have been about 5 pm. My question is: have those guidelines been provided? If not, why not? I raise it now because, in some sense, it relates to question 282, and I seek your advice.

Mr CHAIRMAN: Member for Araluen, I note the matter that you have raised. I am sitting in the chair here. I cannot raise it with the Chief Minister right at this instant. I am sure if she gave an undertaking, she will honour that undertaking, but I just ask you to remember ...

Ms CARNEY: I am not so sure.

Mr CHAIRMAN: ... that the Chief Minister was in the witness box, or whatever ...

Ms CARNEY: She has numerous staff, Mr Chairman, so could the Chief Minister provide those guidelines, yes or no?

Mr CHAIRMAN: ... for 14 hours. It was a very long time, and we talked a little about other committees, we saw what happened in Tasmania. There were seven hours, and an extension of two to nine hours, but the Tasmania ...

Ms CARNEY: Mr Chairman, please do not lecture me. I am asking whether those guidelines are available; if not, why not, and when will they be delivered?

Mr CHAIRMAN: I imagine there are people who are listening to this who ...

Ms CARNEY: Do you have the answer, Mr Chairman, or are you just making it up?

Mr CHAIRMAN: Do not badger me, member for Araluen.

Ms CARNEY: Well, answer the question, Mr Chairman.

Mr CHAIRMAN: No! You have answered your question. I will pass on a note. How is that?

Ms CARNEY: Thank you very much, Mr Chairman, I am in your debt.

Mr CHAIRMAN: Are you? Good.

A member: Shall we move on?

Mr CHAIRMAN: Yes.

Mr MILLS: Question 285.

Mr CHAIRMAN: I am quite relaxed.

Mr BALDWIN: I don't think you are.

Mr MILLS: Well, unfortunately, I wish I was, but I still see these words like 'squandered, repetitious questioning, political grandstanding'. It is offending me because I believe that the process that we have been involved in has been a good process. I am trying to get myself calm so I can focus on this issue here, because that is plainly offensive.

Mr McADAM: Start by asking the next question.

Mr MILLS: Thank you, sir.

Mr McADAM: Work your way through.

Mr MILLS: No problem to you, is it?

Mr McADAM: No.

Mr MILLS: Question 285: what is the change to the agency payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government? Where does this cost or liability

appear in the budget papers relating to the agency?

Mr STIRLING: I still do not understand why you are so angry about being delivered all of the answers.

Mr MILLS: That is not the issue.

Mr ELFERINK: A point of order, Mr Chairman!

Mr MILLS: That is simply not the issue.

Mr CHAIRMAN: I am attending to this ...

Mr MILLS: I can cope with that in its own right, not a problem, and that probably should have happened on Tuesday.

Mr ELFERINK: A point of order, Mr Chairman! You have already given a ruling in relation to relevance. The question has now been put to the Deputy Chief Minister twice, and twice he has responded with a totally irrelevant answer. I would like to see this process continue and I hope you would make a direction accordingly.

Mr STIRLING: I will keep answering the questions when they stop being prefaced by reference to the letter or the initiative of giving all the answers.

Mr MILLS: Mr Chairman, I would like to answer that. You asked why I am so upset about these answers to the questions being tabled. I have no problem with that and I suggest that should have happened on Tuesday. That is not the point that I take offence at. The point I take offence at is the tone of the letter that is tabled here in reference to this issue. It is blaming us, that we are the ones who have caused this program to slow down. This is a process that we have been actively and genuinely involved in, and with this one single question has been ruled out - one single question by the Chairman was ruled out of order, one of them. So where is the issue? Is it all on this side? I have to say a heck of a lot of it lies on that side. That is why I find this letter plainly offensive.

Members: Hear, hear.

Mr STIRLING: There are three days, seven ministers; you knew that was going to be the process. You spent a day-and-a-half on one minister, and you want to blame the government.

Mr MILLS: That is not the issue.

Members interjecting.

Mr CHAIRMAN: The member for Blain has registered his concern and disgust, so if we could move on, please.

Mr MILLS: Anyway, question 285 has been asked.

Mr STIRLING: Changes in the payroll tax regime: the payroll tax rate is reduced from 6.5% to 6.3%. This new rate applies in respect of wages payable or paid on or after 1 July 2002. It imposed a payroll tax on the grossed up value of fringe benefits provided to employees, and imposed payroll tax on eligible termination payments, as defined under Section 27A of the Commonwealth *Income Tax Assessment Act 1936*.

The department's payroll tax liability as 30 June 2002 is unchanged as a result of the amendments to the payroll tax regime. These amendments commenced from 1 July 2002. The Department of

Employment, Education and Training's payroll tax liability is recognised in Budget Paper No 3, page 73, within the statement of financial position under liabilities in the category 'Creditors and Accruals'.

Mr MILLS: Question 286: Minister, how many staff are employed by the minister in the ministerial office, including Alice Springs, or any other centre? How many of these staff are paid by the Department of the Chief Minister and how many are paid for by the minister's agency or department?

Mr STIRLING: As at 31 August 2002, there was a total of eight staff employed within my office. These staff service ministerial portfolio responsibilities of: employment, education and training; police, fire and emergency services; racing, gaming, and licensing; and public employment. They also provide support as Leader of Government Business. Seven staff are employed and paid for by the Department of the Chief Minister. One staff member is employed with my office as a departmental liaison officer and paid by the agency.

Mr MILLS: Total of eight? With one?

Mr STIRLING: DLO.

Mr CHAIRMAN: Member for Blain, there is a bit of a pause now. I have received the Speaker's ruling to the ruling requested by the Leader of the Opposition. There are a dozen copies or so that the Speaker has supplied. I will read it out for the record:
Dear Dr Burns

Speaker's Ruling – Estimates Committee.

I have considered the dissent moved by the Leader of the Opposition to the ruling of the Chairman, Dr Burns, and advise the Estimates Committee that I have ruled as follows:

While the rules and guidelines of the Estimates Committee provide for questions to be taken on notice and subsequently answered in writing, 4.10.2, and the question, as recorded, is in order, it has been a long standing practice of the Assembly and other similar parliaments, that there is no obligation on a minister to answer a question.

In the Assembly at questions, and in Committee of the Whole, consideration of the annual appropriation bill, previous Speakers and Chairmen have ruled that there are no standing orders that can force a minister to answer a question, and that answers are usually provided as a matter of courtesy.

Accordingly, I uphold the ruling of the Chairman of the Estimates Committee.

So that is the ruling of the Chair and I would ask now that we proceed now with the questions now member for Blain.

Mr MILLS: Mr Chairman, do I understand that shortly the written answers to the questions that have been submitted will be supplied to me?

Mr STIRLING: Not for this. We are already in this process.

A member interjecting.

Mr STIRLING: Well, what is he going to do? Go away and read them? We might as well continue here.

Mr MILLS: Well, that is what I understood was going to occur. At what point does this kick in, Mr Chairman?

Mr STIRLING: For the next minister.

Mr MILLS: The next minister. Tomorrow?

Mr CHAIRMAN: No, no, they will be delivered soon, but ...

Mr STIRLING: We could give them to you now, but I don't see any point.

Mr CHAIRMAN: Deputy Chief Minister, I take what you say. We are engaged in a regime now of questioning Education, but I would request, that if possible, the remaining questions and questions related to Police are tabled to the committee if that is possible. I think that request has been relayed, has it not?

Mr STIRLING: Yes, yes. It is happening.

Mr BALDWIN: It is happening. When?

Mr STIRLING: It is close.

Mr CHAIRMAN: It is happening. But I would expect the other remaining ministries, the other five ministers that we have not interrogated yet that their answers will be here.

Mr MILLS: Okay, question 287, Mr Chairman?

Mr CHAIRMAN: Question 287.

Mr MILLS: Minister, excluding provision for state taxes and fees, repairs and maintenance, and depreciation and amortisation, what has the agency actually got to spend on each output for 2002-03? What is the total amount for all the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

Mr STIRLING: In relation to the matter that the Chairman was giving the ruling on, I did offer, subsequent to that question, a briefing. That was about the funding, the complicated process ...

Mr MILLS: But that was simply how non-government students ...

Mr STIRLING: Exactly. It is a half hour explanation.

Mr MILLS: Yes, I understand that.

Mr STIRLING: And I hope you are avail yourself of a briefing.

Mr MILLS: Happy to.

Mr STIRLING: You can come up and check that out.

Mr MILLS: Yes, thank you.

Mr STIRLING: Mr Chairman, question 287. The whole-of-agency availability to spend excluding state taxes, repairs and maintenance, and depreciation for 2001-02, \$429.065m; 2002-03, \$442.427m. I will table the document because it provides the information requested by output all the way down.

Mr MILLS: The point that has been made with reference to that question, as has been raised in other areas, is the very significant difference between the amount that has been touted around the market place as having been spent on Education as opposed to what is actually available to Education. To me it is largely a marketing exercise.

Question 289: Minister, explain what the entry 'expenses relating to prior year receipts' means. Or in the case of some agencies, 'receipts relating to prior year expenses' means. Detail what the amounts listed against this entry are for both for 2001-02 and for 2002-03.

Mr STIRLING: Agencies will often receive revenue, particularly from the Commonwealth, close to the end of the financial year, for example 2001-02, but will not spend against that revenue until the following year, for example 2002-03. Appropriation is not required for these expenses as the prior year's revenue is still in the agency's operating account and should be utilised for that purpose. Therefore, the item expenses relating to prior year receipts identifies the amounts available for use from the operating account and reduces the requirement for appropriation. The items relating to carry over of balances from 2000-01 and 2001-02 and from 2001-02 to 2002-03 are:

The carry over from 2000-01 to 2001-02 is \$12.902m for the following items:

- unexpended funding relating to the Learning and Technology in Schools initiative - \$2.338m;
- receipts received in the financial year prior to it being required - \$8.799m;
- unexpended funding related to calendar year Commonwealth Australia National Training Authority, ANTA, funded programs - \$1.624m; and
- additional Commonwealth ANTA related receipts in 2000-01 of \$0.141m.

The carry over from 2001-02 to 2002-03 is \$2.275m for the following items:

- externally funded programs, specifically Commonwealth funds, for employment and training programs - \$1.075m;
- the Indigenous Strategic Initiatives Program - \$0.550m;
- Driver Training and Licensing - \$0.150m;
- Others - \$0.55m;
- unexpended funding on the Training for Rural Youth Project - \$0.215m; and
- fit out and establishment grants for both Leanyer Primary and Jilkmिंगgan Schools - \$0.230m.

Mr MILLS: I am not wanting to be smart. I honestly need clarification of this. The phrase used before, 'lapsed allocation', is that an equivalent phrase?

Mr STIRLING: Let me check for clarification. Mr Plummer?

Mr PLUMMER: No, that does not apply in this case.

Mr MILLS: Well then, the supplementary: how does it differ?

Mr PLUMMER: Can I answer that question?

Mr STIRLING: Yes, most certainly.

Mr MILLS: I am happy for you to answer it.

Mr PLUMMER: There are two issues here. One is Commonwealth funding, and the Commonwealth funding and the timing of it is often quite different in terms of its application to the Territory or other states, so we cannot always expend it in the year that it is allocated, so we might carry it over.

Mr MILLS: Now, if that is carried over, that comes as a prior year receipt?

Mr PLUMMER: We receive it in one year – prior year receipt - and then there is the issue like LATIS, where we had unexpended funds which we sought to bring forward to the next year without them being lapsed.

Mr MILLS: That is a receipt?

Mr PLUMMER: That is a receipt in the year before.

Mr MILLS: Now, tell me about unexpenditure, just give me an example of what that would mean.

Mr STIRLING: Unexpended?

Mr MILLS: Prior year expense.

Mr PLUMMER: That is a reverse of what I was just saying, that we may not expend all the funds that were applied. So, for example, this is a fictitious figure, \$10m IESIP funding, we might spend \$8m or \$7m and we want to bring forward those funds into the next year, so we are talking about an expenditure which was not fully expended.

Mr MILLS: Okay.

Mr BURKE: Minister, the items that come under the heading that you have explained, expenditure over prior year receipts, in terms of your explanation, those items do not differ in terms of the different accounting process, except by terminology. I mean, similar items would have been carried over for the same types of reasons in other years?

Mr STIRLING: I would imagine so, but I will check with Mr Plummer.

Mr PLUMMER: As I understand that question, yes. But, for example, in the last year, we sought to expend much more of the funds we had at an appropriate time than we were able to do in the past. Partly that was to do with planning, for example, the LATIS program took quite a long time to be implemented and the purchasing had to be implemented. So initially, there were quite a lot of funds from the previous year to carry over; this last year, not the same amount. Same with IESIP, the Commonwealth funds.

Mr BURKE: But for the budget year 2001-02, in the May budget, the figure that was carried over from the PAC was about \$8m. That was seen as some aberration by the new government at the time - \$6m. In comparison to what you have carried over in this last financial year, what is the difference? You carried over \$6m in the previous year, what was it in this year – \$12m?

Mr PLUMMER: No, in the previous year, in 2001-02, we carried over \$12m. In this year, this last year, we carried over \$2.275m.

Mr STIRLING: \$12.9m and \$2.275m.

Mr PLUMMER: Is a carry-over, technical carry-over.

Mr BURKE: How does that relate to the figure of \$10.627m – if the items do not change, the circumstances do not change, in other answers that have been provided, there were funds that were no longer required by the agency and then taken back to central holding. For the reasons you have all given, all of those items – that money should still be there available to your account. Why is the figure \$10.627m?

Mr STIRLING: Where is that \$10.627m?

Mr BURKE: Well, it says expenses relating to prior year receipts on page 63 of your budget.

Dr LIM: Why don't you turn to page 63 of Budget Paper No 3, minister, you might be able to see it.

Mr PLUMMER: If I understand the question, we carried in \$12m from the year before, 2001-02. The following year we carried in \$2m, so the difference there is the \$2.275m. So the difference there is the \$10m.

Mr BALDWIN: Just to clarify, minister, will you describe that then as an underspend of \$10m nett for that year that you have carried forward?

Mr STIRLING: Well, of course it is an underspend, but it is because of the nature of when it was received, the items on which it was being spent, and the timing of the money being received into the agency against what it was required to be spent on and when.

Mr BALDWIN: An underspend, thank you.

Mr MILLS: Question 376: detail the inter-agency transfers for the agency, and how they are dealt with within the agency's expenditure and figures?

Dr LIM: I think that is a typo. Mr Chairman, if I can offer some assistance ...

Mr CHAIRMAN: Of course, member for Greatorex.

Dr LIM: The Centralian College should be deleted. It was straight into your inter-agency transfer within your budget.

Mr MILLS: We will let it go.

Mr STIRLING: We covered it in the inter-agency transfers before. That may be why it is ...

Mr MILLS: Okay, we will let that one go.

Mr STIRLING: Thank you, Richard.

Mr MILLS: Question 383, Promotions: The *NT News* publishes a weekly promotional insert called *Classmate*. What is the cost of this publication and who pays for it? What is the nature of the research conducted to ascertain the need for this publication?

Mr STIRLING: This is a great story, Mr Chairman. *Classmate* comprises a weekly four-page

education lift-out to be used as a teaching resource. In conjunction with the curriculum, the aims of the program are to provide resource and assistance for teachers to develop a reading habit with students and to encourage student readership of newspapers. *Classmate* provides stories on NT Education, schools and students; encourages the use of computers and the Internet for educational purposes; it covers a broad range of topics designed to meet the needs of the curriculum in an interactive and exciting way for students.

To kick start the program, a comprehensive teacher's kit on the 2002 Commonwealth Games was provided to 100 classrooms in agreed schools. Working in conjunction with the kit each agreed classroom received 25 copies of the newspaper each day for 14 days, packed with stories on the games for students to read and interact within the classroom. A total of 2500 newspapers were distributed per day for 14 days initially. The program then moved to 2500 weekly for 15 weeks. *Classmate* lift-out is similar to those offered in some southern newspapers. The concept had been fully trialled and proved to be highly successful in supporting and challenging students while providing an avenue for highlighting the excellent work schools do.

The *Classmate* feature is a six month project. DEET pays for the cost of the newspapers that are distributed to schools at a discount rate of 12.5% on the cover price. The *NT News* pays for the distribution of the newspapers to schools, and each month the *NT News* invoices DEET for the cost of the newspapers. The cost to date are: July, \$19 000; August, \$19 000; and September, \$6000; October, \$6000; November, \$8000; December, \$2000. The total cost to the department of the *Classmate* project will be \$60 000. The *NT News* made the offer to run the supplement in partnership with DEET.

Schools across the Territory have found *Classmate* to be a positive educational resource. Comments from Karama Primary School Principal were:

I have had good, positive feedback from the classrooms involved. They have built a lot of work around it and it has been good. I would like to see it continue but in short, sharp bursts. Five weeks at a time would be good because kids can get stale on it.

Durack Primary School principal:

It is good; any press with a positive spin for schools is good. ...

You would know how difficult that is.

... It is reasonably proactive but I would like to see it promote the teaching profession as well.

I would agree with that comment.

We need more recognition of the achievements of individual teachers. I would obviously like to see it continue, that goes without saying. It has been discussed at NT Principal Association meetings and it has been welcomed there.

Ludmilla Primary School:

Students are enjoying it especially the indigenous students. It is a different communication tool rather than having computer nerds. Classmate is complementing the Accelerated Literacy Program. The school previously purchased the NT News, with the secondary students reading the paper, sitting having a cuppa and reading, and more specifically role modelling. A large increase of students role modelling has occurred since Classmate's start. I would like to see it continue and enjoy the regularity.

Parap Primary School:

Teachers have expressed some appreciation, can't have high impact, however, positive comments on the curriculum and web links and activities. There should be more focus on kids rather than teachers. For example, News in Brief mentioned principals movements; that has no relevance for students' learning outcomes. Stagger the distribution rather than all year, possibly one semester hit each year. Would not like to see it run the same way for five years as people get bored with it. Yes, explore more by way of high impact.

Generic comments:

It is great and the best thing since sliced bread. Curriculum links should be written in parent language. Concerns have been raised about the content of the rest of the paper. During the Commonwealth Games, schools received papers daily, and felt it was far too much.

These comments were in response to two questions – ‘What is your opinion of *Classmate*’, and ‘Would you like the program to continue?’ Those schools, and I named those schools, they are generic, I don’t know where they have come from, but those schools were simply selected randomly from demographics, the number of students and the number of classes participating, which were Karama, Durack, Ludmilla and Parap.

Mr MILLS: Minister, I have no problem at all with *Classmate*, and I would have expected those responses. One I had in mind was profiling teachers, and that was covered but then countered by one of the responses that you had. But the issue you have addressed is the cost of it. I was curious as to how the initiative for such a resource to classrooms actually occurred. How the department is operating in terms of coming up with such an innovative resource. How did it happen?

Mr STIRLING: The *Northern Territory News* came with an offer to run this type of program. They had samples of what they envisaged could happen. They had samples from Queensland schools, from memory, with our focus on education, particularly outcomes in schools, and obviously with literacy in getting students to read something about themselves in some cases. Our bush schools never get into the *NT News* as a rule.

Mr MILLS: No, that is good. So the *NT News* sold this package to you?

Mr STIRLING: They came with the idea, based on, as I said, I think, Queensland newspaper was the example, with a mock up of what they ...

Mr MILLS: No, I have seen it in other places. I was just wondering where the initiative lay, was it with the department or with the *NT News*?

Mr STIRLING: They came to us.

Mr MILLS: Question 389, NT School Sports: what level of funding does the 2002-03 budget contain for NT School Sports, and how does this level of funding compare with the allocation made in the 2001-02 budget?

Mr STIRLING: The NT School Sports Council Incorporated receives financial assistance by way of an annual operation grant and relief staff reimbursements. Additional funds are sought from major events, including the Pacific School Games. In 2001-02, the School Sports Council received a total of \$410 000; a similar level of funding will be available in 2002-03.

Mr MILLS: There seems to be a lot of reviews going on. I do not know whether there is a review on foot currently with NT School Sports, is there?

Mr STIRLING: It is one of the few things we are not reviewing, Mr Mills. Maybe we will.

Mr MILLS: I am sure you will. And I will be following that one and so will the wider school community. I raised the Arafura School Games in parliament a little while back, and I am wondering ...

Mr STIRLING: The Pacific schools? Arafura School Games?

Mr MILLS: No, the Arafura School Games. There has been a funding allocation for the Arafura School Games for many years. It has not occurred, I think, since 1998. Not wanting to put a spotlight on it so it be taken away, but my understanding is that it is still there. I was wondering what the status of the Arafura School Games is, which is facilitated through NT School Sports.

Mr STIRLING: That would be a major event, and like additional events, would come through the Cabinet process, for additional funds required. Money for an event like that would come through the Cabinet process. Look, I do not know where it is. We can get some advice.

Mr MILLS: I would appreciate that. Can I add to the question, it is just a query as to what is status of our engagement with Asia, through the Arafura School Games, in the mind of the department? This is the very vehicle that used to carry that and it is no longer operating, for political reasons in Indonesia for one, but I understand that the funding is still there.

Mr STIRLING: We will give you a fix on it.

Mr MILLS: Thank you. Question 393, SHAPES, Sports, Health And Physical Education: I understand that there is a review in SHAPES and I will cover that in a moment. What level of funding does the 2002-03 budget contain for the SHAPES office and the programs run from it? How does this level of funding compare with the allocation made in the previous budget?.

Mr STIRLING: It is difficult to provide an exact answer to the question on how much is allocated to individual schools because it is influenced by student enrolment and attendance throughout the year. An amount of \$742 994 was spent on SHAPES in 2001-02 comprised of \$623 311 for employee expenses; \$38 782 as administrative expenses; and \$80 901 as grants and subsidies. I expect there will be general increases to expenditure for each school in 2002-03 as a result of additional teachers being employed in some schools, general wage increases for teachers across the board and support staff, and the increase for school supplies.

Mr MILLS: I understand the review in SHAPES concluded in April. What is the outcome of the review of the SHAPES office?

Mr STIRLING: It has not yet come to me, but I will pass it to Mr Plummer for clarification.

Mr MILLS: It has been a fair while since April.

Mr PLUMMER: That's right, and the review of SHAPES has led to us asking questions about other programs that are related to sport. We are not in a position yet to come forward with any recommendations until we have a look at the other programs.

Mr MILLS: Would I presume, therefore, that NT School Sports would be receiving a review which would relate to SHAPES?

Mr PLUMMER: No, no. They are confusing because they are so closely associated, but it does not have to do with NT School Sports; it has to do with programs that are related to drugs and other areas of endeavour.

Mr MILLS: Ah, the DARE area perhaps?

Mr PLUMMER: Yes.

Mr MILLS: Okay. I will move along. Question 394, LATIS: the LATIS program has now been established. Please outline the amount that has been set aside for the maintenance of the network; amount set aside for teacher in-servicing and help desk support; and describe the nature of the IT in-servicing that is provided to class teachers.

Mr STIRLING: Mr Chairman, the amount set aside for the maintenance is \$337 000. The amount set aside for teacher in-servicing and help desk support - \$1.8m allocated for teacher in-servicing. Help desk support falls under the overall contractual agreement between DEET and CSM. Specific cost is

not readily identifiable. IT in-servicing to class teachers falls into two broad groups: training, organised by Information Technology Services Branch; and professional development which is organised by Strategic and Leadership Development Branch.

The types of courses provided under each of these are:

- training - Information Technology Services Branch: Information Communication Technology Coordinator, (ICTC) training;
- staff training - introduction to the software on the LATIS environment: e-learning and resource repository training;
- professional development - Strategic and Leadership Development Branch: the professional development associated with the LATIS rollout was organised by a group of consultants employed by the Strategic and Leadership Development Branch. The professional development activities aimed at class teachers include: WebQuests introductory session; ICT workshop; integration of ICT workshop; on-line project review workshop; Sharing our Practice; mentoring and coaching workshops; on-line discussion groups – on-line communications tool; the Technology Enhanced Curriculum Classrooms (TECC) project; TECC on-line - interactive virtual learning community; reinventing practice workshop; learning and technology for indigenous teachers workshop; Talking Books road trip; best practice Bus Tour road trip; ICT information sessions; QUT 3 – on-line professional development course; innovative learning technology facilitators; and Janisons website.

I have a document that will set out the details of the LATIS program and the detail of that breakdown.

Mr MILLS: Thank you, minister. A general question in terms of in-servicing this area, I hope I can find it when I am looking at the profile of the different types of in-servicing. I hope there is sufficient face to face in-servicing as opposed to the on-line in-servicing. I understand that teachers are actually calling for more face to face in-servicing as opposed to on-line in-servicing.

Mr STIRLING: Mr Plummer would have the detail of that.

Mr PLUMMER: Well, \$1.8m a year is a substantial PD exercise, and there is a huge amount of face to face. We are looking at ways of increasing the on-line in-servicing because as teachers get more accomplished, it should be better.

Mr MILLS: Once they get accomplished, sure.

Mr PLUMMER: In addition to that, there is still the issue of ensuring that all teachers are competent in the technical training side before they even get there.

Mr MILLS: That is why I asked the question. It is too easy to put the equipment there and not train the teacher to use the equipment. We all think that now they have computers ...

Mr PLUMMER: That's right.

Dr LIM: Minister, what sort of allocation is put against purchasing bandwidth for the LATIS program?

Mr STIRLING: Good question. Mr Plummer.

Mr PLUMMER: We would have to come back to you with the details about that, because there is increasing demand for bandwidth, as there is nationally, and we are happy to provide you with that.

Dr LIM: Do you know what sort of bandwidth you have now for the LATIS Program in terms of

megabytes?

Mr PLUMMER: No, because it keeps getting heavier all the time. We can give you a track record of it.

Dr LIM: I am advised that it is probably 4.5 megabytes bandwidth that you have now for LATIS, and if you don't know the size of the bandwidth then I can also tell you that 24 megabytes is reserved for government schools and a half megabyte is reserved for non-government schools. Now, if you understand the technology, minister, when you restrict the non-government schools to half megabyte bandwidth, they walk away from LATIS, which I believe they have done so. Can you confirm that?

Mr STIRLING: No, I cannot confirm that at all, that they have walked away from it. In fact, it was your government's decision to put it in the non-government schools ...

Dr LIM: That is right, to be shared equally.

Mr STIRLING: If we had been in government, I suggest we would have done the same thing. They have the same problem in that as you get greater expertise, you get greater use, you need greater capacity. At some point though, I guess government - and I am not suggesting that we would do this - but you have to consider, well government has done absolutely everything, at what point is the non-government contribute, is there a way of networking or getting ...

Dr LIM: Well, may I offer a suggestion to you, minister.

Mr STIRLING: These are issues that are coming up through the network that we do not have a definitive position on now. I am happy to take the concerns you have raised with Mr Plummer. I am looking at Mr Saunders, we do not have an ITC specialist with us here this evening but ...

Mr CHAIRMAN: Yes we do, the member for Greatorex.

Dr LIM: Well, of course I am ...

Mr STIRLING: He is not in the department.

Dr LIM: ...but if you were to share the bandwidth fully across Education, non-government and government together, they would probably have better access, because not every road is full of traffic, every day, every minute of the day. If you give everybody equal access they probably would be better off, and you would have better access at any time of the day, throughout the day.

Are you aware that the School of the Air does not use LATIS bandwidth either?

Mr STIRLING: No.

Dr LIM: Maybe you need to look into that. They have their own server, obviously, and that is the reason why they are not with LATIS. If we are to provide LATIS across Education, then it should be equally shared with all educational facilities.

I request that the minister provide a full detailed briefing for me and perhaps the shadow Education minister.

Mr STIRLING: The Leader of the Opposition is nodding vigorously there as well. The point you made is well made. Because you get cram time in the day when everyone wants to be on at the same time of the day and yet, two hours later, anyone could go on it, but they are not interested because they all set the time. So, I think there is room to move there in being a bit innovative about it.

Dr LIM: And I think it is important, minister, that you allow non-government schools to use the whole bandwidth because you are cramming all of them into a tiny little pipe, whereas, at the same time that they are crammed into a little pipe, a big pipe might not be used at all, or very under-utilised, and they should be allowed to use that big pipe.

Mr CHAIRMAN: Thank you, member for Greatorex. Before we go on, the member for Araluen queried where the advertising guidelines are. I do have them now. I did send the messages I said I would; I am a man of my word.

Ms CARNEY: Pity the Chief Minister isn't it, but thank you, Mr Chairman.

Mr CHAIRMAN: Thank you, member for Araluen. If we could continue, please.

Mr MILLS: Certainly. Mr Chairman, I make the point, and for the minister's edification, that you will notice how things have been going in these last few questions, and how much we in opposition - and I guess you on the other side there - appreciate the dialogue and discussion we are having about matters that are of concern to all Territorians. The process that we have in place is one that I really do think has merit. For it to take its full and natural course it does need additional time. So, once again referring to the tone of the letter which states the fault clearly on this side for slowing the process down, it is a natural and full process and really does need a lot more time, and we will all benefit from it.

Question 398, Professional development: what level of funding does the Approved Student Status Scheme receive in this budget? Over the past five years, how many public servants have been assisted by this scheme? Provide details of the nature of the studies undertaken and list by agency.

Mr STIRLING: Mr Chairman, an allocation of \$440 000 was provided in 2001-02 for the Approved Student Status Scheme Higher Education Certificate. It is anticipated a similar amount will be allocated in 2002-03. Approved student status numbers are not readily available as far back as five years, but in 2000 the number was 337; in 2001, 198; and in 2002, 164. Approved Student Status provides assistance with formal studies for where that study:

- is directly relevant to the priorities of DEET as specified in departmental, divisional, branch, cluster and/or school strategic plans;
- arises out of an employee's performance management agreement; and
- is relevant and appropriate to the employee and workplace context and the agreed professional development objectives; and/or
- assisting staff to obtain qualifications that meet identified skill gaps within the NTPS.

There are a significant range of courses which are relevant and meet the above criteria.

DEET has sponsored employees undertaking courses such as: Advanced Diploma in Business (Accounting); Advanced Diploma of Early Childhood Education; Advanced Diploma of Community and Human Services, Advanced Diploma of Early Childhood Education; Advanced Diploma of Teaching; Associate Degree of Science (Library Technology); Bachelor of Applied Science - Indigenous Community Management and Development; Bachelor of Arts; Bachelor of Arts (Psychology); Bachelor of Business; Bachelor of Education - Inservice; Bachelor of Education; Bachelor of Information Technology; Bachelor of Science; Bachelor of South-East Asian Studies; and Bachelor of Special Education.

Mr MILLS: Thank you, minister. I missed, 337 in ...

Mr STIRLING: In 2001. No, in 2000. 337 in 2000, 198 in 2001, and 164 in 2002.

Mr MILLS: That is interesting. The reason I asked the question was that there is the impression that the funds are not as readily available as before. You indicate that the funds are the same, and you anticipate are going to be the same in this budget. But the numbers of public servants who are being assisted by this scheme is dropping significantly. Why I have particular interest in this, you may well know, is that I feel that perhaps through this agency or this scheme, you may be able to facilitate the training of additional teachers who are already employed in other agencies or other spheres. There are two things there: one is why are the numbers dropping; and secondly, could this be used to train teachers if people wanted to change careers?

Mr STIRLING: I will probably go to Mr Plummer, but I think that there has been a rationalisation over the years, a closer look at the types of courses that were being undertaken; and the direct relevance to what they were doing and how it was going to enhance their job, their role. For example, a teacher studying law - not keen - those types of things are looked at very closely. Obviously, there is a resource impact and that would suggest that the resources attached to it have decreased over those years, maintain the same this year. I don't know if Mr Plummer wants to add anything.

Mr PLUMMER: You basically covered it. We needed to be more strategic; we needed to ensure that those studying were going to benefit not just themselves, but the department. There was a resource issue. In relation to your other question, the question of outsiders, outside of the department wanting to become teachers ...

Mr MILLS: Within the public service?

Mr PLUMMER: Within the public service. We do not have a policy framework to consider that at the moment except for the scholarships available.

Mr MILLS: Certainly. I am aware of that, that is why I am making the suggestion because this could well be a mechanism to arrest or address this critically serious issue that we have.

Mr STIRLING: I am in part attracted to the idea because I think you bring a whole lot of skills and different world skills into the world of education when we do exactly what you are saying. The qualifier I guess I have on it is we had, as with the rest of Australia and indeed the world, an ageing teaching workforce and one of the reasons that we pumped up the teacher bursary schemes is because we get kids, you know, and hopefully try to address that as they go out the Top End, we are getting kids in. That is not to say that you know, we discount what you are talking about entirely, but you would want to be careful that you target an age group and you brought them in.

Mr MILLS: Now we are working on two fronts in the proposal that has been suggested here. Question 405, in relation to professional development: how many professional development days were offered to principals and deputy principals in 2001 and 2002 respectively, and how many of them received this professional development? How many professional development days were offered to classroom teachers in 2001 and 2002 respectively, and how many teachers received this professional development; and how many professional development days were offered to support and ancillary staff in 2001 and 2002 respectively, and how many received this professional development?

Mr STIRLING: Mr Chairman, as part of the school devolution grants, schools are offered one and a half days per full-time equivalent teaching load for professional development. Two professional development days are also provided ...

Mr MILLS: Excuse me, minister, I am more than happy for this just to be tabled for the sake of time.

Mr STIRLING: Yes, okay. It is actually a good answer.

Mr CHAIRMAN: Are there other questions in terms of this output area? There being no further

questions in relation to this output area which is 00.03, which is the more than one output group, the Department of Education and Training, I conclude consideration of that. I do not believe there are questions on the table to do with that.

Employment Initiatives

Mr CHAIRMAN: I would like to now move to output 01.01, Employment Initiatives. I also foreshadow that I would like for us to have a break around 9.30 pm, so if we just progress for a few more minutes.

Mr MILLS: Question 407, employment bonuses: 500 employment bonuses of \$1000 are made available to small businesses as an incentive to employ new trainees and apprentices. How many were awarded in 2001-02?

Mr STIRLING: We have not awarded any. Development of this whole initiative was iced, if you like, or deferred, because the Commonwealth, which had a whole range of different incentives going to apprentices and traineeship-type situations, pretty *ad hoc*, built up over the years, let's throw this particular group \$1500, give this mob \$500, give this lot \$1000 – it was problematic for us with this scheme of 500 apprentices/\$1000 to the employer, where we might place that to the best strategic effect in terms of this mish-mash of Commonwealth programs that had built up over the years.

The Commonwealth Employer Incentive Review is occurring at the moment. We are expecting them to complete that review in about October. I do not know when they will have a definitive position. But it makes sense to us to hold our fire because we want to maximise our bang for our buck, and complement and marry what the Commonwealth finishes up with. It is no good just duplicating what the Commonwealth does. It is not going to get us anywhere. We need to think strategically - and they have much more dough - and work with them.

Mr MILLS: I was aware of that. I am glad that you are on top of that because there certainly needs to be a far better use of resources. Question 410: How many apprentices completed their qualification and the end of 2001?

Mr STIRLING: 870.

Mr MILLS: A supplementary question: Budget Paper Number 3 on page 67 indicates the number of apprentices and trainees is 2750. It is written plainly. I need clarification on this, but on page 42 of Building our Community, it says in December 2000 there were approximately 5100 apprentices and trainees which is an increase of 2700 since May 1999. There is a significant conflict between those two figures and I would like some clarification on that.

Mr STIRLING: Mr Plummer.

Mr PLUMMER: One is comparing financial years and our figures are comparing calendar years. That is part of the problem. There was a decline in apprenticeship numbers in 2000-01 put down to such things as the GST, the Ansett collapse and the downturn locally in the building and construction industry. The figures more recently have shown an increase again. I cannot easily equate those two figures of a financial year and a calendar year. I believe they are consistent, but it is how they are reported.

Mr MILLS: Yes, all right.

Mr CHAIRMAN: Member for Nelson, question 99.

Mr WOOD: Sounds like an agent. Minister, the budget overview on page 23 says that the government will spend \$3.4m to develop and implement an employment and training strategy. If the strategy has not yet been developed, can the minister explain how the government knows it will cost more than \$3m to implement?

Mr STIRLING: Mr Chairman, during the ministerial statement on employment and training in parliament in August, I stated that the employment and training strategy will be a work in progress and reflect the ongoing and rapid changes to the economy because as the economy grows and matures, there will be a need to adjust the strategy to meet likely areas of growth and employment opportunities. You may also remember a time I took the opportunity to report on the progress to date and outlined the key elements of the government's Northern Territory Employment and Training Strategy of 2005. It is these key elements which enable us to estimate a commitment of \$3.4m. In short, they include:

- establishment of an improved labour market analysis forecasting program;
- literacy and numeracy strategies in VET;
- increased indigenous participation at certificate level 3 and 4;
- identify and promote employment and training initiatives for small business;
- promotion and marketing of the new apprenticeship system;
- review and monitoring of funding model;
- re-skilling and upskilling of workers in the NT;
- the conversion of training centres to technology-appropriate community managed learning centres; and
- the development of a common rule award for apprentices and trainees.

A bit of finer detail and fine tuning needs to be developed in these different areas, but we know the key elements and that is an estimate of \$3.4m that will be required to push those matters through to fruition.

Mr WOOD: Thank you.

Mr CHAIRMAN: If there are no more questions, I believe that concludes consideration of that particular output, 1.01, Employment Initiatives.

Regulation of Occupational Health and Safety

Mr CHAIRMAN: I would like to move to output 01.02, Regulation of Occupational Health and Safety. There is a question there for the member for Goyder.

Dr LIM: Mr Chairman, I have been asked to ask the question on behalf of the member for Goyder.

Mr CHAIRMAN: Certainly.

Dr LIM: Minister, question 575: the 2002-03 budget has factored in estimates for the HIH levy. What was the amount of the levy factored into the budget and what is the estimated revenue from the levy from the 2002-03 financial year and for each of the forward estimate years?

Mr STIRLING: The estimated contribution to the nominal insurer from the Northern Territory government paid, due to the HIH levy, for 2002-03 and the forward estimate years, is in 2002-03, \$1.8m; in 2003-04, \$3.464m; in 2004-05, \$3.5m; and 2005-06, \$3.53m. The above estimates include the Northern Territory public sector employer component.

Mr CHAIRMAN: Is that satisfactory, member for Greatorex?

Dr LIM: Yes, thank you.

Mr CHAIRMAN: I did say that we would break at half past, although the secretary has told me that the papers with the answers are now prepared and in the ante-room beside here. I think we should break so members can have an opportunity to get them. I just ask Terry to outline what is there, and what it is all about, and where it is and how people get it.

Mr HANLEY: Thank you, Mr Chairman. They have been arranged in order of minister, working from the next minister to appear, that is Minister Toyne. On top of that, I have also included all the scheduled questions in output order, so that when you pick up the sets, you have the whole lot. You have every question asked, and you have the schedules in accordance with output order. There are ten full sets in the Ormiston Room.

Mr CHAIRMAN: All right. We will break for 15 minutes until 9.35pm please.

Committee suspended.

Mr CHAIRMAN: I said we would start again at 9.35pm. I think I actually officially concluded the last output area?

Mr HANLEY: Correct, Mr Chairman.

Government Education

Mr CHAIRMAN: We are ready to move on to the next output area, 02.00, which is Government Education. There is a series of questions mainly from the shadow minister, the member for Blain.

Mr BONSON: Through the Chair, I have spoken to the member for Blain and he has allowed me to ask a question.

Mr MILLS: Mattie wants to go home.

Mr CHAIRMAN: I didn't say that! He is very keen to ask this particular question. Please proceed, member for Millner?

Mr BONSON: Question 284: can the minister detail expenditure for 2002-03 for the following schools in my electorate: Millner Primary School, Millner Preschool, Ludmilla Primary School, and Nemarluk Special School. Can these figures highlight funds allocated for school supplies?

Mr STIRLING: Mr Chairman, it is difficult to provide an exact answer to the question on how much is allocated to an individual school for 2002-03 because it is influenced by student enrolment and attendance throughout the year, but I expect that there would be general increases to expenditure for each school in 2002-03 as a result of additional teachers being employed in some schools, general wage increases for teachers and support staff, and the increase for school supplies.

Details of expenditure for 2001-02 to provide an indication of the levels of expenditure for the schools, an amount of \$1.886398m was spent on Millner Preschool and Primary School in the 2001-02 financial year which comprised \$1.373281m for employee expenses, \$154 692 as administrative expenses and \$358 425 as grants and subsidies.

An amount of \$1.689642m was spent on Ludmilla Primary School in the 2001-02 financial year comprised of \$1.044209m for employee expenses, \$330 223 as administrative expenses, and \$315

210 as grants and subsidies.

An amount of \$1.895866m was spent on Namarluk School in the 2001-02 financial year comprised of \$1.524252m for employee expenses, \$124 662 as administrative expenses and \$246 952 as grants and subsidies.

The schools will receive the following for school supplies during 2002-03 based on current enrolment and attendance: Millner Pre and Primary, \$20 982; Ludmilla Primary School, \$10 246; Namarluk Special School, \$27 397; a total of \$58 625. If I just go to the school supplies, the per capita rate for funding school supplies for government schools had not changed for many years. The per capita rate was increased by more than 20% to ensure that it adequately provides for the needs of schools like stationery, text books, library, software and equipment. The rates, importantly, are to be indexed from 2003-04 onwards so that we will not get that erosion effect of CPI over time. The initiative is costing \$862 000 in 2002-03. As an example, for a preschool, the current rate was \$14.55 going to \$17.65, so it is an additional \$3.10. For primary - \$70.06 to \$84.98, a \$14.92 increase. Junior secondary - \$134.86 up to \$163.59, a \$28.73 increase. Senior secondary - \$149.62 to \$181.49, a \$31.87 increase; and special school - \$458.55 up to \$556.22, a very healthy increase of \$97.67. I have visited some of those schools and they need every cent of it. We would like to do more.

Mr CHAIRMAN: All right, thank you for your generosity. Member for Blain, if you continue.

Mr MILLS: No worries. Question 272: what was the repairs and maintenance budget for the agency 2001-02 that was expended on their behalf by the Department of Infrastructure, Planning and Environment, or its predecessor?

Mr STIRLING: Mr Chairman, an amount of \$14.981m was spent on repairs and maintenance for schools and vocational and educational training centres for the 2001-02 financial year. Expenditure was in the categories of: \$8.249m for programmed maintenance; \$5.69m unforeseen maintenance; and \$1.042m cyclical maintenance. Programmed maintenance is maintenance that is identified as part of the building asset management, the BAMS process. It involves contractors from the Department of Infrastructure, Planning and Environment visiting each school or VET centre and identifying maintenance like painting, electrical, plumbing, and roofing. It is compiled on the building assets management system, BAMS, and produces the programmed maintenance for each year. \$5.69m for unforeseen maintenance which relates to work that could not be reasonably foreseen such as damage to guttering, and septic systems; generally items have an urgent element to them as they pose a risk to occupational health and safety. And \$1.042m cyclical maintenance relates to items identified by the Department of Infrastructure, Planning and Environment, and they generally relate to the servicing of large plant and equipment.

Mr MILLS: I missed the lead-up figure. Is there a global figure for that, that was expended in 2001-02?

Mr STIRLING: \$14.981m, last year, in 2001-02.

Mr MILLS: \$18m is this year.

Mr STIRLING: We have an ageing infrastructure system out there, and the more I get around, there is just so much work got to on, a lot of dollars has to go into these processes. It is real catch up.

Mr MILLS: Certainly, even in my electorate, Moulden Park Primary School.

Mr STIRLING: Compared to some of the ones that I have seen, it is good.

Mr MILLS: I appreciate that. Question 375, an interesting one. The school attendance officers. \$170 000 has been provided to employ school attendance officers; we need some details. How many officers will be employed, where are they going to be placed, what is the management structure that

these officers will work under and, with reference to data, outline the broader strategy for unfolding this program over the term of this government.

Mr STIRLING: Mr Chairman, the 2002-03 budget provides funding for the introduction of school attendance officers. It will involve the recruitment of eight attendance officers as follows: two in 2002-03, three in 2003-04, three in 2004-05. The cost in the first year is \$170 000 rising to \$680 000 in 2004-05. School attendance officers will work with identified schools and school communities where there are significant issues in relation to attendance and retention. School attendance officers will develop solutions in conjunction with schools' existing support staff and other local key stakeholders to achieve effective change in attendance and retention. The management structure for the officers is yet to be determined by the department.

The student enrolment, attendance and retention strategy has recently been approved by DEET executive board and endorsed by the *Learning Lessons* implementation steering committee. The employment of school attendance officers sits within the strategy initiative effective system support. The key tasks will include deployment of the officers where there are significant issues; development, implementation and monitoring of performance indicators in relation to effectiveness of service provision; and evaluation of the role of the officers over time. Targets will be set to significantly improve attendance rates over the current base line levels.

Mr MILLS: I understand there are two for this year?

Mr STIRLING: Two in this financial year, three next year, and three the year after.

Mr MILLS: Two and not three. Are these truancy officers under a different title?

Mr STIRLING: For want of a better word, perhaps they are very similar. However, we would see them working very closely with the school and the community in a holistic framework and approach to their job.

Mr MILLS: Have you an idea where these will be placed? There are only two addressing a significant issue at this point. How will you determine where they should be placed?

Mr STIRLING: Well, there is already a view that one will be based in your area, the Palmerston area. Is that right, Mr Plummer?

Mr PLUMMER: It is not finalised, but that is definitely an area of consideration.

Mr MILLS: There was a commitment to the Palmerston Crime Forum, but I will let that go.

Mr STIRLING: The final decision has not been made, but that would be fairly high on the department's consideration.

Mr MILLS: I would be really quite interested to see that unfold, because there is a certain amount of expectation there and the need is clear, and the community is very anxious. But how it will actually work is going to be a challenge.

Mr STIRLING: A challenging task, and a challenging job, I would have thought.

Mr MILLS: Absolutely. The home liaison officer and the school attendance officer - the relationship there is going to be an interesting one, although it is covering the same ground.

Truancy rates, question 377. This probably should have come before that one. What is the level of truancy in government primary and high schools in the 2002 academic year? Apart from providing this figure as a measure of attendance against enrolments, please indicate the number of students in

urban high schools whom principals and staff would classify as regular truants.

Mr STIRLING: The department does not specifically measure the level of truancy at primary and secondary level. It is often difficult for principals to determine whether an absence is for a legitimate reason: for a medical, cultural or family reason. Any data collection in this area would be difficult and costly and may not provide an accurate measure of truancy, given those circumstances mentioned. The government has proposed and funded the introduction of school attendance officers, and these officers will focus on improving attendance and retention. Part of the problem will relate to truancy but there are, of course, other reasons why children do not attend school.

Just as an overall fix, if you like, in terms of enrolment versus attendance - and this is based on 16 August 2002 collections, across the urban pre and primary schools, there is about an 86% attendance; the remote schools – that is all the indigenous rural remote area schools - about 62%; secondary schools, 87%; and non-government education system comes in at around 86%. You can see a variation there around 86%, 87% generally in the urban area, as well as 62% in the bush.

Mr MILLS: The ability to identify a student who is a regular truant as opposed – I know it is a difficult one, but to me that really strikes at the nub of this. If you are going to fund a solution with two school attendance officers, you really have to have a clear idea of exactly what it is you are dealing with. I actually think there would be mechanisms available within a school to identify who is a regular truant.

Mr STIRLING: I do not doubt that senior management within the schools would have a fair idea themselves, but it is not recorded back through the system. I am not saying no one has any idea. I am sure schools, I am sure principals and APs in the system know their own school and their own school community well enough. So that sort of baseline knowledge I guess, would be already existent in the local school community and system for the attendants officer to have a good start on where to go. It is just not collected on a whole of system basis.

Mr MILLS: Question 380: in the year 2001-02, how many parents were referred to police or any other agency for action as a result of failures to send their children to school?

Mr STIRLING: It is not strictly an appropriation question in terms of budget ...

Mr MILLS: It is related; I can easily explain that.

Mr STIRLING: ...but no parents were referred to police or any other agency for failing to send their children to school. DEET does not prosecute parents or guardians as a consequence of their children's failure to attend school unless there is observed wilful neglect by parents. The issue of truancy is regarded as best addressed by principals, their staff, and parents to ensure that positive outcomes are achieved. Punishing parents or guardians for non-attendance of children at school, it is not deemed that it is going to create the level of cooperation that is required. If you want to work with that family and the student, bring them in. The assistance of home liaison officers and the Aboriginal and Islander education workers does help to minimise the level of truancy, as do those principals in those schools who actively engage in supporting parents and students to work with them in a positive fashion to overcome difficulties with attendance.

Mr MILLS: So not one. The reason I recorded that question, minister, was because that question was asked of the former shadow, Dr Toyne, and it struck me in reading that, going through *Hansard*, that there was a genuine concern that serious action was not being taken in regard to the issue of truancy. At that point, the minister, Mr Lugg, gave an answer similar to your own and was berated, or maybe that is overstating it, by the then shadow. Now roles are reversed, and nothing has changed.

Mr STIRLING: In the sense of we are the government, you are the opposition. But we have a different minister for education than may otherwise have been the case, and we may have had a very different answer to this question if the member for Stuart was sitting here as the minister for education. I do not know.

Mr MILLS: The best way to try this out is when I sit on that side there, we will see some truants and their parents dealt with quite severely.

Mr CHAIRMAN: This isn't a torture chamber, Member for Blain.

Mr MILLS: Then we will have the full scientific analysis of this.

Mr STIRLING: It may be that bringing on the school attendance officers, that that picture does change, and you know, that may be good reason. But I guess the question I would always have, as a principal in this issue, is what do you achieve? You know, where do you find them, they have no way to pay; that sort of situation makes you drive them further out of the system rather than trying to bring them back in.

Mr MILLS: I take your point.

Mr STIRLING: Maybe in some cases, you have to go that far and do it.

Mr MILLS: Exactly. I think, maybe, one, two or three, would send a significant message to a number.

Mr ELFERINK: Terry, can I just interrupt you for one second?

Mr Chairman, I just want to raise a small issue and place it on the record. Everything is much clearer to me now, thanks guys, but the issue is question number 896 which is going to come up tomorrow, one of those questions which should now have been provided to members, is missing. Mr Chairman, I would like an assurance from yourself that that is the only question that is missing, that there are no other omissions from the list of questions which have been provided to the government. I would also like an assurance that question 896 is duly provided, or I am provided with an answer in relation to it. I would like a confirmation that these documents will be gone through properly and that any missing questions will be included in the list of questions provided to the government as per the demands or requests made in this committee's instructions and orders.

Mr CHAIRMAN: Member for Macdonnell, every effort is being made to furnish opposition members with a full set of questions. I have noted your concern about question 896. Already word is being sent up to the Minister Vatskalis' office to locate that answer. I am trying to get it for you as soon as I can and that is the undertaking that I give to you. Thank you for bringing it to my attention.

Mr ELFERINK: I will just place on the record, Mr Chairman, it is the first question I went to have a look at, and if that is missing, then ...

Mr STIRLING: You had better keep looking.

Mr ELFERINK: Well, I pick up on the ...

Members interjecting.

Mr STIRLING: I am sorry! I take it back!

Mr CHAIRMAN: He takes it back. He takes it back, all right? I am very interested and from everything you have told me about question 896 and its involved nature and its important nature, I will be avidly reading it. It must be a doozy. I can hardly wait. If we could proceed, please.

Mr MILLS: Thank you, Mr Chairman. Question 381: \$500 000 will be spent to establish two alternative education sites, one in Darwin and one in Alice Springs. Detail number of staff that this

initiative will employ in Alice Springs and Darwin; describe the nature of the program that these facilities will implement, including in your response reference to the relationship between this facility, local schools and the Student Services Section. How will a student be referred to this alternative education site?

Mr STIRLING: They are good questions, Mr Chairman, but they are premature in the sense that much of this has not been worked out. It has not yet been to Cabinet, although we will expect to see it later in the year. The sites will be determined following the critical examination of areas of greatest need and staffing arrangements are currently under consideration.

Programs for alternative education provision will be determined at each site in consultation with schools and communities to come up with local solutions. The approach is consistent with the Student Enrolment, Attendance and Retention Strategy, and an alternative education provision will be designed for students who demonstrate antisocial behaviour. Programs will be designed to meet the individual needs of students and are likely to be a mix of academic and social components. I think there is a real need for an appropriate strategy like this. We do not have those answers yet. It is being developed through the department. It will come up to ministerial level and I will take it to Cabinet later in the year.

Mr MILLS: Do you have an idea of the time frame on this. Are we looking at the new school year?

Mr STIRLING: Depending on what is involved in the Cabinet submission and what sort of resources it is going to take to deploy in the first instance - I mean, the sites, the tender issues, all of those things - it is problematic to put a date on it given the decisions. Some are just not instant decisions that you can arrive at. But, if we get to it by the end of the year, the department would be pushing [inaudible].

Mr MILLS: I had an impression this was the case because in reading references to this initiative in different places, it was referred to in different ways. Sometimes it was a site so it gives you the sense that it is going to be in a place, and other times it was referenced to diversionary programs and the like, so whether they were tied to a place or whether it was the funding of programs that operated in existing facilities. You do not need to go any further into it, but the indication is that it is still under construction.

Mr STIRLING: Very much so.

Mr MILLS: Question 382, gifted student service provision: what allocation and substantive staffing levels are in place for assessments of gifted children in each region for 2002-03? What is the current waiting time for assessment of gifted children by each region?

Mr STIRLING: Mr Chairman, guidance officers from Student Services branch of the department provide assessment of gifted students. Seven officers are employed with one allocated to each school cluster. These guidance officers, as part of their role, are requested by schools to do assessments on students to determine giftedness. \$3500 per school cluster is allocated to support gifted programs, totalling \$24 500. Assessment of gifted students is undertaken to guide programs as requested by individual schools. Assessments provided by guidance officers, and the average waiting time for guidance assessment, varies from cluster to cluster. Assessments of guidance officers at a school are not restricted to gifted children. Generally, a guidance officer will visit a school to undertake assessments of children who have a range of needs, including gifted children. In addition, guidance officers undertake social and emotional assessments for children with poor behaviour, and/or children who may have suffered trauma to help the child and the parents to improve the child's ability to participate. The breakdown of current waiting times is: Darwin City, 7 weeks; Northern Suburbs, 3 weeks - they get everything, Mr Plummer, the northern suburbs, they really do; Palmerston rural, 7 weeks; Katherine Rivers, 4 weeks; Arnhem, 7 weeks; Desert Oaks, 12 weeks ...

Mr MILLS: Minister, did say \$3500, or thereabouts, per cluster?

Mr STIRLING: Yes. For the Central Storm, 12 weeks, and the time taken to complete assessments in the southern region is longer due to difficulties in commuting between communities. Most travel is undertaken by road. There are few or no scheduled flights or charters across those central areas.

\$3500 per school cluster is allocated to support gifted programs; totalling \$24 500.

Mr MILLS: Across the whole Territory?

Mr STIRLING: \$3500 per school cluster, that is all that we have.

Mr MILLS: That is unusual because there are some clusters with many more schools than others.

Mr STIRLING: Yes, that would be right.

Mr MILLS: The Palmerston area, I understand, has more schools in it than perhaps the Darwin area.

Mr STIRLING: Not every school runs a gifted program.

Mr MILLS: All right. That is a heck of a lot of students in some clusters as opposed to other clusters, with just \$3500 for gifted support.

Mr STIRLING: You have to look at the other end as well.

Mr MILLS: I understand the other end, the other end would be addressed with another question.

Mr STIRLING: We have the mainstream, we have enormous literacy and numeracy - you can get your resources to get everyone to read or write, and how much do you put at the Top End? They have a need equal to the totally disadvantaged and disabled at the other end, but in all of these things there is a balance.

Dr LIM: On question 382, I may have missed the figure that you gave for the Alice Springs regions, what allocation is provided in the Alice Springs region for gifted students.

Mr STIRLING: It is \$3500 per school cluster, and the clusters are: Darwin City, Northern Suburbs, Palmerston Rural, Katherine Rivers, Arnhem, Desert Oaks and Central Storm.

Dr LIM: My next question is, is Alice Springs considered one cluster?

Mr STIRLING: Two.

Dr LIM: Two clusters. \$3500 per school cluster. What does that translate to in terms of hours of service per student, or how many students are being serviced in Alice Springs.

Mr STIRLING: I do not have that level of detail. It is not an hours of service type of arrangement, I would not think. Many schools do not have a gifted program at all. Those that do obviously draw down from the funds that are allocated.

Dr LIM: I accept that.

Mr STIRLING: Some schools would do it within given resources anyway, without drawing from this particular program. When you say two in Alice Springs, I mean, Darwin City, Northern Suburbs, similar, two clusters there. Palmerston and Rural is another cluster. So it is not as if Alice Springs is disadvantaged in relation to the lot. You could say the whole lot is disadvantaged, that is your view.

Dr LIM: I acknowledge that Alice Springs, a smaller community, has less resources for the parents and students to draw on. There are other facilities available in the bigger town of Darwin which are not available in Alice Springs, and parents have great difficulty in accessing any programs for their children. I beseech you, urge you strongly, to look at expanding the program to allow gifted students to achieve the level that they can do so.

Mr STIRLING: In an ideal world we would pump more money into this. I have a view that those who are languishing far behind probably need the greater level of resource, so that we can at least get every student to read and write, as a priority, before the enrichment of the top level. Now, there is always a case for that, but it has to be prioritised in terms of the overall allocation of what scarce resources the government has against any program. Different schools have different programs within their own resources; some schools do not have those programs at all.

Dr LIM: At least in the schools that have, students can go there to access programs through the day or through the week.

Mr STIRLING: I am sure they do. I am sure that those who are assessed as gifted find their way into these schools that have these programs, in the main. You are talking about Alice Springs, but I could point to Arnhem - a small community scattered across a vast land.

Dr LIM: \$7000 for 30 000 people, you are looking at a few cents each.

Mr STIRLING: Per capita it is a long way ahead of Darwin.

Dr LIM: It is still very, very small.

Mr STIRLING: Very few in Darwin in the allocation, and Palmerston.

Mr MILLS: Minister, question 385. I think for the sake of time, if the answers to these next two questions can be tabled. That is funding for NT School of Music, and question 386.

Mr STIRLING: He only ever wants to table the good answers.

Mr WOOD: Could I ask a supplementary to the School of Music, please?

Mr CHAIRMAN: Of course you can, but we will get the answer tabled first. It is coming now.

Mr WOOD: It will not affect that, it is ...

Mr CHAIRMAN: No, no, let us get our processes right, as we have been trying to do right throughout these entire hearings.

Mr STIRLING: Mr Chairman, I will give the answer first so that ...

Mr WOOD: My supplementary is only the word 'music'. I wanted to attach another question to it, that was all.

Mr STIRLING: What level of funding does the 2002-03 budget contain for the NT School of Music, and how does it compare with 2001-02? An amount of \$1.243975m was spent on the NT Music School North in the 2001-02 financial year comprised of \$1.093416m for employee expenses; \$61 625 for administrative; and \$88 934 as grants and subsidies. We said before it is difficult to provide an exact estimate for individual school student enrolment attendance throughout the year, but there will be general increases to that level of expenditure for EBA for teachers, the increase for school

supplies, and the general wage increases for the public sector school support staff that comes through later in the year.

Mr WOOD: Thank you, minister. My question is based on, one, I believe music should be taught more in schools. I recently had the privilege of enjoying the Leanyer Primary School Band when they came out to Girraween Primary and gave a concert. I gather that there are no specialist music teachers in schools unless they wish to use one of their own teaching positions for that. Would the government consider - and I know you have a shortage of teachers but I still ask the question – making specialist teachers for schools available without reducing the normal number of teachers, even to the point of say, one teacher per two or three schools so that one could encourage more music, such as Leanyer Primary School does, into the curriculum in the Northern Territory?

Mr STIRLING: I am not unsympathetic to that type of view, but you get those with the view that say we should have a PE specialist, a dance and drama specialist and a school counsellor in every school. You simply do not have the resources to meet all of those needs. Different schools within given resources do attach different specialists, so you are quite right, some schools would have a music specialist - someone who takes students for music. Others may have PE, a different range of specialists. I do not think government could make that call across the board and say everyone is going to have a, you know, a music teacher.

Mr WOOD: They have the opportunity, but there's a position there if they want it. And I look at another way of funding it. One of the things with a whole-of-government approach is that we are saying we have to try to get hold of kids in their youth, to get them out of trouble, and get them into sport, get them into arts. One way, I believe, is music. Even if that was funded through one of your other programs, like the diversionary program or, what is the replacement for NT Safe now, that sort of funding. If we channel some of that money, for that very reason, that we are encouraging kids to get into something which will help them through their especially teenage years, and carry on for the rest of their lives.

I am just putting to you that I think there is an opportunity there that we are missing at the moment. Seeing kids playing music, especially Leanyer Primary School, left a real impression on me. Those kids were just tops, and they were very young. They obviously did not think playing a musical instrument was boring. They were really into it. The number of choirs around our primary schools is terrific. But they are all done by part-time music teachers, or they are teachers who do a bit of this work in their spare time.

I just think if we can combine building up our talents in music teaching, because I believe music is a good way to teach kids in lots of things like mathematics and English, it is part of that. The other thing is, it is good for the program to try and push this, let's help kids get on a path to a better future. So I put that two bob's worth in to say that I would like the department to at least look at those options.

Mr STIRLING: I do not disagree with you for a minute. It is a question of resources and a lot to do with it ...

Mr WOOD: Perhaps we could drag money from another area.

Mr STIRLING: ...and if there are innovative ways that we could look to strengthen music across schools, I am sure we could consider it.

Mr WOOD: Except for head banging music. You don't have to get trained for that. Two chords and a big bang.

Mr STIRLING: Question 386 on School of Languages. We will table that.

Mr MILLS: Yes, I would just like to ask a supplementary on that.

Mr STIRLING: Well, I will give you the answer book.

Mr MILLS: I have the information here.

Mr STIRLING: You are ahead of me, guys, now.

Mr MILLS: Yes well, I said I would be happy for it to be tabled, and with using the system now that will be in place soon, and I just ask a supplementary because you have the information there.

A member: Piloting it, are you?

Mr STIRLING: I have been thwarted, Mr Chairman.

Mr MILLS: Trial run! Basically, my issue here with the School of Languages is that I wanted to see that it was receiving the same amount of support this financial year, and this budget, as it has in the past, and it indicates that you are not able to provide that because it is difficult. What I am particularly interested in, that it has the same level of support, but my understanding is that the Commonwealth grants to this area have decreased. So how will the reduction of Commonwealth support for Asian languages be reflected in this area?

Mr STIRLING: Yes, that looms as a difficulty for government in the forthcoming year. This is a calendar year, 2002, that \$246 000 runs out, Mr Plummer, and the department is going to have to consider where, what, how, it all goes into the 2003 school year. It is subject to further review by the Commonwealth, and the School of Music itself is undergoing departmental review. Is there anything else that you would like to ...

Mr MILLS: I am particularly interested as is my colleague, the member for Nelson, in music, but I am particularly interested in languages and Asian languages. I have made reference to the Arafura School Games before and I believe that with perhaps a challenge, from the Commonwealth to a reduction of funding for Asian languages, and I am still not sure whether we have the equivalent level of support this financial year as last financial year. I am concerned as to the mind of the department with regards to the human infrastructure we already have resourced and in place in terms of our relationship with our closest neighbour, Indonesia. I do not have a lot of security in the answer that has been provided here.

Mr STIRLING: And I am not pretending that there is, but there are often different ways to provide an equivalent level of service, particularly when already scarce resources are pulled from without. This is not necessarily the ideal model on which to operate this type of program anyway and that review – and I do not say that as a criticism. That review, is looking at a whole range of ...

Mr MILLS: Are you talking about the School of Languages?

Mr STIRLING: Yes.

Mr MILLS: It is under review?

Mr STIRLING: Yes, that is under review. This review has been going on for some time, well in advance of the Commonwealth pulling the pin on this.

Mr MILLS: And so, the commitment to ...

Mr STIRLING: Although the Commonwealth question of funding is under review itself.

Mr MILLS: Correct.

Mr STIRLING: That does not mean that, even if we retain the Commonwealth funding, the review does not point to suggested better ways or recommendations on how it all should be go.

Mr MILLS: I guess I am wanting to hear very clearly a strong commitment to our focus on our closest neighbour, the language and culture of Indonesia, primarily. It was once a focus; is it still going to remain as such?

Mr STIRLING: The School of Languages does not focus simply on Asian languages.

Mr MILLS: No, I know. I am singling out this one for historic reasons.

Mr STIRLING: I do not know what the situation with Asian languages is across the schools at the moment. Do you have a comment on that?

Mr PLUMMER: I think that we should just wait until we see what the review has to say, but Indonesian Bahasa is an important focus.

Mr STIRLING: And there is no intent to change that.

Mr MILLS: No, I just want to have that that clarified because I think it needs to be spoken to and I will continue to do so.

Mr STIRLING: Good.

Mr MILLS: Question 388, Students at Risk – STAR Centre: what level of funding will be directed to the STAR Centre in this budget and how does the program supplied by the STAR Centre relate to the proposed alternative education proposal?

Mr STIRLING: The STAR Centre received funding of \$0.25m in 2001-02. It will be similar in 2002-03. The STAR Centre program and the proposed alternative education programs are separate programs, or will be separate programs. The STAR Centre offers short-term programs designed to assist students to stay at school. STAR Centre placement offers students skill development and support into the mainstream setting.

Alternative education programs for students have been established and this strategy includes initiatives to cater for those students with unacceptable behaviour problems and students currently not engaged with education. Formal implementation plans are currently being developed and will be considered by government later this year. So, I think we are talking about where STAR is an interventionist-type program to get the student back into the mainstream; the other one will be seen as a longer term placement for the student at risk.

Mr MILLS: So \$0.25m last budget, probably the same this one?

Mr STIRLING: It depends on referrals and numbers.

Mr MILLS: Do you have the figures to look back to the one before that?

Mr STIRLING: No, we can get it for you.

Mr MILLS: I would appreciate that. The STAR Centre, Students at Risk Centre. A little bit of historic funding allocation for that beyond last year. I will come back to that at some later stage.

Question 390, funding for *The Beat*. What level of funding did *The Beat* receive from the NT

government in 2001 and then in 2002 respectively?

Mr STIRLING: *The Beat* received \$25 000 in 2001, \$25 000 in 2002, and the same level of funding will be available for 2003.

Mr MILLS: I understand that there is a review affecting *The Beat* as well.

Mr WOOD: There was a review done.

A member: They are never here when you want them.

Mr WOOD: Well, it is up to you minister. You can always have your helpers with you.

Mr MILLS: Just make it up. Go on.

Mr STIRLING: The review was completed and a decision was made to continue funding at the current level.

Mr MILLS: That is good news. However, the reality of that is that the \$25 000, I understand, is actually the baseline funding and for a number of years there has been additional dollar for dollar. That is usually \$6000. The work of volunteers and support agencies can come in and for every dollar they get, they make \$12 000, and that has been taken away in my understanding which means that they are left quite exposed.

Mr STIRLING: I am not sure if that did apply. *The Beat* is not a school.

Mr MILLS: No, I know that.

Mr STIRLING: The dollar for dollar that you are talking about applies to schools.

Mr MILLS: Absolutely, but it is just that I think the department has recognised how important *The Beat* is after all these years; 900-odd students - and it costs \$80 000 to run this show, and the funding effectively has been reduced. Yes, funding does remain the same at the base level, but there has been provision for additional funding with the dollar for dollar, and grants in kind, to bring it up to about \$37 000 or thereabouts. So there has been this existing \$25 000, but the messages that I am receiving is that they feel they are now increasingly exposed, and perhaps there are questions of review going on, that maybe *The Beat* will not be able to operate in the same form as it currently operates.

Mr STIRLING: Do you have anything further to add, Mr Plummer?

Mr PLUMMER: No, *The Beat* will be supported at the same level it is currently.

Mr MILLS: Yes, well that is the \$25 000 I heard, but there is actually more that they have been able to use through the dollar for dollar over the last couple of years, which has allowed them to operate. And, I might add, the department makes great use of *The Beat* to promote it, but at the moment they look like they are having their funding effectively reduced, so you can say, technically, the same. It costs \$80 000 to put on.

Mr PLUMMER: My own opinion is that *The Beat* is satisfactorily funded at this stage, and it is competing for resources with a whole lot of other programs as well. There has been no move to reduce it.

Mr MILLS: Okay, I can hear that, but *The Beat* committee will perhaps not be satisfied with that

answer.

A member: The beat goes on.

Mr MILLS: I hope so, in the same way it has served our community for over 20 years. Mind you, I think it is only last year and this year that it has had its funding reduced to that \$25 000 level. It did not have that additional fat there last year and this year, which they are struggling with.

Question 391, Student Services: how many staff members are employed in the Student Services section? How many special education teachers does the department employ? How many of these special education teachers are working directly in schools?

Mr STIRLING: Eighty staff employed in the Student Services branch of the department: 56.5 teaching; 18.5 non-teaching staff and five externally funded teaching positions. The department employs 288.9 Special Education staff consisting of: special education teaching, 164.4; externally funded teaching, 5; special education non-teaching, 116.5; externally funded non-teaching, 3; total 288.9. The following special education teachers and non-teaching staff are working in schools: teaching, 107.9; non-teaching, 98; externally funded non-teaching, 3; a total of 208.9.

Mr MILLS: I presume that the increase in teacher numbers - reports were that the new teaching positions were being directed to special education - would mean that these figures had increased, particularly the 107.9, that is actually working in classrooms, or in schools I should say, supporting the teaching load, has increased.

Mr STIRLING: I would expect that to be the case. The first 20 of the increased 100 teachers coming on are primarily directed to special needs areas.

Mr MILLS: I requested the figures for the special education teachers who are working in schools this year, compared with those who were working in schools last year.

Mr STIRLING: Happy to get it for you.

Mr MILLS: That the ones in the schools, stay in the schools.

Mr STIRLING: If you wanted to know just where they are at the moment, teaching main stream primary and secondary schools: special education teachers and non-teaching staff, 62.5; Namarluk 15.9; Henbury Avenue, 13.8; Acacia Hill, 9.7; Kintore Street, 1; Don Dale, 5. Non-teaching main stream primary and secondary, 57; Namarluk, 14.5; Henbury Avenue, 12.5; Acacia Hill, 9.5; Kintore Street, 2.5; Don Dale, 2; total, 98.

Externally funded, indigenous education strategic initiatives program, IESIP: Namarluk, 0.5; Henbury Avenue, 0.5; Acacia Hill, 1; Don Dale, 1; total 3.

Mr MILLS: Thank you, minister. Question 392: how many new teachers were recruited for the 2002 school year? How many of these teachers were recruited locally; and of those local recruits, how many were NTU graduates? How many were recruited from interstate, and how many from overseas? Detail the level of expenditure spent on recruitment for this school year. What is the nature of interstate advertising, and is there advertising conducted overseas?

Mr STIRLING: Four hundred and twenty six teachers were recruited; 319 were recruited locally. There were 57 Northern Territory University graduates; and three Batchelor Institute of Indigenous Tertiary Education graduates. How many were recruited from interstate and overseas? 107 from interstate, none from overseas.

The level of expenditure: an amount of \$799 000 was spent on recruitment in the 2002 school year.

The nature of interstate advertising, and is advertising conducted overseas: advertisements were placed in the following interstate newspapers on 14 December 2001, 25 January 2002, 24 June 2002 and 9 July 2002: *The Courier-Mail*, the *Adelaide Advertiser*, the *Sydney Morning Herald*, the *Melbourne Age*, the *Canberra Times*, the *West Australian*, and *Hobart Mercury*. Advertisements were placed in the following newspapers on 15 July 2002: the *Newcastle Herald*, the *Townsville Bulletin*, the *Geelong Advertiser*, and the *Wollongong Mercury*. On 30 May 2002, advertising was placed on the SEEK Internet site. In addition ...

Mr MILLS: The what, sorry?

Mr STIRLING: The SEEK, I will come back to that.

Mr MILLS: Not the religious?

Mr STIRLING: No, the SEEK. In addition, specific positions have been advertised through the Department of Corporate and Information Services. No advertising was undertaken in overseas media; we could not fit them in against those from England. Below is information concerning the 2001 recruitment of staff. The number of teachers recruited in the 2001 school year was 486. The break down by source in that year was: ACT, three; New South Wales, 35; Northern Territory, 367; Queensland, 37; South Australia, 12; Victoria, 24; Western Australia, five; and Tasmania, three, for a total of 486. To pick up a theme that we were talking about the other day, the breakdown by gender was male, 139 and female, 347.

Mr WOOD: Could I ask a couple of supplementaries, please?

Mr CHAIRMAN: Of course, member for Nelson.

Mr WOOD: At the risk of being sacrilegious, is there any thought given to, especially, to try and overcome the gender imbalance, especially in primary schools, with mature aged people who have nearly finished their working lives, having some short cut into the teaching profession? People who have lived their lives and are fairly skilled in literacy and numeracy ...

Mr Kiely: What has that to do with gender?

Mr WOOD: Well, there may be a number of males who feel that they could ...

Mr Kiely: Old blokes?

Mr WOOD: No, mature people who could contribute to teaching. Is it such an out of the realms type of subject that it could not occur?

Mr STIRLING: Not at all. My own view is that we have an ageing teaching service, getting close to 50 now. One of the reasons - not the only reason, we need to recruit our own anyway, but we brought the teacher bursary scheme on as a way to get young people in at the bottom, to balance those older ones leaving at the top. I am probably more attracted to the idea of the circular put forward by the member for Blain, that you could target people from out in the business or industry world, whatever other occupations they might be involved in, with a background of world skills and perhaps with a different world view to those who have come all the way through the education system and are back in there teaching themselves. They have simply changed desks, if you like, from the student to the teacher role. If that was targeted to probably the 20s and the 30s, I would not see a lot of value in expending training on people you are only going to get that couple of years out of before retirement.

Mr WOOD: I am probably saying, do they need much training, because they have probably had a family? They would have to be vetted.

A member: Oooh!

Mr WOOD: I told you it was sacrilegious. But, for example, we have a volunteer lady, I think she is about 80, at Howard Springs School – the teachers send her there to help with numeracy and literacy. She has won, I think, a Telstra award; she goes there on a volunteer basis two or three times a week just to teach those particular subjects. She does not get paid. I can hear the ums and ahs about not a qualified person. But if we are struggling to get teachers, we are struggling to get male teachers – is there an opportunity there that we are missing just because we might break down those barriers that everyone has to be qualified to this particular degree.

Mr STIRLING: There are simply professional standards to maintain, and if you are going to be in front of the classroom as a qualified teacher, you need to have the teaching qualifications, there is no doubt. You cannot open a doctor's surgery without having a ...

Mr WOOD: I am not asking to cut the legs off the children; I am only asking to teach them numeracy and literacy.

Mr STIRLING: Yes, but there has to be a maintenance of quality and professional standards. We will have the Teacher Registration Board which has been worked up and it will undergo consultation later this year, and I can just imagine the screams of delight from the teaching profession if you want to let people in the door to teach without the necessary qualifications.

Mr WOOD: No, but there may be a shortened version of doing that, is all I am saying. Just quickly one other thing, and it is a suggestion that came from way back in the dark days of Queensland when the head of the Liberal Party said that he believed that teachers should do two years' working experience before they start teaching. In other words, they should not just leave school and go straight into teaching. Do you think that that is a reasonable idea in this day and age, that a teacher should actually have some work experience before he or she comes back to teach?

Mr STIRLING: I am a strong believer in that idea. I think too many times you see the preschool, the primary school, the secondary school, the teacher's college or the university and they are back at school and have not tested themselves or their professionalism anywhere outside of a school or an education environment. That is what I said about swapping your desk, you know, one day a student, the next day a teacher.

I am in favour, maybe it does not have to be two years, at least a year in between leaving school as a student and going back into teacher training, for balance and for world view and those sorts of things that the member for Blain was talking about, about bringing people in from – again, they would have to be trained. But yes, I am very attracted to that. How would it translate into a policy position? I have not asked the department to look at it, but I think we have discussed it, Mr Plummer, but we have not taken any step of translating it into policy. We simply could by way of our own teacher bursary program by insisting that they have that break at least a year, but I am a firm believer in that.

Mr WOOD: Thanks for that. Just quickly referring back to the previous one about getting mature aged people; couldn't you have a qualification that included like prior experience, you know when people advertise you can have this qualification or prior experience, some sort of recognition and some method ...

Mr STIRLING: Recognition of prior learning.

Mr WOOD: Some method of testing that; I am only putting it forward as a suggestion. I feel it has some merits.

Mr STIRLING: I invite you to talk to the Australian Education Union in the first place and get a view from them ...

A member: Yes, that is going like a bomb.

Mr STIRLING: ...and come back and tell me what they say.

Mr WOOD: I can suggest after this, knowing all the theories in education, I ask, well are those theories so great when we have very low literacy and numeracy in schools today, so I would say, you know ...

Mr STIRLING: It is not that far away. Maybe if there was a niche role or a teacher assistant type role, that type of approach, because what we do lack in our primary school system particularly is that male role model. A lot of single parent families, a lot of them single mum families, the kid never sees a male in their life basically, got mum at home and got a woman teacher at school, so there may be an innovative way of doing it without them going all the way through teacher training.

Mr WOOD: A bit of a revolutionary approach won't hurt.

Mr MILLS: Can I ask a supplementary on question 392. You tabled previously, minister, figures that gave an overall staffing at 20 June 2002, the department gave us a figure of 3577 for Education. You might be able to help me with my sums. Now, granted that the department has been restructured, so by subtracting 41 from Work Health and 43 from Employment and Training we come up with 3577, comparing apples with apples. In the May budget, book two, page six, against the same department of education, staffing is listed 3593. There are 16 missing and I am wondering whether these involve teaching positions.

Mr PLUMMER: It is another one of those issues that we deal with all the time in the variations from pay to pay and it is when we record the particular numbers at a particular time, and they can vary quite significantly even over a fortnight or a month. One of those issues is that at the start of the year you will have a permanent core on pay, but then over the next two or three pays you will take on new teachers and new contracts. I believe that is where the variation occurs. Do you want to add anything, Trevor?

Mr MILLS: If you have more to add, I am interested to hear.

Ms CARNEY: We have all the time in the world, Terry.

Mr MILLS: It was going to be good, wasn't it, Trevor?

Mr SAUNDERS: Do you want me to add some more?

Mr MILLS: I am satisfied. I am not satisfied with this, however. I went to the Literacy and Numeracy launch the other day, and I have also seen this reflected in the budget papers. I am hard pressed to find whether it is the speech, the minister's speech – it is certainly not the Chief Minister's speech. There is constant reference to 20 more teachers. When I go to the Literacy and Numeracy launch under this beautiful big promotional placard there, it says: 'Better education to build our Territory'. Yes. Snap shots of the year ahead, and then it says '40 more teachers this year in Northern Territory government schools'.

I can understand - and it lists all the initiatives that are contained in this budget and then it just conveniently grabs the 20 teachers who are already supposed to be in the school, adds the other 20 that are new in this budget and makes 40 which is actually a spin, I would have to say. There are 20 new teachers funded in this budget but it has been promoted in the market place as 40 new teachers. That is on that particular placard that is held up for all to see, particularly at the Literacy and Numeracy launch. I read it again and again because I knew that that was actually being stated, and I think it is actually a bit of spin when you weigh it all up.

Mr STIRLING: I would say: fair call.

Dr LIM: The minister's on record accepting that!

Mr MILLS: It matches up with the same business with the \$505m.

Mr STIRLING: No, it does not.

Mr MILLS: Yes it does! We have this money to spend on education. It is nothing like that. Same sort of spin I would have to say.

Question 395: what is the student to teacher ratio for 2001 and 2002? And could you please compare these figures with the equivalent interstate averages.

Mr STIRLING: Mr Chairman, as published in the ABS publication on schools in Australia, the student/teacher ratio for the Territory in 2001 is: primary, 13.8; secondary, 10.8. The Australian averages were: primary, 16.8; secondary, 12.4. The 2002 data will be based on the August Census collected by all states and territories and will be available in early 2003. I am not sure if you got the comparison of the states and territories and it is a chart like that ...

Mr MILLS: No, I have not.

Mr STIRLING: ... so it is probably easier to table that.

Mr MILLS: I appreciate that. And I do not want to ...

Mr STIRLING: And it is based against obviously the Census data because it goes 1991, 1996, 1999, 2000, 2001; but I will table that.

Mr MILLS: Thank you, minister. That is the sort of information I am after. Not to make an issue now but for future reference.

Mr BURKE: A supplementary question. Minister, with regards to student/teacher ratio, obviously you need to watch this in terms of student outcomes. I am aware of a number of tests that are conducted in the Northern Territory which are tests that could incorporate other schools throughout Australia. I just wonder, could you explain to me how those tests are decided to be conducted. Are these national requirements? I refer specifically to one test that was conducted for grade 8 students that involved South Australian and Northern Territory students.

Mr STIRLING: Mr Plummer might be able to. It is not MAP testing because we have not gone to year 8 at this stage in MAP testing. It may be - well I will not even speculate.

Mr PLUMMER: It could be a number. It could be the Westpac testing in year 8. Sounds like it might be, especially if it was in mathematics or English. That could be one of them. It could also be the international testing, PISA testing - I cannot remember what that acronym stands for - where we agree, amongst the states, a statistical group of schools in each jurisdiction will be tested. Schools put up their hand for that because they like to know where they stand. So, it could have been that. That occurs on a ...

Mr BURKE: Well, it was probably one of those. Could I just ask you, in relation to that sort of testing, how does the agency respond to the results? Are they seen as good background knowledge? Are they real indicators of performance or not?

Mr PLUMMER: Increasingly, we want to use that data to inform us, and we are encouraging the

individual schools. We really started with the MAP testing because that was an area that was not well done in the Territory. This last year it has been quite well done and schools are now starting to use that to inform themselves and to compare themselves without league ladders with each other. So we are encouraging that to continue.

Mr BURKE: So, if you did, say, an English test that was conducted on grade 8 students in urban high schools in the Northern Territory, would you expect a student in the top 25% in the Northern Territory to rate in the same percentile in Northern Territory/South Australia? And would you be alarmed, for example, if their ratings were to include South Australian schools and dropped remarkably?

Mr PLUMMER: Yes, we would.

Mr BURKE: I raise that because I was alarmed when I was given the results of testing done for grade 8 students in SA and the NT. The students that were referred to me were in the top 25% in the Northern Territory, and when they were then grouped into South Australia, they dropped down to the 50%. I would think that is an alarming indicator of NT high schools not tracking equitably with their southern counterparts, and I just wonder if you have an opinion on that?

Mr STIRLING: I share that concern. There is a situation where our urban high schools rate at the same level as the rural or the country type high school - major town, if you like - in South Australia, but do not cut it against the urban situation. For that reason, we have not said anything about it yet, but the department - not that reason alone, but it is one of the motivating factors - will be moving to undertake a major review of secondary education across the whole of the Territory. It has not been done since about 1992, and that was pretty much what was done back then anyway. But yes, I share your views and concerns; I think they are right. As I said, for that among other reasons, we will be announcing soon the full details of a major review. And you are the first to know.

Mr MILLS: Question 396: how many teachers resigned in 2001-2002? That is this year. Provide a breakdown of the months these resignations occurred and the regions from which these resignations occurred, including a comparison between rural and urban. Provide the number of teachers who were recruited this year and who have resigned this year.

Mr STIRLING: Numbers of teachers who resigned in 2001-02 is 464. Regarding the breakdown of the months and the regions, and the comparison of rural and urban, there is a document and you should have that document that details the information requested on resignations. Do you have that?

Mr MILLS: No, not yet.

Mr STIRLING: Well, it is just coming over. The number of teachers recruited this year and who resigned this year: 426 teachers commenced work, 273 resigned during 2002. Numbers include short-term contract arrangements for teachers. The Territory has implemented a recruitment strategy to offer permanent appointments rather than contract arrangements, so we are trying to move that across. There are many situations where teachers are offered a new contract at the completion of the existing contract period, so that has the effect of counting the new contract as the commencement of a new employee. It really skews recruitment and retention numbers because it is the same person in the system whose contract runs out; they were renewed - one off, one on.

Mr MILLS: They count as a resignation and a recruitment.

Mr STIRLING: Yes, but there is a tabled paper giving you the months and regions.

Mr MILLS: Thank you. I think it is on its way around.

Question 404: teacher's registration board. I actually have an interest in this. I have written to [inaudible] as my opportunity to perhaps get my initial briefing on the registration board. References made in a post-budget media release of the establishment of a teacher's registration board: Has

specific funding been made to this commitment in this budget? If so, at what level? At what stage is the planning for this registration board?

Mr STIRLING: No specific funding commitment has been made to establish the teacher's registration board. Officers from DEET are developing a position paper on the teacher's registration board. Cabinet will consider it late 2002. It will need to go out for a consultative process. Any funding commitment for the board will be incorporated in that paper and considered at that time. At what stage is it? Development strategy is being completed. It is intended to undertake a public consultation process later this year. Following on from that, a submission will be developed for consideration by Cabinet.

Mr MILLS: How has this been crafted? I am trying to get some idea of what it is that you are thinking about with this registration board. There are a number of different models that could make up a registration board. Where is your thinking on this? How are you determining what it is, what sort of animal you want?

Mr STIRLING: I do not want to be too prescriptive in terms of this is what it is; this is what it is going to do; this is how many people it will have, because ...

Mr MILLS: Who has been charged with it then? What have you got out there to try and find ...

Mr STIRLING: Well, DEET are developing a position paper at the moment. I have not even seen a preliminary of that to know what is in it. That will come to me, and we will work that through. But you need obviously something to go out to the community for consultation. You cannot have a blank board. But if I lay down this is what it is going to be, how many people are going to be on it, what it is going to be empowered for ...

Mr MILLS: Just roughly, what would you like registration board to do?

Mr STIRLING: Well, different people have different views, I mean ...

Mr MILLS: Minister, what would you like it to be?

Mr STIRLING: At one extreme they would say not only should the teacher's registration board should be responsible for the professional standards and the recognition of those standards, the police checks, the security checks, all those things that are necessary to do before you employ a teacher, then they register the teacher; that they should be responsible for, not only the professional development, testing the case, what professional development is required by their peers in the system, but they should also have budgetary control of that. And you can go on and on and on. I do not share all of those views. I want to hear from the profession and from the community as to what is a fair thing, because you want to find sort of the middle here, and you mentioned other jurisdictions that have them, yes, we want those as well.

Mr MILLS: I understand that there has been something has been referred to - must be prior to the Labor government coming into office ...

Mr STIRLING: It is mentioned in a position paper from our opposition days.

Mr MILLS: ...but I do understand that the Education Union has some difference with the model that you have proposed. And now with a change to the board and the union being involved are they involved in the process of the teacher registration board or are they just going to be a part of the consultancy group that has a look at this thing and kicks it off?

Mr STIRLING: No, DEET will draw up a position, put it out there for consultation. They will be a key player in the consultative phase. I am not aware of any differences. It is difficult to have a difference

with something that is not ...

Mr MILLS: Well, the position paper I think gave the reference to it.

Mr STIRLING: Well yes, yes. But the position paper from opposition days is not necessarily going to be the position paper that goes out for consultation.

Mr MILLS: Question 409 – new schools: during the promotion of the 2002-03 budget reference was made to a new school in Palmerston. I talk to people in Palmerston and they say there is going to be a new school in Palmerston. It has even been spoken of at school council meetings by officers of the department. Is this reference backed up by a budgetary allocation; I certainly cannot find it. If so, what amount, and when will this school be built?

Mr STIRLING: Questions 409 and 419 cover the same area, so I will cover them both together. 419 is from the Leader of the Opposition. It is planned to construct a secondary school valued at \$10m during the 2003-04 financial year in Palmerston. Funds for the design of the school are included in the overall 2002-03 Department of Infrastructure, Planning and Environment program delivery budget. It is estimated the design cost will be in order of \$1m. Construction of the school will need to be confirmed by Cabinet's deliberation at the 2003-04 Budget Cabinet.

Mr WOOD: Can I ask where this school is going to be built?

Mr STIRLING: No, not at this stage.

Mr WOOD: It will be a government school, not a non-government school?

Mr STIRLING: It will be a government school.

Mr WOOD: Can I just refer back, I was asking about the non-government school. The reason I asked about it because, I think I wrote you a letter about people being concerned about looking for an alternative high school in the rural area. Can I go back to those people and say what reason has been given for not constructing a non-government high school at Lambrick, and will it be constructed, and when? I have been asked. I know the school has been on the drawing board for a while and you have a government high school going to be built for \$10m. I have had people in the rural area looking for an alternative school besides Taminmin. I have said there are plans to build a Catholic high school on Lambrick Avenue. You told me today it has not been approved this year. Can I go back to those people and say why those funds have not been approved and will there be a school built there and when?

Mr STIRLING: All I can tell you is to why it was not funded is because it did not get there in terms of competing priorities, one of which would be, in the next financial year, considerable expenditure to government to provide for a government school because of the need in Palmerston, and it is going to be a significant impact on the budget. Design alone this year and then the cost of construction in the next financial year.

Mr WOOD: I understand that, but I suppose this school has been asking for funds since 1998.

Mr MILLS: Minister, there is reference to this high school, 2003-04, but with some issues of overcrowding in Palmerston, I understand recently that there have been officers from the department talking to some of the primary schools and making reference to a new school in Rosebery, the impression being a primary school because Bakewell is overcrowded. So soon your problems will come to an end because we are looking at Rosebery for a primary school. Can you confirm whether this is the case? There is a new school not funded in the budget; it is an announcement. There seems to be two schools circulating in the community with no money behind them. Demountables?

Mr STIRLING: I defer to Mr Plummer.

Mr PLUMMER: We are monitoring that situation across all the schools in the Palmerston region, and the figures suggest that not in the immediate, but in the next two to three to four years, there will be demand for new schools. In the meantime, if the demand - like when the new Delfin area, assuming they sell and assuming increases in population do occur quickly, it can be managed with demountables short term, and you can fairly quickly bring on a school if necessary in that region.

Mr MILLS: So a site is being looked at, or reserved, in Rosebery?

Mr PLUMMER: Sites are identified in Palmerston.

Mr BURKE: I just say to you, minister, and I include my own government in this, that education was spectacularly unsuccessful in forecasting Palmerston's needs. It took direct Cabinet intervention to bring forward the building of Durack School. It took direct Cabinet intervention to bring forward the building of Bakewell School. I would suggest to you that a similar problem is there now. There used to be a capital works program that was easily discernible where you could see not only the design list but also the projected programs for education, new infrastructure. None of that is available, so we are taking it at your word that (a) there is a design list and money for a new high school in Palmerston; and (b) there are forecast needs for a new primary school. I would emphasise the importance of that.

Mr MILLS: Mr Deputy Chairman, that comes to the end of a section, for my questions, anyway.

Mr DEPUTY CHAIRMAN: It does.. All right, you have the call, Mr Wood.

Mr WOOD: Question 56: the Budget Overview, at page 23, says that \$3.2m will be spent on a Recruitment, Retention and Development Strategy to attract more teachers. You might have answered this in the previous one. Can the minister give us a brief overview of the components of that strategy and their cost?

Mr STIRLING: The core elements of the Recruitment and Retention Strategy are:

- effective business and information management;
- strategic marketing and targeted recruitment;
- strong internal staffing processes;
- better incentives and conditions;
- improved status of teachers;
- the EBA implementation and planning;
- appropriate pre-service preparation;
- targeted professional development from entry to exit;
- innovative approaches to staffing and working; and
- comprehensive indigenous employment and development plan.

The funds allocated to it in 2002-03 for implementation of the strategy includes \$3.2m for additional

teachers, an amount of \$0.49m for student teacher bursaries provided to improve retention, and the following components of the strategy will be funded from within existing resources:

- the Teacher Registration Board development - \$20 000;
- liaison with training institutions - \$20 000;
- advertising and media campaigns - \$30 000;
- practical placements in remote communities - \$20 000;
- additional teachers recruitment costs - \$100 000; and
- additional teachers housing rental costs \$80 000.

That is a total of \$270 000 committed to this strategy.

Mr CHAIRMAN: I believe the next question is number 227, the member for Sanderson.

Mr KIELY: Minister, what initiatives are contained in the 2002-03 budget to address the problem of truancy? How much extra money has been allocated and how will it be spent?

Mr STIRLING: I did cover this with the member for Blain.

Mr KIELY: You may well have covered that.

Mr STIRLING: \$2m in 2002-03, \$3m in 2003-4, \$3 in 2004-05. Costs first year, \$170 000 to \$680 000 in 2004-05.

Mr CHAIRMAN: I believe the member for Drysdale has the next call at 420, is that right?

Mr DUNHAM: My question is 420: what is the student capacity of Durack School; what are the current enrolment numbers; and what is the department's estimate of demographic catchment of the school? It is probably the right time to ask the question after my colleague, the member for Brennan, who talked about how this school was seen as premature when it was built. I have seen a number of demographic analyses of this area, and it is a school on a very small campus. I suspect that the take-up of the other third of land in this catchment area will be quick. It certainly seems to be one of those suburbs that is attractive to live in. It is a good school, with a good school board, and a good headmaster. It would appear that, even with demountables, there are very limited options at this school site. Basically, I am asking you, is it at capacity or close? I think that the time frame for increasing enrolments will be fast upon us, and I would like to hear what the department has planned.

Mr STIRLING: The school has a capacity of: pre-school, 50, which provides two sessions of 25. The primary school has a capacity of 480. The primary school core building is 360; transportable accommodation has a capacity of 120. Current enrolment: 59 pre-school students, and 430 primary school students. The department's estimates are as follows: it might be easier to give you this. If we go along the line for pre-school: 2002, 57; 2003, 63; 2004, 61; 2005, 60; 2006, 61. In the primary school: 2002, 443; 2003, 444; 2004, 447; 2005, 455; 2006, 450.

The qualifier is that the projections need to be moderated yearly by the principal of the school to take account of the local factors, such as changes in the defence force personnel and the turn-off of land within Durack, which both you mentioned, and Mr Plummer mentioned in response earlier.

Mr DUNHAM: Can I ring a note of warning, that that is probably underenumerated. It is a young

suburb and they are defence families with young kids. There are a lot of them there, and while they move quickly and you might find a family of five move out and a couple move in, could I suggest that you should be looking at the higher end of the scale for this particular school? The issue relating to site is something also, because it adjoins the university land, but the site is very, very limited. It has a drain on one side, community land on the other side, a road and the university so it is quite land locked, and the capacity for putting demountables on site is not available as readily to this school as other campuses.

Mr STIRLING: I take your comments.

Mr DUNHAM: Thank you.

Mr CHAIRMAN: The member for Araluen has a question.

Ms CARNEY: Minister, question 422: could you detail the government schools - pre-school, primary and secondary - within the electorate of Araluen which received budgetary allocations in the 2002-03 budget for capital works? Could you also detail the nature of the capital works to be undertaken at those schools which received a budgetary allocation?

Mr STIRLING: Detail on the 2002-03 capital works program for the Department of Employment, Education and Training is provided in Budget Paper No 4, at pages 15 and 16. In respect of the Araluen electorate, there is a capital works item to complete stage 2 of the upgrade of the Alice Springs High School airconditioning plant at a cost of \$1.26m, the total project cost is approximately \$1.944m.

Ms CARNEY: Is that the answer?

Mr STIRLING: That is the answer.

Mr CARNEY: A supplementary. Is it not the case - and correct me if I am wrong - that there were capital works scheduled for the Traeger Park Campus of Our Lady of the Sacred Heart College? My apologies. Yes, of course that is a non-government school.

May I ask a further supplementary question in relation to a government school, namely the Ida Standley Preschool. Minister, I gather you are aware of present difficulties being experienced by the Ida Standley Preschool in the electorate of Araluen?

Mr STIRLING: I have certainly seen a brief on it. Just let me check. There is an awareness of concerns there; it is with the department. All of us know something about it but instead of ...

Ms CARNEY: Well, minister, can I suggest to you, or perhaps put to you by way of refreshing your memory, that a letter was written to you by one of the parents in relatively recent times. I do not know the exact date. It was a two-page letter from a Ms Linda Gittins outlining in some detail a number of difficulties that the school was experiencing. Have you read that letter?

Mr STIRLING: I have certainly seen the letter.

Ms CARNEY: You have seen the letter.

Mr STIRLING: Yes.

Ms CARNEY: Have you read the letter?

Mr STIRLING: Yes.

Ms CARNEY: Can I ask then for an indication from you as to whether you became aware of some of the difficulties the school was experiencing prior to your budgetary deliberations?

Mr STIRLING: No, it is within a reasonably short time frame that I saw the letter. That was the first I ever heard of it. But I am more than prepared to get back to you on this issue because we do not have the letter with us and none of us recall.

Ms CARNEY: But prior to the letter, my question, I guess, is a general ...

Mr STIRLING: No, no awareness prior to receiving a letter in the last few weeks.

Ms CARNEY: May I ask another supplementary question? Have you been to Ida Standley Preschool?

Mr STIRLING: No, I have not.

Ms CARNEY: Perhaps this year is an ideal opportunity, minister, for me to extend an invitation to you to accompany me to the Ida Standley Preschool, on one of your forthcoming visits to Alice Springs,. I would certainly be very grateful if we could go there together in a nonpartisan way. You are, after all, the minister for education. This preschool is in my electorate, and I do not think that there could be any doubt that the preschool is in need of some fairly significant capital works. I would be very grateful for an indication from you as to your willingness or otherwise to accompany me to the school for a visit. I say that because it will be of great assistance, I would have thought, to you to have a look around the preschool. Minister, are you willing to take up the invitation

Mr STIRLING: Yes, I would be delighted.

Ms CARNEY: It is a serious one; dead serious.

Mr STIRLING: We can get further information to you.

Mr CHAIRMAN: There are two outstanding questions. One of them is from the member for Brennan.

Mr BURKE: I will pass on that. The answer was given.

Mr CHAIRMAN: Pass on that? Okay. Yes that is right, that was answered; that was an earlier question. There is a question standing in the name of the member for Karama which I will ...

Mr BURKE: Sorry, Mr Chairman. I will accept a written answer on that question.

Mr CHAIRMAN: I was commenting that the member for Blain did ask a number of questions about truancy earlier, but that is all right. There is a question standing in the name of the member for Karama, No 423, which I believe ...

Dr LIM: Mr Chairman, in the name of expediting matters and saving time, could the answer be tabled just like every answer that you are going to do.

Members interjecting.

Dr LIM: The question has been asked.

Mr CHAIRMAN: On both sides.

Dr LIM: You are wasting time, if you want to do that ...

Ms CARNEY: If I can contribute, if I may, to the suggestion from the member for Greatorex. There has been complaint from mid-Tuesday that the opposition and the Independents were slowing this process down. There are a number of dorothy dixers from government members and, if the government was half serious about improving its dismal process, then it would as a matter of good faith, agree not to spend time on the dorothy dixer ridiculous questions asked by the members of the government. I ask whether the member for Sanderson would be intelligent enough, although I have my own views on that, as to whether or not he would accept the answer on notice.

Mr CHAIRMAN: No, the way I understand it, the member for Sanderson has been requested to ask this question. I ask him to proceed, please.

Ms CARNEY: Can I ask one more question, Mr Chairman?

Mr KIELY: No.

Ms CARNEY interjecting.

Mr CHAIRMAN: No, no, member for Araluen. Member for Araluen, I have given a call to the member for Sanderson, if you have a ...

Ms CARNEY: It is a process question, Mr Chairman, and ...

Mr CHAIRMAN: Member for Araluen, I suspect ...

Ms CARNEY: ...the member for Millner missed ...

Mr CHAIRMAN: Order! Order! Order, member for Araluen.

Ms CARNEY interjecting.

Mr CHAIRMAN: Member for Araluen! Okay, are you really trying to get thrown out here? I have asked you to desist. I have asked the member for Sanderson to continue and then you will have the call, please!

Mr KIELY: I am sure, member for Araluen, the parents of disadvantaged children will be quite happy to hear that you regard their particular issue ...

Ms CARNEY: Oh, grow up! Well, how seriously does the member for Millner take his questions when he could not even be bothered coming down to ask it?

Mr KIELY: Minister, what initiatives ...

Ms CARNEY interjecting.

Mr KIELY: By golly there is a lot of noise in here.

Mr CHAIRMAN: Please, member for Araluen, I believe you are trying to be provocative. Let's just get on with the questions.

Mr KIELY: And you are only being a pain.

Mr CHAIRMAN: No, member for Sanderson, please just proceed.

Mr KIELY: Question 423: what initiatives have been included in the 2002-03 budget to improve services for disadvantaged students and what outcomes are expected?

Mr STIRLING: Mr Chairman, there are a range of programs aimed at improving educational outcomes for disadvantaged students. In the general sense, schools promote an inclusion policy to ensure students benefit in the full range of experiences that children have through participation in the school environment. Many of the new initiatives have been discussed in the questions and answers and presented to the committee. Advice has been provided to parliament via the budget speech and through my colleagues about the focus of the government, particularly where people are disadvantaged.

Some initiatives that will assist disadvantages in the amounts allocated for these initiatives have elsewhere been discussed: the recruitment of 100 additional teachers, 40 by the end of 2002-03, many of whom will be focussed on special needs and increasing the amount of teachers in remote communities; the construction of 20 houses in remote communities to assist in the recruitment of teachers thereby advancing educational outcomes for indigenous students; the employment of truancy officers to assist students who have difficulties attending school on a regular basis; the provision of VET programs to students who live in remote communities to improve employment prospects; a commitment of government to implement recommendations for *Learning Lessons*; the provision of additional funding of \$0.430m for inclusion of support for students with disabilities, and a further \$0.3m to provide special development opportunities particularly for teachers involved with students who are disadvantaged.

Mr CHAIRMAN: Member for Araluen.

Ms CARNEY: Thank you, Mr Chairman. Since you were so resistant to allowing me to ask this question earlier, I will obviously ask it now. I raise, as a matter of process, question 284. It was a question that was to be asked by the member for Millner, Mr Bonson. He is not here ...

A member: He has asked it.

Mr STIRLING: He asked it.

Ms CARNEY: He has asked it already?

Members: Yes.

Mr CHAIRMAN: Do you have anymore supplementary questions, member for Araluen?

Ms CARNEY: No, thank you, Mr Chairman.

Mr CHAIRMAN: Thank you very much.

Mr STIRLING: You should keep an eye on process a bit better. You are making a fool of yourself.

Mr CHAIRMAN: No, no, we are not going to dwell on this, there is provocation in the air. Let's just be a bit adult about things, eh?

Okay, if there are no more questions, I believe that this concludes this particular outgroup group, which is output 02.00 Government Education. I do not believe there are any questions lying on the table so I would like to proceed to output area 02.05.

Mr ELFERINK: Mr Chairman, I am sorry. I am just wondering if I am a bit lost here. I have been working on some of the other paperwork. Question 400, does that appear ...

Mr CHAIRMAN: Yes, 400. Someone has marked - oh, the Member for Sanderson! I apologise member for Macdonnell, please proceed.

Mr KIELY: It was an honest mistake.

Mr ELFERINK: I will accept that. Mr Chairman, the question is how much has been allocated to each school in Macdonnell in 2002-03? How much was allocated to each school in Macdonnell in 2001-02? I presume you will have a table there and I will accept the table.

Mr STIRLING: Several pages, in fact, because it goes school by school. I have prefaced this answer in relation to earlier questions of a similar nature, but it is difficult to quantify in 2002-03 because it is dependant on student enrolment and attendance, but we certainly have a comprehensive table by school.

Mr ELFERINK: I will ask you to take this on notice, and I apologise that I did not ask it before, but I am wondering if I can get a similar breakdown for similar electorates like Stuart, Barkly, Daly and Arnhem to give me a contextual environment in which to see these. Is that going to be a problem - on notice? It is not an attempt to be difficult.

Mr STIRLING: I am not sure where it is going to take you, but we have the information.

Mr ELFERINK: I would like a set of a comparative notes, if I may, please, and I will take it on notice.

Mr STIRLING: If you could be a bit specific about exactly what.

Mr ELFERINK: Well, basically the same question asked for Stuart, Barkly, Daly and Arnhem, for argument's sake. Thank you, I appreciate your kindness, minister. Thank you, Mr Chairman.

Mr CHAIRMAN: I think we have conducted our business with that output area. We can now go to output 02.05, Tertiary Education. Before we do, I would just like to remind members of this committee about disorder, and I will read Standing Order 37:

At an Estimates Committee hearing, the Chairman may, after a warning, order any member whose conduct in the opinion of the Chairman continues to be disorderly or disruptive, to withdraw for a period of an hour.

I lay that on the table. I do not want any more interchanges like I just had before. I believe that that was deliberately disruptive. I would just like to proceed with this output area, and I believe the member for Blain has the call.

Dr LIM: Mr Chairman, just before we start, can I just ask what is this paper is in reference to, please?

Members: Question 400, Macdonnell.

Tertiary Education

Mr MILLS: Question 408, which relates to student teacher bursaries, in the interests of time I would be happy to receive the written answer to that and have that incorporated into *Hansard*.

Mr STIRLING: I am very happy to provide it, Mr Chairman, if I could find it.

Question 408: (a) how many bursaries were allocated for student teachers at the beginning of this academic year?; (b) where are these student teachers enrolled?; and (c) how many bursaries will be

provided for by the allocation of \$490 000 in the 2002-03 budget?

Answer: (a) 20; (b) Northern Territory University; and (c) 40.

Mr MILLS: Question 411, NTU consultancies: in election promises and in the mini-budget, the Labor Party promised to provide an extra \$7m a year to the NTU through redirecting consultancy expenditure. How much NT government consultancy work was redirected to NTU in 2001-02? Where were the additional funds redirected from? What is the total amount of NT government consultancy work undertaken by the university?

Mr STIRLING: Mr Chairman, the NTU is developing a partnership agreement to be used by government and the Northern Territory University to foster mutual cooperation with the provision of research and consultancy services. The agreement will be modelled on the agreement that exists between the University of Tasmania and the Tasmanian government that has proven to be successful in recent times. I would expect that the agreement will be finalised this year, and from this will flow research and consultancy work to the NTU. In regard to funding for the NTU, an additional \$5m has been provided on a recurrent basis to improve the viability of the institute. We are very keen on this agreement because it will ...

Mr MILLS: Sorry. You did promise \$7m, though.

Mr STIRLING: Well, let me go to this. It will bind government, cement government into the relationship with the NTU. That relationship has been very much to the benefit of Tasmania, but of course at the same time you have to build the expertise, and the calibre and capacity within NTU to be able to deal with the sorts of work that the government will require to be done. All that will be part of the agreement. We have to work towards it. In relation to the \$5m ...

Mr PLUMMER: The \$5m is outside of that agreement. It is Cabinet's extension of the previous funding, which was due to conclude at the end of this calendar year, that's right. That is now recurrent.

A member: The \$7m was a one off?

Mr PLUMMER: No, the \$7m is a ...

Mr MILLS: The \$7m was a promise. \$5m was actually given.

Mr PLUMMER: Yes. The \$7m is to be worked towards, through the agreement with the NTU and the government departments.

Mr MILLS: This partnership with the NTU is currently being worked on. I was at the graduation ceremony some months ago. It was referred to then, it was being worked on, hopefully by the end of the year. I draw the minister's attention to something I found in the *NT Government Gazette*, number G31, 7 August 2002, which indicates that for the Department of Employment, Education and Training there were three consultancies for IT, provision of on-line professional development courses. Three of them were on offer, put up for tender, and two of them were awarded, one to Western Australian universities and one to the NTU. That is less than a third of the value of that consultancy package went to the NTU and two to interstate universities. I guess this thing is still under construction, but there is no evidence, in this regard, to the NTU being preferred over Western Australian universities.

Mr STIRLING: I will perhaps go to Mr Plummer on this, but I think that the facts are enough to say that we would be the driving motivation and the support that the NTU has to get this agreement into place at the same level of motivation that the government has. But Mr Plummer could perhaps add something to that.

Mr PLUMMER: It highlights the issue that this agreement might help achieve. And that is that we did approach the NTU. They did not have the capacity for some of those programs we wanted. We targeted the NTU where we could, and we went also to the others. We have actually asked the NTU if there is any capacity for them to develop programs in the future, bearing in mind that we have \$1.8m in IT ongoing, and they are working on that. So, longer term, I would hope to see more of those funds going to the NT.

Mr MILLS: I am sure you would, but I guess that goes back to the minister in terms of the commitments that were made to the Northern Territory community by way of an election promise and it is still under construction.

Mr CHAIRMAN: Are there any other questions under this output area? There being no other questions, I believe that concludes consideration of this output area. There are no questions on the table, so I would like the committee to proceed to Output 03.00, Non-Government Education, and the member for Blain.

Non-Government Education

Mr MILLS: Question 403, Sacred Heart College: what is the exact allocation made to Our Lady of the Sacred Heart College Traeger Campus for the construction of new classrooms? How many new classrooms will be built with the allocated funds? Will the NT government provide funds to the campus to assist with the refurbishing of the assembly area?

Mr STIRLING: Mr Chairman, Our Lady of the Sacred Heart has received approval under the capital and interest subsidy scheme to construct three classrooms at a cost of \$250 000. DEET has a budget allocation of \$198 000, comprised of \$125 000 for capital subsidy, and \$73 000 for interest subsidy for the project over the ten year period. For 2002-03, an amount of \$25 000 has been set aside to fund the project. This budget will fluctuate as market interest rates change and the interest subsidy varies accordingly. Our Lady of the Sacred Heart submitted an application for capital interest subsidy to upgrade the multipurpose hall at the school. The project was considered along with other 2002-03 capital projects, but the non-government school sector was considered of low priority; the project was not approved under the capital interest subsidy scheme for 2002-03.

Mr CHAIRMAN: Are there any supplementaries? If not, the member for Araluen, question 425.

Ms CARNEY: Question 425: minister, could you detail the non-government schools - preschool, primary and secondary - within the electorate of Araluen that received budgetary allocations in the 2002-03 budget for capital works? Will you also detail the nature of the capital works to be undertaken at those schools which received a budgetary allocation? And in light of your answer to the previous question, I am happy if you delete any references to Our Lady of the Sacred Heart College at Traeger Campus.

Mr STIRLING: This is non-government schools? Yes. Received assistance with our capital projects via the Capital Subsidy and Interest Subsidy Scheme: three capital projects supported in Alice Springs during 2002-03. Our Lady of the Sacred Heart we have gone through. Alice Springs Steiner to construct new school valued at \$383000. That is an in-principle decision subject to financial evaluation by DEET; also subject to the site and tenure for the school itself. St Phillip's College to refurbish the library at a cost of \$430 000. The project for Alice Springs Steiner and Our Lady of the Sacred Heart are in the Araluen electorate.

Ms CARNEY: Supplementary question. In relation to the Steiner School, is there a time line because the ballpark [inaudible] fine in advancing the in-principle agreement for the \$383 000?

Mr STIRLING: Yes, I had some difficulty with this as a minister because I was being pressured to make a decision earlier this year. The decision at that point would have been no. They, I guess, politely understood that you drive me now, it has to be no, because the department is not convinced of your financial viability to sustain a loan over the period. And more pressing than that is where do they go in terms of land to build? There are two are under consideration at the moment. One is still

subject to native title; that has been ongoing and remains unresolved. Another one relates to a potential development which may or may not happen.

We have certainty where they are until the end of the next calendar year - all the way through this year and next year. So we are looking at 15 to 16 months from here. But the two factors remain. DEET is working with them to prove up financial viability and ability to sustain the project. But they really need to get cracking on tenure and site, because we do not want to get to the end of next year and be forced to make a negative decision.

I spent quite some hours in the school the other week when I was down there and it was very interesting. It is not satisfactory where they are, although I think it is a wonderful value of education going on within that school.

Ms CARNEY: And I agree.

Mr STIRLING: But you would have to agree that the buildings they are in are substandard. Of course, the site is not right for a whole lot of reasons. We remain as supportive as we possibly can. They have an in-principle support from us but a couple of things have to happen.

Ms CARNEY: Thank you.

Mr CHAIRMAN: Are there any more questions on this particular output area? There being no more questions, we conclude consideration of this particular output area. No questions on the table. I would like to move to Output Area number 04.01, Vocational Education and Training Services. Question 416 stands in the name of the member for Blain.

Vocational Education and Training Services

Mr MILLS: Thank you, Mr Chairman. Question 416: the budget allocates \$43m for the provision of vocational education and training provision by the NT University, Batchelor Institute of Indigenous Tertiary Education and Centralian College. What amount will be apportioned to each of these institutes and on what basis is the apportioning made? I am happy to have the answer tabled.

Mr STIRLING: Thank you, member for Blain.

Mr CHAIRMAN: So that answer is tabled, secretary. I believe that question 234 is standing in the name of the member for Barkly. He has also requested that that be tabled. Is that correct, member?

Mr McADAM: Yes, if that is suitable to the minister.

Mr STIRLING: Thank you, member for Barkly.

Mr CHAIRMAN: So we will table that question and answer as well. We will make sure the secretary gets that. Are there any other questions on vocational education and training services? There being no more questions on that and noting the questions that have been tabled, I propose that we move on to Centralian College, Output 00.03 involves more than one output group. All of the questions in all of the output areas here stand in the name of the member for Blain.

CENTRALIAN COLLEGE Involves More Than One Output Group

Mr MILLS: I am happy to have all of those tabled and dealt with in that manner.

Mr CHAIRMAN: All right. So, minister, can you ensure that questions ...

Mr STIRLING: Absolutely, Mr Chairman.

Mr MILLS: That is the first section down to output 01.00.

Mr CHAIRMAN: So, you just want the point 03 ...

Mr MILLS: I am just going to consult with my colleague from central Australia.

Dr LIM: I do not know what the minister has written in response and it is one of those difficult ones, but I seek that a question can be put to the minister at a later date, or something like that.

Mr MILLS: After we have had a chance to look at it.

A member: Ask him now.

Dr LIM: Question 443, let me see.

Mr CHAIRMAN: Question 443, that is actually in the second output. I think the member for Blain was talking about output 00.03, that is questions 224 to 415. So if that is what the member for Blain wants we can table those questions. Okay, minister can you ensure that the secretary receives the answers to those questions in the first output, that is 224 to 415.

There being no more questions in that output area, I propose that we then move to output number 01.00 which is Education and Training. The first question there is question 443, standing in the name of the member for Blain, so member for Blain.

Education and Training

Mr MILLS: Thank you, Mr Chairman. I will ask this question on student numbers: minister, what percentage of the total number of students at Centralian College are indigenous students? What allocation has the minister provided for Centralian College to deliver educational services to indigenous students at the college and on location at bush communities.

Mr STIRLING: Mr Chairman, 34% of enrolments at Centralian College are indigenous students. They are enrolled at all levels of programs at the college. There is a specific allocation of \$300 000 for the operation of the Irrkerlentye Learning Centre, but generally the cost of indigenous students is incorporated in the mainstream of the college, and not desegregated.

Dr LIM: A remarkable percentage, minister.

Mr CHAIRMAN: That is a question, member for Greatorex?

Mr STIRLING: I am not sure, high, low?

Dr LIM: I think it is very high.

Mr STIRLING: Well, I would agree. I think it is a good thing.

Mr CHAIRMAN: Are there any other supplementaries on this output area. There being no more questions, I believe that concludes the consideration of that particular output. I propose that we move onto output 02.01 still under Centralian College which is Enterprise and Community Programs, and question 418 standing in the name of the member for Blain.

Enterprise and Community Programs

Mr MILLS: Happy to have it tabled, Mr Chairman.

Mr CHAIRMAN: All right, thanks, member for Blain. Question 418 is being tabled and the minister will ensure that the written answer is also tabled.

Mr STIRLING: Mr Chairman, the Commissioner for Public Employment is here if the opposition ...

Mr CHAIRMAN: Well, I was going to propose, I know we have got past 11.30 pm, I was going to propose to the members of the core Estimates Committee that we proceed at least to 12.00 midnight, so all those in favour.

Members: Aye.

Mr CHAIRMAN: We will keep proceeding, so if we could ask the Commissioner for Public Employment who has been very patient there for a while.

Mr MILLS: Mr Chairman, I would like to pass on my thanks to the departmental staff for the assistance that they have given.

Mr CHAIRMAN: Sorry, yes, quite so, member for Blain.

Mr ELFERINK: Mr Chairman, can I just raise the issue again of question 896, which I raised earlier, see how we are going with it?

Mr CHAIRMAN: Member for Macdonnell, I took your request up. I went searching for the ministerial officer, I do not know what time that was, about 10.00 pm or 10.30 pm. I could not find them ...

Mr ELFERINK: It was indicated to me earlier that there would be a result tonight, that's all.

Mr CHAIRMAN: I apologise for that, member for Macdonnell, I did try my best.

Mr ELFERINK: I am not even sure if it was you who said it, but somebody said it would be ...

Mr CHAIRMAN: I am concerned about it. It is an issue I will take up first thing in the morning, again, but I did try and search out the responsible officer, and I am looking forward to question 896.

Mr ELFERINK: It is a splendid question. It is the reason I am here. It is the reason I live and breathe.

Mr CHAIRMAN: Is it about Harley Davidson motorcycles?

Mr ELFERINK: I wish.

OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT

Mr CHAIRMAN: Has the minister stepped out for a minute, has he? All right, minister, we now move on to the Office of the Commissioner for Public Employment. I invite you to introduce the officials accompanying you and make an opening statement, if you wish, on the Office of the Commissioner of Public Employment.

Mr STIRLING: Thanks, Mr Chairman. I have Mr Theo Tsikouris, and our Commissioner for Public Employment, Mr John Kirwan, and Ms Jennifer Prince will be remaining with us.

Mr CHAIRMAN: Do you want to make an opening statement or just plunge straight in?

Mr STIRLING: No, we will just go for it.

Involves More Than One Output Group

Mr CHAIRMAN: We will now proceed to examine this area. Incidentally, I think that the written answers to the questions have been supplied to all members for this particular area?

A member: Yes, we're right.

Mr CHAIRMAN: Output area 00.03 involves more than one output group. Once again, the member for Blain is the shadow here and I would ask him to continue with his questioning, please.

Question 245 (Mr Mills): How much was spent on consulting services in 2001-2002? Detail the individual contracts ie who they were awarded to, at what cost and for what reason? How much is estimated to be spent on consulting services in 2002-2003 and how much has been expended so far this financial year? Detail the individual contacts ie who they were awarded to, at what cost and for what reason?

Answer:

Consistent with past practice, we will not provide details of contracts under \$100 000. In OCPE there were no contracts over \$100 000. In 2001-02 \$458 000 was spent by OCPE on consulting services. 2002-03 estimated consulting services is \$518 000 - with \$22 000 spent so far this year on engaging consultants to deliver Leadership Development Programs.

Mr MILLS: Okay, the first question is 245 and relates to the spending on consultancy services in 2001-02, and comparing those with the estimates for 2002-03 spending. My colleague, the member for Brennan, would like to pursue some issues relating to that question.

Mr STIRLING: We are on 245?

Mr BURKE: Question 245: in reference to your answer, can I make the comment, seeing I note from one of the questions later in there, you seem fairly free in commenting how poorly prepared the question is. I consider this to be a pretty poorly prepared answer. It says: 'Consistent with past practice, we will not provide details of contracts under \$100 000'. Why won't you provide contract details of contracts under \$100 000 considering the detail of consultant contracts under \$100 000 has been freely provided by the Chief Minister even to the extent of one organisation with a contract of \$6000?

Mr STIRLING: For the 11 years I was in opposition asking these questions from the other side, we were never given information, any details of contracts under \$100 000. It is consistent with that practice.

Mr BURKE: I know that. I can read that. What I am saying to you is that in this new, enlightened Labor era in the Northern Territory I would have thought that you would take the opportunity to change some of those practices that you railed against so fiercely. I would also add, just to reinforce the fact, that other ministers have had no problem. Do you have something to hide, or is there any reason why this office of OCPE cannot, with regards to \$458 000 spent on consulting services, tell us who were the consultants, what were the amounts of the consultancies and what they were for? I have received tables from ministers on the details, down to \$2000 and \$3000.

Mr STIRLING: It must be the lateness of the hour, Mr Chairman. There is a list here.

Mr BURKE: Thank you. Could I also add in relation to that answer, you have said here - does that list provide the details I requested?

Mr STIRLING: I only had a quick look as it went out of my hand, so ...

Mr BURKE: Well, it also asks the question, and I ask if you could provide the question now or later, I would accept it later, of the \$518 000 proposed to be spent on consultant services next year, I assume that in most respects many of those consultant services would be similar?

Mr KIRWAN: Through you, minister, yes, they would be similar and the majority would be in respect of the same area, that is, support for our leadership development programs.

Mr WOOD: A supplementary. Are most of those consultancies local or interstate?

Mr KIRWAN: Through you, minister, most of them are interstate. We look to source locally if we can in the first instance, but most of them are for leadership development programs at the AO6/AO7 level and above, and specialist consultancies that we buy in to support the four or five different management and leadership programs we deliver.

Question 247 (Mr Mills): Explain the difference in estimates of 'agency revenue' between 2001-02 and 2002-03 and what are the sources of the revenue?

Answer:

Budget Paper No 3 shows a net variation of \$176 000 increase in 2002-03, and relates to:

- an increase in the leadership development programs
- a decrease in miscellaneous revenue, and
- a slight decrease in the project training levy

Revenue is sourced from NTPS agencies except for miscellaneous revenue of \$2000.

Question 248 (Mr Mills): Provide a table listing how much the agency actually expended in 2001-02 by activity and output in terms comparable with the figures used in the mini-budget. In terms comparable with the mini-budget detail the actual estimated expenditure of the agency for 2002-03. Provide a table listing how the figures for expenditure by each department or agency in terms comparable with those used in the mini-budget translate to figures using accrual accounting methods.

Answer:

Actual expenditure in respect of 2001-02 will be provided at a whole-of-agency level in the Treasurer's Annual Financial Report and at more detailed levels in agency annual reports. Information for 2002-03 is not provided in a form consistent with the mini-budget as 2002-03 information is on an accrual basis.

Mr MILLS: Mr Chairman, I am happy to accept the tabled answers for 248. I will just go through these. In fact, after 250. I could go to question 250, please?

Mr CHAIRMAN: So you want question 248 tabled?

Mr MILLS: Well, it has already been tabled and I will accept the answer. I do not want to raise a supplementary on that. So I am skipping that one.

Question 250 (Mr Mills): How many people are employed by the agency by output and activity? How many are employed on a full time basis, part-time, casual and contract? How many were employed by the agency on August 29 2001 on a full time basis, part-time, casual and contract? How many were employed by the agency on a full-time basis, part-time, casual or contract when the public service was restructured in November last year? How many were employed by agency on a full time, part-

time, casual or contract basis for the last pay period in August?

Answer:

The term 'Activity' has no particular meaning under the new framework. Except where agencies have a single output, this question cannot be answered, as outputs do not align with organisation structures and will include some apportionment of corporate staffing.

STAFFING	29/08/01		28/08/02		13/11/01	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Permanent	75	5	43		70	4
Temporary	12	2	4		14	1
Casual part-time			1			
Sub-total	87	7	48		84	5
Total Staff	94		48		89	

The change in staff numbers is due to the review of OCPE, functions transferred to DCIS, and re-prioritising to meet government needs.

Mr MILLS: Just going to question 250, and I would request in the way of a supplementary, something that I requested with regards to DEET, but specifically to the public service in this regard: the provision of current and historic levels of sick leave and stress leave amongst employees in the public service. Going back over the last three years would be preferable.

Mr KIRWAN: Through you, minister, can I just ask for clarification because I was not here when the previous question was asked. Are you asking just about my agency or for the public sector at large?

Mr MILLS: The public sector.

Mr STIRLING: Overall.

Mr KIRWAN: So the whole 14 of them.

Mr MILLS: I am particularly interested in the effect of the restructure.

Mr KIRWAN: Some of that is reported in our annual report which we are putting together now. If you are asking for us to identify stress leave and then also the cause of that stress leave ...

Mr MILLS: No, not cause necessarily.

Mr KIRWAN: I do not know that we could at all separate out, with sick leave, yes, but stress leave, which is probably compensatable ...

Mr MILLS: Okay. I guess sick leave would be sufficient. I am just looking for a mechanism to determine the health, the morale of the public service.

Mr KIRWAN: I am conscious of the reporting requirements if we agree to it now. I am just unclear that we would have that information within one or two days, able to table that, because we are compiling the annual report at the moment.

Mr MILLS: Okay. Well, that will be satisfactory, but I am actually after historic as well.

Mr KIRWAN: That can be done at a longer period ...

Mr STIRLING: Well, three years, four years?

Mr MILLS: Yes, three years would be fine.

Mr KIRWAN: It is in the annual report. That comparative historical information is there.

Mr MILLS: Will be there?

Mr KIRWAN: On the sick leave. Although I would have to caution, as an HR practitioner, taking generalisations as to what cause and effect on those things would be.

Mr MILLS: That is quite okay. I will take all that into consideration. Thank you.

Questions 251 right through to 337, we accept the answers provided and have no further supplementaries.

Question 251 (Mr Mills): What was the repairs and maintenance budget for the agency for 2001-02 expended on their behalf by the Department of Infrastructure, Planning and Environment or its predecessor?

Answer:

Expenditure for 2001-02 R&M for OCPE was \$7875.

Question 252 (Mr Mills): Detail the inter-agency transfers for the agency and how they are now dealt with in the agency's expenditure and figures.

Answer:

In most instances these amounts would not be known for 2002-03 as they are based on specific services provided during the year. These transactions are recorded in the same manner as any other transaction.

Question 253 (Mr Mills): How much of the agency's revenue can be attributed to inter-agency transfers and how much of the agency's purchase of goods and services can be attributed to inter-agency transfers?

Answer:

For the purchase of goods and services in most instances these amounts would not be known for 2002-03 as they are based on specific services provided during the year. In relation to the agency's revenue the majority of the estimated \$1.775m goods and services revenue for 2002-03 will be inter-agency as the leadership programs are cost recovery and agencies are charged a levy for the Project Training Program.

Question 254 (Mr Mills): As part of the government's deficit reduction strategy, it was announced in the mini-budget that *'a budget improvement target of an average 4%'* with the exception of *'the functions of hospitals, health and community services, schools, police and emergency services and custodial services which were expected to deliver a cut of 25% of the average level'* was to be imposed for the mini budget and future budgets. What budget improvement target did the agency have in 2001-02; how much did that amount to and was it achieved – in total and by output and activity? What is the budget improvement target for the agency in 2002-03? What is the total amount

and what is it by activity and output? Is the cash relating to the budget improvement cut included in the agency's budget and if so how is it treated in the 2001-02 and 2002-03 figures?

Answer:

The budget improvement target in 2001-02 was \$30 000. Yes, it was achieved in the Corporate Management Activity. The budget improvement target for the agency in 2002-03 is \$60 000, the improvement target was across all Outputs. The budget improvement cut is included in the agency's budget and the corporate operational costs were reduced.

Question 255 (Mr Mills): What has been the cost of the change to accrual accounting and the implementation of Working for Outcomes for your agency? Is there a continuing cost or a need for more staff?

Answer:

The change to accrual accounting and the Working for Outcomes model has been achieved through the use of existing resources, maximisation of previously unused features available in corporate and agency systems and training and co ordination provided by Treasury and DCIS. This has occurred over the last 18 months and will continue over the next two to three years. It would not be possible to differentiate the costs related to these developments from other financial management costs.

Question 333 (Mr Mills): What is the change to the agency's payroll tax liability caused by the changes to the payroll tax regime introduced this year by the government, and where does this cost of liability appear in the Budget Papers relating to the agency?

Answer:

The Treasurer will answer this question on behalf of all agencies.

Question 336 (Mr Mills): How many staff are employed by the Minister in their Ministerial Office, including Alice Springs or any other centre. How many of these staff are paid for by the Department of the Chief Minister and how many are paid for by the Minister's agency or department?

Answer:

Nil.

Question 337 (Mr Mills): Does the data published for your agency in the Budget papers –

- i) differ materially from that understood by your agency to properly reflect the best estimates available to the agency at the time the budget papers were compiled?
- ii) where there is any material difference is there any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences and the nature of that advice? and
- iii) where there is a difference did the agency undertake to advise their Minister prior to the Budget being delivered that these differences existed?

Answer:

- i) No
- ii) Not applicable
- iii) Not applicable

Mr CHAIRMAN: So, are we up to question 338?

Question 338 (Mr Mills): Explain what the entry 'expenses relating to prior year receipts means' (or in the case of some agencies 'receipts relating to prior year expenses') means? Detail what the amounts listed against this entry are for both 2001-02 and 2002-03.

Answer:

The item 'expenses relating to prior year receipts' identifies the amounts available for use from the operating account, and reduces the requirement for appropriation. The amount relating to 2001-02 is \$1 344 000 made up of the following items:

- Rental Charges \$627 000
- Accounts payable held by DCIS \$142 000
- Under expended programs \$575 000

There is no entry for 2002-03.

Mr MILLS: We are now at question 338. The question relates to expenses relating to prior year receipts. The member for Brennan has some comments to make.

Mr BURKE: The figure, rental charge of \$627 000, in previous answers that has been shown as monies unexpended and carried forward into the current year. How do you have \$627 000 rental charges carried forward?

Mr KIRWAN: Through you minister. My understanding in looking at this figure is of someone who looked at this and also it jumped out at me as being relatively new. This relates to the period when my office had responsibility for government property, and was amounts that related to the normal rental payments for government property under the government property office. When you consider that the outgoings were roughly \$2m a month, this was a reasonably regular occurrence, as I am advised. The Under Treasurer would probably be in a better position because of her continuity in the area.

Question 340 (Mr Mills): Detail how much your agency will pay in state taxes and fees in 2002-03 and how much was paid in 2001-02?

Answer:

Payroll Tax paid in 2001-02 \$240 232
Estimated spend in 2002-03 \$240 000
This office does not pay any other state taxes or fees.

Mr BURKE: I have a supplementary on question 340. Payroll tax paid in 2001-02 is stated here as \$240 232. Is that for your agency only, or for the whole of the public service, including GBDs? You cannot possibly be paying payroll tax at that amount.

Ms PRINCE: For 5 months of 2001-02, the properties unit was located within OCPE, as was one of the other training units that has since transferred to DCIS. We are looking at a period of time when the agency would have been quite a deal larger than it is currently.

Mr BURKE: Okay. I accept that.

Mr CHAIRMAN: Member for Blain, we are on to 340, are we?

Mr MILLS: 340 is fine.

Mr CHAIRMAN: Are you tabling that one?

Mr MILLS: Yes.

Mr CHAIRMAN: Okay tabling 340. Question 341.

Question 341 (Mr Mills): Detail how much was spent on advertising, promotion, dissemination of policy issues and provision of information that included the minister's photograph and or a message from the minister with an individual breakdown.

Answer:

Nil.

Mr MILLS: Can I seek clarification – is there a question 343?

Mr STIRLING: Yes.

Mr CHAIRMAN: I can see it. There is a blank page on mine and a 343.

Mr MILLS: They have my name against it, but that must be ...

Mr BURKE: I want a supplementary on it anyway.

Mr MILLS: I cannot see a question there.

Mr CHAIRMAN: No, neither can I.

Mr STIRLING: I have the question for them.

Mr BURKE: I want to go back to the other one for a second. I ask you through the Under Treasurer, because there is uncertainty with regards to the reasons why that amount of payroll tax was paid - the current staffing does not explain it; this written answer does not explain it. Can you provide me with further details in a written answer?

Mr STIRLING: As a follow-up? Yes.

Mr BURKE: Yes, so you will take that as a written question.

Mr STIRLING: Ms Prince will provide that.

Mr BURKE: Secretary, are there some we are taking, I hope. I have a supplementary on question 343.

Mr CHAIRMAN: Hold on, what about question 341, member for Blain?

Mr MILLS: Fine, table it.

Mr CHAIRMAN: Table question 341. So then we turn over to question 343. You have the text of that question now. Member for Brennan.

Question 343 (Mr Mills): Provide a table listing how much the agency actually expended in 2001-02

by activity and output in terms comparable with the figures. Excluding provisions for state taxes and fees, repairs and maintenance, and depreciation and amortisation what has the agency actually got to spend on each output for 2002-03? What is the total amount for all of the agency's outputs after excluding these items for 2002-03? What are the equivalent figures for 2001-02?

Answer:

Refer to tabled document.

	2001-02	less tax	2001-02	2002-03	less taxes	less R&M	Depreciation	2002-03
OUTPUT GROUP/ OUTPUT	Actual Budget		less tax	Budget estimate	fees			Budget estimate
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Commissioner for Public Employment	5 938	240	5 698	6 148	240	29	4	5 875
Policy Advice	1 845	85	1 760	1 961	85	10	2	1 864
Employment Services	1 643	67	1 576	1 600	67	10	1	1 522
Leadership Development and Strategic Consultancy	2 450	88	2 362	2 587	88	9	1	2 489
TOTAL	5 938	240	5 698	6 148	240	29	4	5 875

Mr BURKE: The answer says refer to tabled document. There is no tabled document.

Mr STIRLING: We certainly have it, so we will make sure you get it.

Mr CHAIRMAN: Could you make sure that that gets over to the secretary here?

Dr LIM: We need that sort of thing pretty quickly, because we need to look at it while they ...

Mr CHAIRMAN: We will pause, member for Greatorex. Member for Brennan, the secretary was actually behind you when you made that request that it be noted that you requested a certain table. Do you mind – I am sorry to take it back.

Mr BURKE: I have the table coming across, that is fine. It is the question before that was not properly answered with regards to the payroll tax. The minister undertook to provide further information as regards that question which was number 340. That additional information is to be provided as a written answer.

Mr CHAIRMAN: You have that, Terry? Good on you. So now we are up to question 343, and there is a table.

Mr BURKE: That is finished, I am fine.

Mr CHAIRMAN: You are fine with that? What about question 372 under the name of the member for Drysdale?

Mr DUNHAM: That's me. My question is, how are the OCPE outputs of 'dynamism', 'higher skills' and 'motivation' measured? Given these are the only outputs of this \$6.1m agency, how will their work be

audited and reported? I do note, at page 84 of Budget Paper No 3, that a 'dynamic, highly skilled and motivated public service' is the outcome. I believe that should be measured given that they are a very esoteric goals.

Mr CHAIRMAN: If I could tell you member for Drysdale, I am the benchmark!

Mr DUNHAM: That causes me great relief. Given that you have such esoteric goals, how do you measure them?

Mr STIRLING: Mr Chairman, it is a cute reading of the budget papers. The OCPE provides three outputs - policy advice, employment services, leadership development and strategic consulting. And the output stated appeared to be the OCPE outcomes, so a dynamic, highly skilled and motivated public sector, and when combined these outputs work towards the OCPE outcome overall. Now, budget papers include the performance measures that the OCPE will be held accountable to; it is subject to the same audit and risk management requirements as other government agencies, and the OCPE annual report will be tabled in parliament as required by the relevant legislation.

Mr DUNHAM: Yes, I just do not think it is good enough. Essentially, you have used some descriptors to say we want this dynamic, highly motivated public service. That is all good and well to say. It is like saying, we want to be the winners in the battle, but somewhere along the line, you have to be able to measure that. I draw your attention to Budget Paper No 6, Issues of Public Finance, where there is quite a description about outputs and output groups and how they must relate to outcomes. I think 'dynamic' is a very difficult thing to measure in today's public service. 'Higher skills' certainly can use some quantitative and qualitative measures, and 'motivation', if that is being measured, I would like to know how it is being measured, because I suspect it will be a negative.

I recall hearing the Chief Minister speaking on the radio, and I have some transcripts here about public servants walking with a spring in their step and I do not believe that is the case. So, if this poor gentleman here is charged with making a 'dynamic, highly skilled, motivated public service', I think there has been some negative improvement there. I would like to see how that is being measured and whether he is in fact encroaching on his goal of the dynamic, highly skilled, motivate public service.

Mr STIRLING: Mr Chairman, it might be the member for Drysdale's view that, I don't know what his words were, that motivation is not pointing the right way, that the public service is not dynamic and is not working towards higher skills, even where those higher skills exist. I have, and I am sure the Commissioner for Public Employment shares this view of the public sector, that they are a committed group of people, whether they have a spring in their step or not, as according to the member for Drysdale. They do the job, and they deliver. That is what we expect and that is what the community expects ...

Mr DUNHAM: That is not the point. You set up a new budget system ...

Mr STIRLING: ...from our public sector. You can talk them down, you can bag our public servants, you can seek to discredit the Office of the Commissioner for Public Employment ...

Mr DUNHAM: I am not talking them down. I am just saying you have a view, and the view has to have calibrating measures on.

Mr STIRLING: ...but I can tell you he is doing a great job. And I support the Commissioner for Public Employment 100%.

Mr DUNHAM: Okay. Quite frankly, I have never met the man. What I am saying to you is ...

Mr STIRLING: Well, you should avail yourself of the opportunity.

Mr DUNHAM: ... if you are going to set the goals, you must have some calibrators to see whether you are encroaching on the goal or in fact going further from it. You have the view that we have a highly motivated public service with great morale at the moment. I have the view that we do not. Now, unless you are able to produce some evidentiary material, unless you are able to actually work for outcomes, dare I say, one of the issue in Budget Paper No 6, unless you are able to demonstrate that to us, we can easily put the counter case, and that is, that you are not doing it.

I am merely asking you how you calibrate this thing, other than some, 'the minister's happy with you, and he thinks you are doing okay, and public servants are happy'. That is all good and well, but I think there should be some device that alerts the minister to the fact that there might be a morale problem, there might be a lack of dynamism, for God's sake.

A member: We need a happiness gauge?

Mr DUNHAM: Well, I don't know. It is his goal, it is his goal. All I am saying is that if you say I want to march to Rome, you do not march to Sydney. We do not know where this bloke is marching, we do not know where he is going. All I am saying is, if you have picked a target, can you tell us whether you are getting closer to the target? Because, like you, I am an ex-public servant, and I would like to believe that we have a highly dynamic, highly skilled, motivated public service. But that is gut feeling, gammon stuff, unless somehow you can demonstrate to me that these goals are somehow foremost in your mind and you have some devices to measure whether you are getting there.

Mr CHAIRMAN: I think that is the minister's response. Member for Nelson.

Mr WOOD: Can I ask a supplementary? It has nothing to do with Hannibal; he went to Rome, didn't he? Minister, does the department do any random, anonymous surveys through the public sector just to ask their opinion on how they see things running?

Mr STIRLING: I do not know about random, anonymous surveys, member for Nelson, but it is a management role to obviously stay in touch with the workforce and the staff, to see how they are going. I would expect the CEOs and those at the senior management roles down would all play a role and be responsible for welfare, morale and those sorts of issues within their workforce that they are responsible for ...

Mr DUNHAM: But how do you know? That is the question. What, they tell you?

Mr STIRLING: ...unless the commissioner had anything to add on that?

Mr KIRWAN: Through the minister. There are a number of agencies at the moment, out of their own initiative, that actually undertake things like customer satisfaction surveys and staff satisfaction surveys, and they are reported to their staff. DCIS is probably one of the best ones I have seen here. I am unaware at this point, as I have not got to all of the other agencies, what some of them do. Some of them do it within sections of their agencies. There are a range of tools, both qualitative and quantitative, that can be used to measure these. At this stage, what we are doing is looking at developing strategic HR, strategic IR, and strategic workforce development plans which will address these issues. There is a range of issues that go to this, turnover rates, staff satisfaction rates ...

Mr DUNHAM: Exit interviews.

Mr KIRWAN: We have exit interviews in place, in this case for capturing information to see why people are leaving, and there is a range of information in respect to grievances. At the moment we are doing reviews of grievances and doing some pattern work as to where that is occurring and where the agencies are. So there is a range of those indicators.

At this stage, it is early, in the first couple of months I have been in the position, but I would certainly be expecting it by next year's annual report rather than this year's. Those sorts of indicators will be

coming to the fore. I would also say that we will be focussing very strongly on the output areas because generally my training in this area tells me that you focus on the outputs and they are the contributors to establishing the outcome that you are looking for. We would be looking at those indicators which are in fact indicated in the current Treasury papers, although we would be looking to refine those over the next 12 months.

Mr WOOD: Just the one supplementary, Mr Chairman, through the minister. And you would do that through all levels, from the lowest to the highest in the employment levels?

Mr KIRWAN: The ones that I have seen successfully work do take significant cross-sections through the whole workforce, so that you actually do do them, and there is a range of different ways of doing them, from focus groups to anonymous surveying; exit interview is a good tool, as well, proven tools. But then there is an issue of critical mass, and small agencies exit interviews can give you biased sampling, but in the larger areas that is important. And you want it to relate to other strategies as well, so we are picking up reasons and then feeding it back into people and into the agencies. At the moment, it varies between agencies, and I would have to say that the agencies have been somewhat distracted in their administrative reorganisations. But in good HR practices we would be doing work like this and then getting the longitudinal studies to see what the changes are within the agencies from year to year.

Mr DUNHAM: Are you aware that the Chief Minister has said, and I quote from a radio transcript of 27 November last year, where she says: 'I said three things to CEOs, and it will be written in contracts, that they have to improve service delivery, or at least maintain it at the rate it is. They have to maintain the morale of staff and they have to enhance career development for staff, which is something these new agency structures can do, and they live within their budgets'. Three simple things. How are you measuring that?

Mr STIRLING: It is not an appropriation question, Mr Chairman.

Mr DUNHAM: It is one of your outputs.

Mr STIRLING: Mind you.

Mr DUNHAM: It is an output in your budget papers. The Chief Minister's instructions on the three big things she has written in the contracts, all of which relate to models in the province of the Office of the Commissioner for Public Employment. I am asking whether those three things that are now written into contracts have been met.

Mr KIELY: Aren't executive contracts handled by the Chief Minister's Office?

Mr DUNHAM: Well, you would think that there is some dove-tailing if they are not. I mean, would you not think that if this gentleman is charged with ...

Mr KIELY interjecting.

Mr CHAIRMAN: Order, order! Look, I think the minister has made his position plain on this.

Mr DUNHAM: Not to me.

Mr CHAIRMAN: The Commissioner has answered the question which relates to some of the output areas that you have mentioned, member for Drysdale. You have made your point. It is getting late at night. I would like to wrap up this output area. The reason why I was prepared to go another half an hour was we have had a couple of breaks, I suppose we did have a discussion about a letter earlier tonight. I am just trying to be fair. So, let's try and be fair together. I ask whether there are any further questions on this particular output area? Member for Brennan.

Mr BURKE: There are a number of supplementary questions I have. They take some time to answer. I do not know whether you want to deal with them now.

Mr CHAIRMAN: I would like to. I know the Commissioner has been here for quite some time this afternoon. Are we talking about hours here, member for Brennan?

Mr BURKE: I would hope not. But certainly, I would say, if the answer is not readily available, I need an indication from the minister, will he answer the question or will he take it on notice.

Mr STIRLING: Take us to the question. Give me the question. What number?

Mr BURKE: I am working through the Chairman at the moment.

Mr CHAIRMAN: That is all right, proceed.

Mr BURKE: Proceed?

Mr CHAIRMAN: Yes, proceed, please, member for Brennan.

Mr BURKE: Can you tell me how many public servants are there employed by the Northern Territory government? This is currently. How do you arrive at that figure? Can you at any time tell the exact number of public servants and their status, that is, contract, full-time, part-time or any other? Or if you are not able to do this, is DCIS able to do this on your behalf on any given day, because obviously they need to do and know that because they are paying everyone every fortnight.

Mr KIRWAN: I do not have the figures before me right now as of today's figures. If you want to give us a date, we can give you a date as to the actual number of public sector employees, if that is the first part of the question. In respect to how they are calculated, there is an algorithm that has been agreed between the central agency as it goes back a number of years. It is extracted out of the DCIS PIM system, and that is based on the payroll systems that are run. It is the same system that has been in place now for some, at least two or three years to the best of my briefings, looking at it. It is consistent with what I have seen in other jurisdictions, which is a model that extracts out of the payroll system an FTE calculation, the agencies that are critical to that exercise being particularly Treasury and my agency, DCIS, so that people agree as to what is in and what is counted. It has been consistent in the Territory for a period of time, that algorithm, and it is based on the PIM software that was inherited or purchased from the Commonwealth model. So, that is how it occurs.

As I understand the PIM system in the Territory, it can tell you the status of employees at a given point in time. That information again can broadly be provided if there is a date or a paper, if it is asked to be sourced, that information is available. Again, if you look to the Office of the Commissioner for Public Employment's Annual Report, a lot of that information is aggregated and reported in the annual report, and that information is available, again through the DCIS system who are the central payers of the public sector. Until relatively recent changes, my office was the owner of some of those systems, the Territory system, as it is now the ownership of that system is with DCIS.

Mr BURKE: So if I picked a point in time, say 1 September, 10 September, and asked you, can you answer that question for me, how long would it take you?

Mr KIRWAN: My recent experience is that we have some hesitancy giving immediate responses because there is an issue of lag in respect of overtime and a few other areas, but normally within one pay period we can have had the pays verified and make sure there are no adjustments and others that would cause any major changes. It is normally within that two to three week period of a pay that the figure are available.

Mr BURKE: So the answers the Chief Minister has been giving in parliament: 'The figures are not available; they need time to get them; they need to be audited', is garbage essentially?

Mr CHAIRMAN: Are you directing that question through the ...

Mr BURKE: I do not really require an answer.

Mr CHAIRMAN: So that is a statement?

Mr BURKE: It is self-explanatory, based on what the commissioner has just told me.

Mr STIRLING: Mr Kirwan.

Mr KIRWAN: It is inappropriate for me to get into policy of the political debate, and I will not do that. What there is a difficulty in the Territory, which is no different to other jurisdictions I have worked in, is that there is a range of different ways of collecting FTEs. The task is to make sure that we are preparing the same systems with the same data in relative terms. There is a range of different ways because FTEs and head counts and others are used for different purposes. The reality in the Territory is that there are two or three different ways of collecting this information because there are two or three different needs and uses for them, including with the APS and other areas like that.

So, there it is. It is easy to see why there could be confusion over which system and why some of the figures do not add up. We would always have some difficulty with some of the agencies because how they count their FTE and how we count them using the algorithm does actually differ. It is one of those areas where it does require a little understanding of the different systems and the needs of the systems, because there is a risk if they are quoted out of context it can lead to that. Again, the fundamental system is the system which has been in place for quite some time.

Mr BURKE: I certainly do not expect you to talk in a political sense at all, but the fact is that the Office of the Commissioner of Public Employment has, for as long as I can remember, provided monthly figures that were available to the Chief Minister and ministers. I have no knowledge whether that process is still in place; I assume it is. Can you verify that?

Mr CHAIRMAN: Through the minister.

Mr STIRLING: There is some thought being given to a quarterly publication of the figures, but that is not yet worked through.

Mr BURKE: I have established the fact that the figures that we tried to get in parliament were denied rather than not available. My next supplementary question is: how many CEOs and executive contract officers have resigned, retired, been terminated or been made redundant since 28 August last year?

Mr STIRLING: What is it a supplementary question to? Why didn't you put it in writing?

Mr BURKE: It is a supplementary question to the questions that have been provided as written questions.

Mr CHAIRMAN: Which one?

Mr MILLS: There is a question there about staffing.

Mr BURKE: You do not have to provide that now. I need an undertaking that you will provide that information and that will go forward as a written question.

Mr STIRLING: Mr Kirwan will provide that.

Mr BURKE: Could I ask the secretary to take note of the undertakings that have been given here? My next question: what has been the total cost of the departure of the CEOs and executive contract officers who have resigned, retired, been terminated or been made redundant since 28 August last year?

Mr CHAIRMAN: Could you repeat that question, please, member for Brennan?

Mr BURKE: What has been the total cost of the departure of the CEOs and executive contract officers who have resigned, retired, been terminated or been made redundant since 28 August last year?

Mr STIRLING: We need the information to be backourced through DCIS, and it will be provided.

Mr CHAIRMAN: I also remind the member for Brennan that the Public Accounts Committee is also looking into elements of these matters you are raising.

Mr BURKE: Next question: detail all the costs involved in recruiting new CEOs and executive contract officers such as advertisements, executive employment agencies, interviews, any travel costs involved, and relocation costs. How many successful applicants have come from interstate or overseas?

Mr STIRLING: Why wasn't a question like this provided in writing? You just decided tonight: 'This is a good idea, I am going to ask this question?'

A member: We thought you would know. It would be something at the fore of your mind. Surely.

Mr STIRLING: Why not in writing? You have had three weeks to put these questions together.

Mr BURKE: No, what we had was a time line to get our written questions in which was actually quite tight and I think we did a real good job. And then we continued ...

Mr STIRLING: Well, you copied most of the questions of the last few years and then you get in here and decide, 'Oh, here is good question. Why didn't I think of putting that in?'

Mr BURKE: ... and then we continued – why don't you listen? - after the drop dead date with other questions that we still had to produce. That is why they have not been produced in the log of written questions. Don't you understand the process? And that is provided for ...

Mr STIRLING: When did this become a good question? Like yesterday, today?

Mr BURKE: Am I the minister? I would happily swap places if you like.

Mr STIRLING: Well, your ministers would have told us to get lost. Last year and the previous ten years when I was a member of opposition they would have said you should have put it in writing, son. Sorry!

Mr DUNHAM: Oh, I thought it was due process, oh, buggered that up again.

Mr CHAIRMAN: Language, please, member for Drysdale.

Mr STIRLING: You expect the earth from us.

Dr LIM: Mr Chairman, the minister was prepared to provide us with the written answers to the questions we put to him ten days ago, to the department ten days ago. Subsequent to the question, the answer has been provided, we have supplementaries. And surely that would ...

Mr STIRLING: They are not supplementaries. They are made up on the spot.

Mr BURKE: Minister, I do not wish to argue with you, but if there is a process, it is in the terms of reference, I am sure the Chairman can clarify it. But it is the process that you put down yourself, that we had to have the written questions in by a certain date and we could proceed with other questions that could be put forward in the committee.

Mr STIRLING: Yes, on the back of an answer, a supplementary question, Mr Chairman. I have not given you an answer yet. You are just making them up.

Mr BURKE: But you have changed the process, you have expedited the process, we do not go through the questions question by question because some of them have written answers and we are operating to expedite the process. If you want me to cross reference back to all the questions, it will take more time. I am simply saying that at one point or another, you will get this question. Will you accept it or not?

Mr STIRLING: What is the question?

Mr BURKE: For the third time: detail all the costs involved in approving new CEOs and executive contract officers, such as advertisements, executive employment agencies, interviews, any travel costs involved and relocation costs. How many successful applicants have come from interstate or overseas?

Mr STIRLING: And how long do you think it is going to take the OCPE to chase through every agency, get all of that information from all the individual agencies, collate it and get it back to you? You think he has nothing to do. No-one holds this information in one ...

Mr BURKE: I tell you what, minister, when I was Chief Minister there was no senior executive contract officer employed without the Commissioner for Public Employment sitting in my office and talking to me about the particular officer, talking about things like the cost of relocation, talking about how we would advertise and who we would employ to advertise and talking about the salary that person would be employed on and on costs. I do not accept the fact it is too hard to get. If you refuse to provide it, that is your position. I am simply asking the question, asking if you will provide it. I do not need it today. I would like to hear if you can get it, seven days, ten days, soon after your annual report. We have been after this sort of information for a long time.

Mr STIRLING: It will take a while I am told.

Mr BURKE: So, if you perform, in terms of if your public service commissioner concentrates on output, the outcome that I want to see is the answer. If you concentrate on the output, I would appreciate it. And I would like to get that answer as soon as possible. Question 4: detail individual termination payments to CEOs and executive contract officers who have resigned, retired, been terminated or been made redundant since 28 August last year and how these payments were calculated.

Mr CHAIRMAN: Once again, that is a matter for investigation by the Public Accounts Committee, a large element of that.

Mr BURKE: This is irrelevant to the Public Accounts Committee, Mr Chairman. The question I am asking there, in estimates, it is a perfectly reasonable question to the Office of the Commissioner of

Public Employment.

A member: It is going to make it easier then, isn't it?

Mr STIRLING: No, it is not. It goes to confidentiality of contracts. I can recall many occasions in the House - I mean we wanted to find out what that ex-Melbourne footballer whom your minister from Central Australia, Minister Vale, employed and you got rid of him. You never ever provided that answer on the basis of confidentiality. We wanted to find out what it cost to get rid of the next bloke ...

Mr DUNHAM: What is this, Syd? Circa 1982. God, you have a bloody, long, hostility rate, so get over it ...

Mr BURKE: You had no problems giving all the details ...

Mr STIRLING: Dennis Hatcher - confidentiality we were told. You are not getting the information; it is confidential.

Mr BURKE: I am simply asking you to be consistent. You have all the information readily available ...

Mr STIRLING: You could have put it in writing. We would have told you the answer was confidential. You are not getting the answer ...

Mr BURKE: You had all the information readily available, given to the parliament for one Peter Murphy who was an executive contract officer in my office. So do not tell me that you cannot get the information. You are unwilling to provide the information.

Mr STIRLING: Brian Dixon, Dennis Hatcher - there have been plenty of them come and go. Not one answer, and we asked those questions all the way through the ...

Mr BURKE: Not only am I interested in this information, it is a question I am also asking on behalf of the media. They will be interested in the fact that this government refuses, even in this committee, to provide that information.

Mr STIRLING: As did you as a minister, and all of your other ministers over the 11 years I was in opposition.

Mr ELFERINK: You were a new standard, Syd. The bar was this high for you guys. This was the new ...

Mr BURKE: Perhaps given the obfuscation of the minister, Mr Chairman ...

Mr STIRLING: No obfuscation. You are not getting confidential information.

Mr BURKE: If we go back to the point you made earlier - and I have also asked the member for Nelson to take note - perhaps, eventually, the Public Accounts Committee might get to the bottom of this particular inquiry.

Next question: how many serving Territory public servants were given interviews relating to the executive vacancies, and how many of them were successful?

Mr STIRLING: How many what?

Mr BURKE: Of the CEOs and executive contract officers you have employed since coming into government, how many Territory public servants were given interviews relating to the executive

vacancies and how many of these were successful? I would not think this would be a difficult thing to track down.

Mr STIRLING: CEOs?

Mr BURKE: If you like. If you only want to provide CEOs, I will accept CEOs. How many Territory public servants were given interviews relating to the executive vacancies and how many of these were successful? Can we talk about CEOs and deputy secretaries? We will go that far.

Mr Dunham interjecting.

Mr BURKE: The minister has undertaken to provide that information.

Next question: how many of the termination payments were calculated on the basis of employer termination rather than being treated as a resignation or non-renewal of a contract, in terms of CEOs and executive contract officers? We have had people not employed for various reasons at various times. Can we get a list, since you came to government, of how many CEOs and executive contract officers have been terminated and for what reason?

Mr STIRLING: Yes.

Mr BURKE: The minister has undertaken to provide that to the secretary. Could I ask how much did the government save by basing termination payments on the total employment costs instead of the notional salary, as reported by the Auditor-General? We are talking about the 12 months since you have been in office. The Auditor-General reported for a small period. We are now looking at the 12 months period. Given the terminations that have occurred, how much has the government saved by basing termination payments on the total employment cost instead of the notional salary, as reported by the Auditor-General? I imagine the real answer would be how much additional expense has that incurred? The Auditor-General said it should be based on this calculation. The government, in the instances he was aware of, used another calculation. He said it was wrong; it was expensive and wasteful. I would like to know what the total figure is.

Mr KIRWAN: Through you, minister, my understanding is, having been back through the files - particularly given the recent interest of the Public Accounts Committee and my relatively new appointment - is that there was only one position where that was done which is the Tourism Commission which is outside my ambit. I am unaware that any others have had that situation occur. Certainly, none since I have been in the position, but we would have to go back over the files and have a look.

Mr BURKE: Yes, because, on the face of that, I accept your look at it, but on the face of what the Auditor-General said and certainly the numbers he referred to, he would certainly be talking about more than one, so I would like you to provide me with that information, please.

And my last question is: how many of the departures of CEOs and former executive contract officers were for the public benefit and in line with government priorities? If you like, you could give me a written explanation on that?

Mr STIRLING: What was the second part of the question?

Mr BURKE: How many of the departures of CEOs and former executive contract officers were for the public benefit and in line with government priorities?

Mr STIRLING: I do not understand the question.

Mr BURKE: Margaret Lyons, no longer needed; or Margaret Lyons, didn't like her, she ran against

me in an election once before. Margaret Lyons ...

Mr STIRLING: Well, you make up your own answers, but I cannot see what sort of an answer you expect to a question like that.

Mr BURKE: You could at least indicate whether the termination was a voluntary termination or a redundancy so I can match that against the payment that you have made, and for what reason.

Mr STIRLING: Well, ask the question in a form that it might be able to be answered.

Mr BURKE: I will rewrite the question; just a second. That is all I have.

Mr CHAIRMAN: Thank you, member for Brennan. Any more questions in this output area?

Mr DUNHAM: He says with a worried look on his face!

Mr CHAIRMAN: I am hypnotised. I will get back to being dynamic, how's that?

Mr DUNHAM: And highly motivated!

Mr CHAIRMAN: Highly motivated and a benchmark!

Mr KIELY: A song in his heart.

Mr CHAIRMAN: A song in my heart.

Dr LIM: Before you close the meeting for the night ...

Mr CHAIRMAN: No, I haven't. I cannot close yet, we still have one output area to go. So if I can close of that output area, there is still 01.00, it is question 247 as I understand it. It stands in the name of the member for Blain.

Mr MILLS: I am quite happy to have that one tabled.

Mr CHAIRMAN: Tabled?

Mr MILLS: Definitely. I will read it tonight before I go to bed.

Mr CHAIRMAN: Well done, Mr Mills.

Ladies and gentlemen, thank you for ...

Dr LIM: Before you close the meeting for the night, I wish to make a comment.

Mr CHAIRMAN: Hold on, hold on, hold on.

Dr LIM: I think this is a very valid comment, Mr Chairman, and I request that you at least hear me out.

Mr CHAIRMAN: All right. I am a true democrat and libertarian, member for Greatorex. Lay it on the table.

Dr LIM: Thank you. While I have been listening through the interrogation of the minister and the

Office of the Commissioner for Public Employment, I have also been reading through the responses from the minister for community development, and his written responses that I have here in front of me.

Mr CHAIRMAN: Hold on member for Greatorex, I would have hoped that your comments would have been restricted to ...

Dr LIM: Let me finish what I have just started, and you can rule me out of order if you wish to, but let me finish what I am going to say, you do not know what I have to say yet.

Mr CHAIRMAN: Well I can guess.

Dr LIM: What? What can you guess? Tell me.

Mr KIELY: It will be some silly remark with very little relevance to what is going on here.

Dr LIM: The answers that were provided and promised by the government frequently refer to tables attached, columns, figures, Table 1 attached, or Table 2 and 3 attached. They are not attached.

Mr CHAIRMAN: How frequently? Can you quantify that member for Greatorex?

Dr LIM: At any time. Let me finish, Mr Chairman.

Mr CHAIRMAN: Well, you have made an allegation. Do you want to quantify it?

Dr LIM: If the written answers are to be provided for us to read so that we can have relevant supplementary questions to the ministers when they present, then the full answer should be provided, otherwise it makes it impossible to digest the answers.

Mr KIELY: No, that is the answer given.

Mr WOOD: Can you just check the tables of all of the documents please, Mr Chairman.

Mr KIELY: No, that is the answer given.

Mr WOOD: I would like to precis that.

Mr KIELY: That is all there is to it.

Mr CHAIRMAN: No, let the member for Nelson continue.

Mr WOOD: No, I am just precisating it.

Dr LIM: I think it is fair comment, and fair request, Mr Chairman.

Mr CHAIRMAN: It is. I have taken your comments on board, member for Greatorex, and the member for Nelson has a precis, is that right?

Mr WOOD: No, I just precisated what he was trying to say. Can you make sure the tables are all in the document.

Dr LIM: Otherwise they have no relevance.

Mr ELFERINK: This is an extension of what I said and asked before, Mr Chairman, that if we are going to be adhering to this system, then I would expect all of the questions that we have asked to be answered fully so that we can proceed.

Mr KIELY: No, no, no.

Mr CHAIRMAN: Member for Sanderson, if the members of the opposition would like to communicate to me and quantify and specify, I will do my best.

Dr LIM: Question 682; question 510 ...

Mr CHAIRMAN: Hold on. 682, 510.

Dr LIM: ... question 674; question 677; question 699; question 646; question 651; question 661 so far. Thank you.

Mr CHAIRMAN: What came after 510?

Dr LIM: I repeat: 682, 510, 674, 677.

Mr CHAIRMAN: Yes, I have the rest, thank you, member for Greatorex and I am going to enter them in lotto.

Dr LIM: Thank you. I hope you win tomorrow.

Mr CHAIRMAN: I declare the meeting closed.

The Committee adjourned.