



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

COUNCIL OF TERRITORY CO-OPERATION

PUBLIC HEARING, THURSDAY 28 JANUARY 2010, DARWIN

Power and Water Corporation, represented by:

Mr Andrew Macrides, Managing Director
Mr John Tarca, Manager Gas Supply
Mr Gerald White, Chief Financial Officer
Mr Kelvin Strange, General Counsel and Company Secretary
Mr Mike Knowles, General Manager Strategy and Corporate Affairs
Mr Ian Pratt, General Manager Generation

Northern Territory Police, represented by:

Mr Grahame Kelly, Assistant Commissioner for Operations Service
Mr Peter Gordon, Acting Commander in Charge Strategic Planning Command
Mr Richard Mu, Strategic Planning Command

Department of Justice, represented by:

Mr Greg Shanahan, Chief Executive
Mr Stephen Jackson, Director Research and Statistics

Northern Territory Government, represented by:

Mr Bob Beadman, NT Coordinator-General for Remote Services

Mr CHAIRMAN: First, thank you very much for coming, I shall introduce our members. We have Willem Westra Van Holthe from Katherine, John Elferink from Port Darwin, Michael Gunner from Fannie Bay, Marion Scrymgour from Arafura, and myself from Nelson, and apologies from Alison Anderson who cannot attend today.

I declare open this meeting of the Council of Territory Cooperation and welcome the witnesses who are appearing before the council to provide information in line with the council's terms of reference.

This hearing is open to the public and it is being recorded; a transcript will be produced and will be available to the public. In certain circumstances, the committee may decide that evidence or part thereof can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee.

You are reminded that evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* record, I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak.

As I said, welcome Mr Andrew Macrides, for coming today with your crew. I would ask you to ask them to identify themselves, or you can introduce each one to the council.

Mr MACRIDES: Thank you, Mr Chairman; Andrew Macrides, Managing Director of Power and Water Corporation. I will ask my colleagues to identify themselves and indicate their titles; perhaps if I start on my right.

Mr TARCA: John Tarca, I am Manager of Gas Supply for the corporation.

Mr WHITE: Gerald White, I am the Chief Financial Officer for the corporation.

Mr MACRIDES: Moving to my left.

Mr STRANGE: Kelvin Strange, General Counsel Company Secretary.

Mr KNOWLES: Mike Knowles, General Manager, Strategy and Corporate Affairs.

Mr PRATT: Ian Pratt, General Manager, Generation.

Mr CHAIRMAN: Just an opening question for you – I will call you Andrew. Do you have an understanding of why we have asked you to come today? Is that fairly clear?

Mr MACRIDES: I have seen the letter indicating the area of interest of the committee and, obviously, the group that is here is the team that is responsible for generation issues and gas supply issues; energy issues associated with our generation plant across the Territory.

Mr CHAIRMAN: All right. I ask the member for Port Darwin, John Elferink, if he would like to lead off with some questions.

Mr ELFERINK: Thank you. Can I start by thanking you, Mr Macrides, for your comprehensive briefing note? Several issues actually arise out of that briefing note and I want to see how related they are to each other; but I want to start with a bit of history first

because for the first time ever you have gone some way to answering – and I am not suggesting you - but you have gone some way to answering a question I have always had as to why we are piping gas 800 km to a power station right next to one of the largest gas supplies in the southern hemisphere; and I note the comments you make on page 8 of this briefing note. I presume this is a public document as a result of this?

Mr MACRIDES: Yes.

Mr ELFERINK: Right. The one thing that is not mentioned, for people listening, it refers to the deals that were not done with ConocoPhillips, and other potential gas suppliers, which ultimately caused Power and Water into having to source its gas from Blacktip, and I will quote from the document:

It became evident that the local market was not willing to make the long-term commitment required to underpin the producer's investment, and both Phillips and NAGV terminated discussions with potential customers from early 2002.

How much were they asking for?

Mr MACRIDES: I honestly do not know in terms of the history behind the arrangements with those two companies. The issue is that for large scale projects like this, given the dollar value associated with the construction of the infrastructure, you obviously need a very large customer to come in and pay over time for that infrastructure. Power and Water by itself, whose requirements are in the order of about 20 to 25 petajoules of gas per year, have difficulty underpinning major projects such as the types these proponents were looking at, simply because our gas volume is not enough to justify the investment in that infrastructure.

Mr ELFERINK: Yes, I have got all that.

Mr MACRIDES: I believe what they were looking for were other proponents in the marketplace so they could aggregate all the gas demand together including, obviously, Power and Water requirements which probably would have been the largest component of it, and then look at whether or not that would make their project viable; and I gather that that obviously did not happen.

Mr ELFERINK: But it is my understanding that ConocoPhillips already had its clients in Japan and that they were going to build this plant irrespective of whether or not Power and Water were a customer; in fact, they built it. Power and Water's custom was not pivotal on the creation of this plant, and that is evidenced by the large tank in the sea over the other side of the harbour there. How much, and I think you have answered the question, but this is unclear, you do not know how much was being asked for by ConocoPhillips to provide gas to Channel Island?

Mr MACRIDES: My understanding was that when ConocoPhillips were looking at the development of their field, they had a major customer before that, which was Tokyo Electric and one other company over there, it was Tokyo Gas. Basically, they said that the entire field would be devoted to that customer and, as a result of that, they were not, as I understand it, interested in Power and Water's small amount of gas requirements, because their entire field was already devoted to a single customer.

Mr ELFERINK: So if we got them more than what Tokyo Gas was asking for, and even offered to build the infrastructure which, by the way, subsequently has been built, to build a pipeline the few kilometres around to the Channel Island Power Station – was that offered, as far as you are aware, to?

Mr MACRIDES: I have no idea, Mr Elferink.

Mr ELFERINK: All right, so it is a historical question now, and there is nobody at the table here, I presume, who can answer that question?

Mr TARCA: I could. I was involved in negotiations with Phillips, as it was then, and an orchestrated gas feature from about 1999. At that point in time, I do not believe that Phillips were close to signing a contract with the Japanese customers they have now. They were actively pursuing markets in Australia, not only the Northern Territory, and there was a proposal to pipe gas that would come onshore from Bayu-Undan all the way to Moomba in South Australia.

Mr ELFERINK: I remember that, vaguely.

Mr TARCA: You remember that, the Epic Energy pipeline proposal. Unfortunately, and the briefing note refers to the, I guess, disinterest of the market to commit long term to an arrangement with Phillips, as it was then.

Mr ELFERINK: Once the customer had been secured, that is when the go button was pressed to develop the installation we see now, but subsequent to that pressing of the go button, are you aware of any offer made to ConocoPhillips to get gas supplied from Conoco, irrespective of the fact that they wanted to supply the one customer – there would have been a market rate on the international marketplace, what the gas was worth, the customer would have, without, of course, breaching the commercial arrangements – and I would not expect that they would do that, but I mean, you would be in a pretty strong position knowing that your only other option was to build hundreds of kilometres-worth of infrastructure to make a pretty good offer to ConocoPhillips. Was any such offer made to ConocoPhillips after they had decided to go ahead with the plant?

Mr TARCA: I cannot specifically refer to a formal offer, but ConocoPhillips certainly understood the price range that we were looking at purchasing gas, and that was predicated on the fact that we were in negotiations with ENI at that time, so we had a benchmark, and I can assure you, Mr Elferink, that prices in the LNG in the global market are significantly higher than what we have under the contract with ENI. We forecast that the gap between LNG prices and the prices we have under the ENI contract will just widen.

Mr ELFERINK: Okay. Do I take it from that comment then that the expense incurred by the Northern Territory taxpayer ultimately will be paid for by the price differential between ENI and the open marketplace, in what period of time?

Mr TARCA: Well, we have a 25-year contract. We have an investment in the pipeline, which is valued at \$170m to \$180m.

Mr ELFERINK: What is gas worth now in the open marketplace?

Mr TARCA: In Western Australia, you cannot even buy gas from the local market. I think the last contracts that were written down there were priced at US\$8 to \$9, without disclosing ...

Mr GUNNER: So US\$8 to \$9 a gigajoule.

Mr TARCA: ...that is significantly – per gigajoule.

Mr ELFERINK: Yes, okay, that is fine. Then I come to the very crux of this whole issue, and I suspect the answer will be, I cannot tell you. How much are we paying ENI?

Mr WESTRA VAN HOLTHE: You have answered my question.

Mr ELFERINK: I cannot tell you.

Mr MACRIDES: No, sorry, that is not strictly correct. That is a commercial term, and I am prepared to obviously tell you that in camera, but clearly, I am not about to put out into the marketplace a commercial term under a contract.

Mr ELFERINK: Okay, that might well be what we have to do then, because I have to satisfy myself, as one of the guardians of the taxpayers dollar, that the construction of hundreds of kilometres worth of infrastructure is justified as a decision. I have never yet had the answer to the question you are suggesting might be available in camera. All right. Then it goes on to ...

Mr CHAIRMAN: Do you want to follow up on that, or perhaps ask could we have it in a confidential memo?

Ms SCRYMGOUR: You could take the question on notice, Mr Chair, and then we can come back to it.

Mr ELFERINK: Perhaps you might want to supply that. I was thinking about doing it at the end of this, rather than having people shoving in and out, which is why I was going to move on. Even if you perhaps want to provide it to us in writing, as a confidential document, and we will guarantee its confidentiality. Is that possible?

Mr MACRIDES: We need to look at what the contract says in terms of our obligation to ENI to divulge a commercial term. By and large, I believe we can provide that information on the strict basis it is commercial-in-confidence.

Mr ELFERINK: All right. That is fine, we understand that. Quite frankly, I was surprised to get as far as we have with that particular issue, so, thank you.

This then leads, of course, to the arrangements with ENI which are now in place. 1 January 2009, as a date, has somewhat passed. From the briefing note you have supplied, on page 11 the first bullet point, 2 July 2008: ENI announced Black Tip completion expected to slip by three months, from 1 January to the 31 March. What went wrong?

Mr MACRIDES: I am not sure anything in particular went wrong. The problem is you are talking about a massive project, and the project included multiple components, one of which was the construction of an off-shore platform, obviously drilling of three wells, an undersea pipeline, and then the construction of an on-shore gas treatment facility. The construction elements for all of those were manufactured around the world. I do not think there was a particular nation on earth which did not have a hand in the construction of some of the bits and pieces for each of those elements. The time ENI first entered into contracts for the provision of much of the infrastructure was a time when the marketplace was booming, and it was very difficult to get fixed-time contracts in place as a result of that. By and large, you were at the mercy of suppliers to deliver on time ...

Mr ELFERINK: I did not quite see that in any of the ministerial statements.

Mr MACRIDES: I believe that will probably be the reason why there has been this delay.

Mr ELFERINK: That was not mentioned in any of the ministerial statements or press releases I read, but these things happen. That is not a reflection on you, it is a reflection on the minister who made the utterances. The ...

Ms SCRYMGOUR: You cannot help yourself.

Mr ELFERINK: Well, I cannot help myself because it comes down to the competence of this government to deliver what it says it is going to deliver ...

Ms SCRYMGOUR: Move on with the questions.

Mr CHAIRMAN: Okay, move on.

Mr ELFERINK: We will move on. Was any gas supplied, by the 31 March 2009?

Mr MACRIDES: The document indicates we have an arrangement in place with ENI, and ENI had an arrangement in place with APA for the delivery of what is known - off-specification early gas - using one of the many acronyms in there, OSEG. We actually started to receive Off Specification Early Gas in September of last year.

Mr ELFERINK: So, nine months. That was the 10 September?

Mr MACRIDES: Yes, I believe it was 10 September the first OSEG we received.

Mr ELFERINK: Alright, so that was your first. Now, on specification early gas, is it?

Mr MACRIDES: Off Specification Early Gas is OSEG, yes.

Mr ELFERINK: Fine. So it is Off Specification Early Gas; thank you for that.

Mr MACRIDES: Perhaps if I can just clarify what Off Specification Early Gas means. The only element that is off specification in this gas is the water content of the gas itself. It has a higher water content than the specification requires.

Mr ELFERINK: Okay. So that is supplied by?

Mr MACRIDES: ENI.

Mr ELFERINK: ENI. And then that is shandied in with the gas coming from?

Mr MACRIDES: Mereenie Palm Valley.

Mr ELFERINK: Historically, is there any problem with the gas that we have had from Mereenie Palm Valley?

Mr MACRIDES: John can explain this, but my understanding is that any new field development you have problems with. So in 1985 when Mereenie Palm Valley first came online there were a range of initial teething problems with the delivery of gas, but over the last 20 years the gas supply has been fine.

Mr ELFERINK: The reason I asked that I will come to shortly. That gas which was supplied by ENI - whilst I appreciate there is a little T-junction in the pipeline from the North-South pipeline - I presume the gas then supplied by ENI travels in both directions of the pipeline?

Mr MACRIDES: Not currently.

Mr ELFERINK: Just in one direction?

Mr MACRIDES: At the moment it does, but in March a valve at Ban Ban Springs that will be opened up and gas will then be supplied back down the pipeline itself. So at the moment the Off Specification Early Gas that is being supplied and On Specification Gas since January has only gone one way - which is Darwin.

Mr CHAIRMAN: I have a question on the quality of the gas. Is gas gas, or can gas vary? So Amadeus gas matches Black Tip gas, or is there a variation?

Mr MACRIDES: No, gas can vary significantly and there is a difference between Mereenie gas, Palm Valley gas, Darwin LNG gas and ENI gas.

Mr CHAIRMAN: So in what elements does it vary?

Mr MACRIDES: A whole range of things can vary in gas: the calorific value of the gas, so the burning capacity of the gas; hydrocarbons in the gas; water molecules in the gas.

Mr CHAIRMAN: And a generator has to be adapted or changed for different types of gas?

Mr MACRIDES: It depends on the generator. Some generators are more sensitive to variations in gas but, essentially, generators have a sensor system where you actually set it up to take gas between certain limits, so you set the system up so that it takes gas between A and C, but if it goes to D the system shuts itself down.

Mr ELFERINK: The Mereenie fields also supply McArthur River Mine?

Mr MACRIDES: Mereenie Palm Valley.

Mr ELFERINK: Mereenie Palm Valley. I am picking up on the comment you just made that the gas out of Mereenie Palm Valley is now clean. I am a little concerned about page 39 of Budget Paper No 2 where the Territory government carries a contingent liability, and I will quote it for you:

The agreement for the supply of gas (and I am talking about the McArthur River) contains three indemnities relating to Power and Water Corporation supplying non-conforming gas. Although the corporation's contingent liability is unquantifiable, a major portion of the value of the contingent liability is the cost of overhauling the turbine machinery owned by the electricity producers (and I am aware there is a private producer) damaged by the provision of non-conforming gas. The Territory's maximum exposure is equivalent to the net present value of the lease and operating changes under the purchase agreements.

It is my understanding that the supplier of McArthur River mine has not been able to supply electricity effectively because the machinery has broken down. Is that because of the supply of non-conforming gas?

Mr MACRIDES: There has been no supply of non-conforming gas to McArthur River. McArthur River has got Palm Valley Mereenie gas which is the gas that has been received ever since it has been in place. As I said earlier on, the Off Specification Early Gas has not flowed down the line; it has only been used in Darwin.

Mr ELFERINK: That is why I was curious, because it is my understanding that the generator that sits down there has failed and that has been some issue. So you are suggesting that there is no problem with the gas that has been supplied at all to the power providing (inaudible).

Mr MACRIDES: They have had the same gas since day one.

Mr ELFERINK: All right. That then brings me back to the briefing paper. I note, on the first bullet point that appears on page 12, 19 January 2010, for the first time, Power and Water Corporation received gas meeting contract specification – so, what, a year and 19 days after the original supply date. However, this is supplied at a rate of 30, I presume that is terajoules?

Mr MACRIDES: Terajoules a day.

Mr ELFERINK: Per day, thank you, from only one compressor at the onshore gas plant near Wadeye. It then goes on to say, 'Power and Water's daily gas needs and current supply ...' the entire system requirement is approximately 65 to 70 terajoules per day on average. So the supply from ENI is still less than half of what your requirements are?

Mr MACRIDES: No, remember, we have contracts in place with Mereenie Palm Valley producers that do not expire until 2011 and 2012.

Mr ELFERINK: Are they meeting their contractual obligations?

Mr MACRIDES: They are.

Mr ELFERINK: They are?

Mr MACRIDES: Yes. So, this is a transition process whereby we transition from Mereenie Palm Valley to all of ENI gas when the contracts for Mereenie Palm Valley expire over time.

Mr ELFERINK: So you are going to run down the Mereenie Palm Valley fields over time, all right.

Mr MACRIDES: Yes. Our contract arrangements with Mereenie Palm Valley are such that we can do that, and Palm Valley, in fact, is a contract that has been in place – or Mereenie has been in place – sorry, Palm Valley has been in place since 1985, so it is a contract that has got a lot of value to us because of the price.

Mr ELFERINK: All right. So, ENI provided gas late. Consequently, diesel had to be burnt. That made a comment on page 57 of the Annual Report, and it says:

ENI Australia BV was contracted to deliver first specification gas from the Blacktip field on 1 January 2009, replacing production from a declining Amadeus Basin. ENI now estimates that first gas will be delivered from the end of September 2009.

This was written before that time. It goes on to say – actually, I will read it all:

Delays in gas delivery required the corporation to use higher cost alternative energy sources, including distillate, which has had a detrimental impact on cashflow to the extent that the higher costs are not recovered by damages received from ENI.

I note on the page earlier, I think it is, there is actually a figure put down, but can you remind me how much extra was spent on burning diesel, and has been spent on burning diesel up to date, and how much has been recovered from ENI up to date?

Mr MACRIDES: Okay. Can we just clarify a couple of things? The dollar value has been in the public domain for a long time now. I keep getting asked the same question at GOC Scrutiny Committee, and we have obviously answered this question on numerous occasions, so there is nothing new in any of this.

The nett amount of diesel usage in 2008-09 was an additional 48.4 megalitres over what was budgeted for. So, the total consumption was around about 74 megalitres, which was the total used for that year and, of that, 48.4 megalitres was not budgeted for. That 48.5 megalitres of additional diesel that was used in that year cost an additional \$47.4m over what was budgeted for. Now, obviously, what was budgeted for was ENI gas coming on stream as of 1 January. As a result of that, there has been a saving in gas usage, because it was not supplied, so the nett amount of all of this is about \$40m.

Now, can I be very clear about this. Remember, ENI was due to come on stream on 1 January. The Mereenie Palm Valley fields had been in decline for a considerable period of time. That \$40m is for the entire financial year. Of that \$40m, over half of it relates to the period prior to 1 January, which was never going to be recouped. It was non-recoupable because it predated the original start date for delivery of gas from ENI. In terms of the liquidated damages we have received to date from ENI, again there is a commercial in-confidence element associated with that. Again, it is a dollar value which I am happy to provide to you on a commercial basis, but the clause in the contract for liquidated damages is a clause which provides us with the differential between the cost of delivering the energy output and what we would have paid ENI for gas.

Mr ELFERINK: That is until the end of the financial year, ENI ...

Mr MACRIDES: No, the liquidated damages clause is ongoing; I have given you figures for the 08-09 financial year, not the 09-10 financial year.

Mr ELFERINK: Bearing in mind the gas was not coming down the pipeline until 10 September I think was said in the briefing note, we continued burning diesel in that period in the current financial year.

Mr MACRIDES: We burnt some diesel in that period, but remember the briefing note also indicates we received our first supply of gas from the DLNG plant through the interconnect in July of 2009. So we had an alternate fuel source.

Mr ELFERINK: Okay, how much diesel did you burn?

Mr MACRIDES: You will have to give me five minutes to work it out for you, Mr Elferink.

Mr CHAIRMAN: Can I ask a question while you are working it out? The generators at Channel Island and Weddell were being run either on natural gas or diesel?

Mr MACRIDES: Yes.

Mr CHAIRMAN: Were there some generators that ran on distillate and others on gas? Is that how the system worked?

Mr MACRIDES: No, well, I wish it was that easy. Weddell runs on gas. Weddell is not dual-fired, so Weddell runs on gas only. Channel Island is dual-fired, but not all the sets at

Channel Island are diesel enabled in terms of being able to flick a switch and quickly turn it over to diesel. No system works like that. The sets at Channel Island can all be switched from diesel to gas, but it takes a little bit of work to do. Prior to the availability of DLNG gas, essentially what we were doing was running at least one set on diesel permanently because it is much easier to run a set on one fuel source than it is to swap between fuel sources. When you swap between fuel sources, I mean, if you think about a motor vehicle – you have basically got to clean out a whole series of infrastructure when you swap from diesel back to gas, because diesel is obviously a dirtier form of fuel.

Mr CHAIRMAN: Is the generator life shortened if it is running on diesel rather than gas?

Mr MACRIDES: Not the generator life, but certainly some of the component parts need to be replaced sooner. Filters and stuff need to be replaced sooner.

Mr CHAIRMAN: Is the cost of running it taken into account when you are looking at compensation?

Mr MACRIDES: No, and those costs are really minor in the overall cost. You are talking about relatively small amounts for replacement filters and stuff; we are not talking about hundreds of thousands of dollars here.

Mr CHAIRMAN: One of the Weddell generators is off-line, is that right?

Mr MACRIDES: No, the two generators are back online, but one of the generators had an engine failure and we have replaced the engine in that generator.

Mr CHAIRMAN: Was that due to gas problems?

Mr MACRIDES: We do not really know. We have a team investigating that at the moment which includes a gas expert, a turbine expert, and we probably will not really know the answer to that. We have replaced the engine in this generator. The old engine is sitting in the shed at Weddell. We intend to send this generator overseas for it to be refurbished, and the generator will come back and we will have a spare generator for the Weddell units. Until we physically open this generator up and our metallurgists and gas experts get a chance to see inside the generator, which will occur when it goes overseas for repair, we probably will not have a definitive answer as to what may or may not have caused this. I have to say there has been a whole range of speculation about it.

Mr CHAIRMAN: That generator, would it run on LNG from ConocoPhillips – what is it, off ...

Mr MACRIDES: Off Specification Early Gas.

Mr CHAIRMAN: ...Off Specification Early Gas, which is high in moisture content, and also a mixture of Palm Valley ...

Mr MACRIDES: And Meerenie, yes.

Mr CHAIRMAN: There could have had three different qualities of gas going into that one turbine?

Mr MACRIDES: Any turbine can have that.

Mr CHAIRMAN: Would that engine have enough variability in its specifications to run with those different forms of gases?

Mr MACRIDES: Yes. Again, this Off Specification Early Gas, the issue is it has high water content. Water content is not a problem for engines; it is a problem for pipelines because, obviously, water is collosive to a pipeline. So, part of the maintenance regime on a generator is you actually wash the generator with water - the engine with water - and in some circumstances they actually use water going into the generator as a coolant directly into the engine itself. So water itself for an engine is not a problem.

Mr WESTRA van HOLTHE: Not unless it gets into the cylinder, in which case it can be a problem.

Mr MACRIDES: Except the way engines are constructed it does not go into the cylinder component of the engine itself. Things that are problematic for engines are hydrocarbons, not water.

Mr ELFERINK: Hydrocarbons, that is gas and petrol and stuff, is it not?

Mr MACRIDES: Yes, liquids.

Mr ELFERINK: And that is a problem for an engine?

Mr MACRIDES: If it is high in certain content it is.

Mr ELFERINK: Right, so it is a question of matching your octanes up with your ...

Mr MACRIDES: Yes. There are many acronyms I can give you associated with gas measures.

Mr ELFERINK: No, that is fine, thanks; I have more than enough to keep me happy for a lifetime. Where did the new engine come, from and how did we get it here?

Mr MACRIDES: We actually got it from GE in the US, and we were very lucky that GE were prepared ...

Mr ELFERINK: They had a spare one lying around?

Mr MACRIDES: Well, it was not exactly spare. The way lead times operate for engines, in effect, is that you actually buy an engine on a production line and you wait for that engine to come off the line and lead times for engines are 24 months. They actually bumped a customer to give us this engine.

Mr ELFERINK: The next obvious question is: clearly this was unbudgeted for expenditure, how much did it cost?

Mr MACRIDES: Again, we are on the public record as saying this replacement engine has cost in the order of \$15m I believe it was and, obviously, Power and Water has insurance and we have notified the insurer and when the results of the analysis as to the cause of the failure are known, the insurer will then have a look at the claim.

Mr CHAIRMAN: Do you have a figure for us there?

Mr MACRIDES: Sorry, Mr Chairman, I will have to calculate it.

Mr CHAIRMAN: All right. Do you want to do the calculation first and then I will ask the question second? John might know, because ...

Mr MACRIDES: Sorry, 2009-10 financial year to date the increase, ie the additional distillate consumption, is 15.5 mega litres at an additional cost of \$10.1m.

Mr ELFERINK: You are getting your fuel cheap.

Mr MACRIDES: Sorry?

Mr ELFERINK: Because you are not getting it at the bowser, that much is obvious.

Mr MACRIDES: It is actually quite cheap, and the net cost is zero.

Mr ELFERINK: Net cost?

Mr MACRIDES: Yes.

Mr CHAIRMAN: Can we put a bowser down at Weddell?

Mr MACRIDES: The reason the net cost is zero is because there are obvious savings in gas and LDs.

Mr CHAIRMAN: Can I just get an understanding of the gas that comes from Mereenie? There is plenty of gas there, but there is not enough pressure to bring it all the way in the quantity required; is that the problem with the gas there?

Mr MACRIDES: Yes, this is ...

Mr TARCA: Can I? Mr Chairman, it is not a matter of the pressure, it is matter of the quantities. Our demand is outstripping supply. We built this almost 10 years ago; that is what set us on the road to looking for a new source of gas.

Mr MACRIDES: I gather it is a very fractured field.

Mr TARCA: Yes, it has some challenges, particularly the Palm Valley field.

Mr MACRIDES: So it is not like you can put a straw down and just suck up the gas from a reservoir underneath - it is quite a fragmented field.

Mr ELFERINK: The actual wellhead itself is on top of a mountain range, basically.

Mr MACRIDES: Yes.

Mr CHAIRMAN: So is it a variable quantity that is coming out the pipeline now?

Mr TARCA: It is declining, and rather rapidly in the last 12 months.

Mr MACRIDES: Quantity, but not quality.

Mr TARCA: Quality has remained the same, but it is quantity.

Mr MACRIDES: The quantity has declined.

Mr CHAIRMAN: Can I just ask because we need to know how things differentiate here and, as you know, we have asked NT Gas to come along, but at the moment they have declined, but we are trying to work out what is whose responsibility. So, obviously, Amadeus

and those people who run the gas from there, their responsibility is to supply gas to you as per the contract?

Mr MACRIDES: That is correct.

Mr WOOD: NT Gas has a contract, I presume, which says, we will move the gas from Central Australia to Channel Island, and when it gets to a certain point on Channel Island, it then becomes the responsibility of Power and Water. Is that the way it is broken up?

Mr MACRIDES: Essentially, yes. If you think about it, we have got a contract with the Mereenie producers, so there is one with Palm Valley, and there is one with Mereenie itself, so there are two contracts in place for Central Australia. There is the contract with ConocoPhillips from DLNG; there is the contract in place with ENI for Blacktip. So, at the moment, there are four gas sources and four separate contracts. The delivery of gas from those four separate sources, is through a series of pipelines, that are, by and large, operated by APA, the parent company that owns NT Gas. So, in the case of Mereenie Palm Valley, you have got one field which is about 300 km west of Alice Springs, and another field which is 150 km west of Alice Springs, the gas comes out of those fields, there is a 1600 km pipeline that APA own and operate, providing the gas through to Channel Island. There is the BGP pipeline, the Blacktip Pipeline, which is 286 km from Wadeye through to Ban Ban Springs which, again, is owned and operated by APA, and then there is the interconnect pipeline, which is about 11.2 km between city gate and the DLNG.

Mr WOOD: What is the contract that NT Gas have? Do they have to not only supply gas, but supply it at a certain pressure – is there anything added to the contract?

Mr MACRIDES: There is a whole range of issues that NT Gas have to manage in relation to the delivery of gas. Pressure is one; the daily quantities coming through the pipeline itself. Their system has a series of pressure reduction facilities. They have some facilities whereby impurities that develop in the pipeline over time get pushed down the pipeline and get collected, and then are removed, so there is a whole series of things that NT Gas have to manage in relation to the flow of gas through the pipeline itself. The relationship with NT Gas, you know, NT Gas has obviously been around since the pipeline was constructed from the Amadeus Basin in 1985, so they have got a 20-year history with the provision of gas supply up here and, by and large, my understanding is that there has only ever been one supply interruption, and that was because of an earthquake around about Tennant Creek, so NT Gas's history of managing their pipeline and their pipeline delivery system is really good.

The incident that you are looking at here, which was the 23 November incident, is an aberration – it is of concern to them, obviously, and it is of concern to us. So there are two separate investigations going on now as to why their pipeline delivery system failed. They are doing one, we are doing one, because it was just such an unusual event.

Mr WOOD: Can you describe what that event was?

Mr MACRIDES: As I said, the pipeline has a series of bits in it, basically, that are designed to collect things that accumulate in the pipeline over time. One of those things is water. A pipeline, inherently, over time, gets some water in it, not a huge amount, and their system of what they call coalescers is designed to actually collect this water and then it is pumped out. What appears to have happened was that their system did not pick up the amount of water that was in the pipeline itself, and when the water hit the coalescers at Weddell, the volume of water that came into the coalescers, their pumping system did not cope with it, and their backup pumping system did not work, so, as a result of that, their system was basically overrun with water, and they had to shut supply down because their system failed. That is part of what they are looking at now; why their system did not cope

with the volume of liquids in the pipeline at the time, because the system specifications are such that it should have coped with that volume.

Mr ELFERINK: A couple of questions. If the system did not cope with the volume, did any water get through, and if so, how much?

Mr MACRIDES: There is a second series of coalescers on our side of the fence which are part and parcel of our power station, and when their coalescers were overrun our coalescers picked up some water, but the volume of water was relatively minor in our coalescers.

Mr ELFERINK: Did any get through to the generators, or (inaudible)?

Mr MACRIDES: No.

Mr ELFERINK: I find it hard to imagine this happens in a vacuum. I presume there is some sort of checking system along the pipeline to – a nose in the pipe to find out what is in the pipe. Did that pick this water up earlier on in the piece?

Mr MACRIDES: I believe that is part of what NT Gas are currently looking at, Mr Elferink, because you are right, the system has a series of – they are called gas chromatographs ...

Mr ELFERINK: ... of some sort ...

Mr MACRIDES: Yes. They are basically a piece of equipment which measures the range of gas in the system itself and the purity of that gas.

Mr ELFERINK: So, what happens? Too much water running in the gas in the pipeline and then a little alarm goes off ...

Mr MACRIDES: There should have been an alarm which went off somewhere ...

Mr ELFERINK: And then what happens?

Mr MACRIDES: Essentially what happens then is they have the capacity to, depending on which - and there are a couple of chromatographs along the line - they have sufficient time to actually mobilise and be physically on the spot at their coalescers and get additional pumping and stuff in place. They do not really know what happened here, and that is why they are so concerned about it, and we are so concerned about it, and why they are investigating. They have an independent investigator doing it, and we are doing the same thing.

Mr ELFERINK: Did they get an alarm, or did the chromatographs fail?

Mr MACRIDES: We are not sure, and we will not know until we hear from them in relation to their final report.

Mr ELFERINK: Surely they could answer the question whether an alarm went off or not.

Mr MACRIDES: There seems to be some confusion about a couple of the chromatographs along the system itself, and it may be that one of the gas chromatographs was not working, and it may be that the other chromatographs did pick it up. Their control centre is in Sydney, and the operator in Sydney perhaps was dealing with another issue at the time the alarm went off and did not notice the alarm.

Mr ELFERINK: Did not notice the alarm?

Mr MACRIDES: That is our speculation, I have to say.

Mr ELFERINK: Clearly you will have spoken to NT Gas about this, saying our redundancy systems have picked up water. You know clearly their coalescers ...

Mr MACRIDES: No, this was after the event, but yes ...

Mr ELFERINK: Yes, but this is point, you ask questions after the event when something like this happens. Clearly you would have asked questions. I suspect that is where some of your comments are coming from.

Mr MACRIDES: Perhaps.

Mr ELFERINK: If they have the chromatographs in place, if they are not working it is a matter of concern; if they are working and the messages are not getting through, it is a matter of concern. Either way, it is a matter of concern, particularly for you, because you are the end-user. What correspondence have you entered into with NT Gas in relation to this matter, and what has its responses been?

Mr MACRIDES: Can I perhaps go back a step. Speculation is one thing. From my perspective, the best outcome is the completion of their investigation, and our review of what their investigation may or may not highlight. We have some experts on tap who will look at the report and form some judgments about it. Based on that report, we then will provide them with a series of questions about what we think may or may not be covered in their report. From there, then you get into the issue of correspondence. At this stage the correspondence has been clearly something has happened, we want an assurance that it will not happen again, and we also obviously want this thoroughly investigated, and we want to be party to this investigation. I believe it is true to say the responses have been: we do not want it to happen again either and, quite clearly, we are just as concerned as you are about what caused this; we are going to do a thorough investigation and we will have a third party do that investigation for us, and you will be provided with the output of this investigation. In terms of giving guarantees ...

Mr ELFERINK: When will the results of that investigation come in? Because at the moment, the way I see it, you are sitting there with a system which has failed, or partially failed, in detecting problem issues coming down the pipeline; you are still subject to the delivery of gas through that system which is now known to have failed for whatever reason. You, I imagine, would be very concerned that this could happen again, as you have said. Now, when do you get this report?

Mr MACRIDES: We have actually received a first copy of this report, it arrived last week. We are currently looking at that report and we are about to hand it over to our experts to look at and get their views on what is contained in the report itself. I read the report, and I do not understand it because it is highly technical, and that is why we have got an expert on tap to put it into plain English for us.

Mr ELFERINK: When did you get it?

Mr MACRIDES: Last week, Monday or Tuesday.

Mr ELFERINK: Has anybody translated it into English in that week?

Mr MACRIDES: That is why the experts are looking at it at the moment. But could I just go back a step? We have put in place our own mitigation strategies as a result of the concerns associated with what may or may not have led to this gas failure issue, and we believe with the things we have put in place we are comfortable that the system itself is robust enough for our requirements.

Mr ELFERINK: How much is this mitigation process costing?

Mr MACRIDES: Virtually, nothing. One of the key mitigation strategies would be switching Weddell over to DLNG Gas, for example.

Mr CHAIRMAN: Can I just ...

Mr ELFERINK: Going back then to the report – I am sorry, Mr Wood, may I just follow this thread a little bit longer? So you have now had the report for a week, do you have any executive summary or any material can you describe? I mean, you say you have read it but you cannot understand the technical detail; surely you have a feeling of what could have caused that.

Mr MACRIDES: I am going to hand over to my resident expert here who has read the report. Don't be looking at each other! Mr Knowles explained to me there are three key elements in the report.

Mr KNOWLES: Effectively, NT Gas asked their expert to model a range of scenarios looking at water vapour, composition of gas mixes coming up the pipeline and, effectively, the results were that under normal circumstances the event of the 23 November did not happen. Theoretically, it did not happen. Now that is obviously – yes, exactly.

Mr ELFERINK: Whilst I appreciate the nicety, what did it say went wrong?

Mr KNOWLES: It has indicated a couple of possible scenarios, but has not drawn a conclusion. One is there has been potentially a maintenance issue inside the coalescer, but it obviously needs to be opened up and examined. I believe, to some degree, the brief that was given to their expert was too narrow, so it was a modelling exercise as opposed to a full investigation; so one possibility is there is a maintenance issue in the City Gate equipment. And the second area they think ...

Mr ELFERINK: City Gate equipment?

Mr KNOWLES: The Darwin City Gate is NT Gas.

Mr ELFERINK: So that is the chromatographs, where it sits, that is City Gate?

Mr KNOWLES: It is the primary delivery point for gas into the system.

Mr ELFERINK: That is the one that should send a signal to your man in Sydney going: 'Whoopee, there's a problem'?

Mr KNOWLES: Well, there is a range of equipment there, and that is where there are some moisture separators, there is some testing equipment which is the gas chromatographs, pressure monitoring and pressure reduction equipment; so there is a range of equipment in there. But the report indicates that one issue might have been a maintenance issue in which some of the internal components in these moisture separators could have failed and thus allowed water to go through. Again, that is over to NT Gas to undertake some further investigations.

Mr ELFERINK: Does the report say that the City Gate alarm, chronographer, or whatever it is, went off? Did it happen?

Mr KNOWLES: It did not address that issue.

Mr ELFERINK: It did not address the issue?

Mr KNOWLES: No.

Mr ELFERINK: Surely it ...

Mr WESTRA van HOLTHE: I think the point was made that it was a modelling type of thing rather than a full investigation. My question would be, will Power and Water Corporation ask for a full investigation rather than be satisfied with just a model?

Mr KNOWLES: That is exactly what we are in the process of addressing. So, we have received this report. We have looked at it and said it is not a full investigation. We have some issues and we have some questions, and that is what we are in the process of formulating, and we will go back to NT Gas with a more complete set of questions, addressing things like monitoring failure, whether the maintenance procedures on the moisture separators were properly addressed, and then the third issue that the report addressed was that the liquids that came through may have been diesel. As part of the corrosion inhibition process that was worked out with ENI, diesel was injected into the pipeline to, basically, entrain the corrosion inhibitor product. So there has possibly been a build up of diesel liquid somewhere along the pipeline that has come through and, again, that was not ...

Mr WESTRA van HOLTHE: But you are just speculating at the moment because you do not ...

Mr KNOWLES: Exactly.

Mr MACRIDES: Absolutely, and that is why we have said we have handed this to our experts. Our experts are now preparing a detailed response for us to go back to NT Gas and say to NT Gas. 'This report is well and good, but what about all these issues that the report does not answer?'

Mr ELFERINK: The possible presence of diesel in the pipeline, I imagine, would be one of the comments we would be seeking some clarification about.

Mr MACRIDES: As I said, that is why we have got an expert looking at it.

Mr ELFERINK: So that has then returned me back to my question, when do they tell you? When do you get a copy of this report? You are currently relying upon these people supplying you gas.

Mr MACRIDES: Yes.

Mr ELFERINK: Their system has failed somewhere. When do you get a copy of the report? When can you establish, in your mind's eye, the integrity of the system supplying gas to you?

Mr MACRIDES: Well, the answer to that is, we will not be able to do that with absolute confidence until we go back to NT Gas with a series of questions that we have in relation to

this report that has been done, and get their responses to those questions, and all the questions will be framed at the very issues that we have concerns over.

Mr ELFERINK: Which returns me to my question – when? At what time frame does NT Gas get back to you and say that is the issue?

Mr MACRIDES: Well, they cannot until we actually get back to them in relation to their report, and we are in the process of doing that now. So I would suspect that by early next week we will have finalised a response to go out to NT Gas with a series of questions in relation to issues that we think are not addressed in their report, and start pressuring them to get a response back to us as soon as possible.

In terms of the mitigation strategies that have been put in place since this event occurred, one of the key mitigation strategies that has taken place is a process called pigging. Pigging is basically sending a – how would you describe it, John?

Mr TARCA: Like a bullet in a chamber of a ...

Mr MACRIDES: Of a barrel.

Mr TARCA: And it pushes ...

Mr MACRIDES: It is a plug that goes through the pipeline and pushes everything in front of it out. So we have started the pigging process. The pigging process has now been done through to Ban Ban Springs of all of the BGP pipeline. They are about to do the City Gate to Ban Ban Springs tomorrow. So the pigging process is designed to get rid of anything that might be in that pipeline.

Mr ELFERINK: Surely that was done before the pipeline was put on line?

Mr MACRIDES: There are two pigging processes that are done. The first is when the pipeline has been brought on line; the second is, because we have had this failure of the pipeline and some water in it, we have asked for a pig to be put through the pipeline to see what comes out.

Mr ELFERINK: Who is paying the bills, and how much is to going to cost?

Mr MACRIDES: Who knows. In terms of how much they will cost, these are not expensive exercises. They are in the order of \$100 000 or thereabouts, upper cost. As to who pays it, well, at the end of the day, there is a series of contracts in place and there will be multiple parties that will foot the bill.

Mr ELFERINK: Okay. Will you be asking NT Gas for a deadline as to when they get back to you with the answers that you require?

Mr MACRIDES: That will certainly be part of the letter that goes back to them.

Mr ELFERINK: And that deadline will be?

Mr MACRIDES: It depends on how extensive the response is that is required of them. It is unreasonable for me to say I want a deadline within forty eight hours if we write a 10 page document saying they have got to address all these issues. Part of this will be - and again, this is why we have the expert looking at it – part of it will be making a judgment call about how long it will take them to respond once the expert has said these are all the questions you need answered.

Mr CHAIRMAN: I have a more general question in relation to the power going off on that day. How long actually did it go off, and is the figure quoted in the *NT News* of 14 000 customers correct?

Mr MACRIDES: Yes, it was about 14 000 customers. The two Weddell sets provide about 18% of Darwin's demand, so if you lose the two Weddell sets you have basically lost 18% of capacity out of the system itself, and you have to start switching other sets on to pick up that capacity. I believe 14 000 is a fairly robust number in terms of the number of customers who were effected by the outage. I think the outage times were between 20 minutes and an hour and a bit. I would have to check the precise numbers.

Mr CHAIRMAN: If there was any comeback against Power and Water in relation to loss of business, can business come back and say: we needed that power at that time, you did not provide it. Then you go back to NT Gas and ask whose fault it is?" There is no comeback from the point of view of provision of power?

Mr MACRIDES: Obviously, no utility provides contracts on the basis of uninterruptible supply. All utility supply contracts are interruptible supply, so essentially the answer is no, generally there is no right of recourse.

Mr CHAIRMAN: Even if there was a fault which really should not have occurred?

Mr MACRIDES: You are getting into the issue of negligence here, and negligence on the part of the corporation. I believe under the legislation, if we have acted negligently then there might well be a claim, but it is a very difficult area of law, which is why I have brought my legal advisor.

Mr STRANGE: Mr Strange, General Counsel. Under our legislation, Mr Wood, there are certain protections that have been granted us similar to every other generator and supplier across Australia. In a nutshell, and very simply – do not quote me on this – I certainly will not charge you for the advice – we are only liable in cases of negligence, or if we acted in bad faith.

Mr CHAIRMAN: If that generator at Weddell was found to be the fault of the manufacturer ...

Mr STRANGE: That would not necessarily be our negligence.

Mr CHAIRMAN: Could someone, in theory, sue the manufacturer?

Mr STRANGE: Potentially, but that end customer would have to go off and get advice themselves, and establish whether - if it were the case that the machine was not in good working order then potentially, and theoretically, yes, they would have a claim.

Mr ELFERINK: Does anything indemnify NT Gas from negligence, or is that an indemnity that extends only to Power and Water?

Mr STRANGE: The indemnities I am referring to are only statutory indemnities, statutory coverage for us – for an electrical entity, as defined.

Mr ELFERINK: I see. For the record, and I think we have done this to death, Mr Chairman - I know I have to be somewhere else, and other people have to go on, so for the record, I am concerned two months after a serious failure somewhere in the system we still are unable to identify, with any precision, the cause of that failure. It concerns me it was

merely a modelling exercise taken by NT Gas in relation to how they have chosen to look into this thus far, and it concerns me we are still two months down the track and may well be, because of the uncertainty surrounding what has caused this, susceptible to a similar problem. I suspect, from the answers we have received here today, the problem is probably known, or partially known, because of the presence of diesel, and the decision to use a pig in the pipeline. So, all eyes are on the pipeline at the moment. I am concerned, Mr Chairman, this has not been more completely resolved.

Mr CHAIRMAN: Do you have any comment on that?

Mr MACRIDES: It is unrealistic to expect a major event like this to be investigated in the relatively short period of time, and we have also put a series of mitigation processes in place which give me, as Managing Director, comfort that another event like this is highly unlikely to occur.

Mr CHAIRMAN: Are you saying that Power Water have got its own backup systems in case NT Gas systems fail?

Mr MACRIDES: Well, part of what has been done has been the cleaning of this pipeline, the scouring of the pipeline through this pigging process which cleans out anything that is in the pipeline itself. This quantity of water does not, in theory, build up over night; it should have taken sometime for it to have built up in the pipeline. So we know that having now received On Specification Gas and having pigged the pipeline since then, that the pipeline is clear of any contaminants in the pipeline. As well we have switched over the Weddell sets for a period of time to DLNG Gas, which means it is coming through a different pipeline system into Weddell. We have also taken the opportunity to clear out all the pipeline system in Weddell itself and, in doing that, the pipeline system in Weddell is actually clear.

Mr CHAIRMAN: This is a technical question. That is LNG versus natural gas; is there any great difference in running those generators?

Mr MACRIDES: No. They are both natural gas.

Mr CHAIRMAN: I realise that, but I did not know ... Where is the man who knows all about that?

Mr MACRIDES: You are talking about the different sources of gas?

Mr CHAIRMAN: That is right.

Mr MACRIDES: Yes, no problems at all.

Mr WESTRA van HOLTHE: You mentioned, and I may not get the quote not quite, right but 'this quantity of water'. You must have an idea of just how many litres of water would be involved in this.

Mr MACRIDES: Yes, the report actually has a quantity in it I thought.

Mr TARCA: John Tarca, Manger Gas Supply. I understood that in the cut – in the filter coalescers at Weddell - there was some 400 litres that were extracted.

Mr ELFERINK: That is from your system?

Mr MACRIDES: No, NT Gas' system.

Mr WESTRA van HOLTHE: Plus what your coalescers would need?

Mr MACRIDES: .Our coalescers had very little in them.

Mr PRATT: Ian Pratt. Fifty and 20 litres.

Mr WESTRA van HOLTHE: So looking to getting towards 500 litres of water out of the system?

Mr MACRIDES: Yes, 460, 470.

Mr ELFERINK: How much water has to find its way into an engine before it stops?

Mr PRATT: It is all dependent on the vapour form of the water that gets in. We put tens of thousands of litres into an engine every month, anyway, in humidity. So those quantities of water ...

Mr ELFERINK: So if I dropped let us say a liquid form of water into the engine, not a vaporised form of water that you would extract from the air; you can see from an airconditioner running how much water is in our air around Darwin, but I am talking about a slug of water. Because it is my understanding, and I could stand corrected on this, that when the stuff comes down the pipeline it does not come down as a nice little trickle at the bottom of the pipeline, it actually forms a slug in its own right. Is that correct?

Mr MACRIDES: It can.

Mr ELFERINK: So if a slug was to hit an engine could it damage the engine and shut it down?

Mr PRATT: It most probably would should it down because the flame front would become unstable and the engine would notice that and shut itself down.

Mr ELFERINK: How big would that slug have to be? How many litres?

Mr PRATT: I am not absolutely certain. Anything that gets into the fuel system with its quite fine capillaries would shut the engine down quite quickly. So it is not the quantity of liquid going through the engine, it is the quality of the front hitting the burners and instantly the engine shuts down.

Mr CHAIRMAN: If that happened would we require any extra maintenance on those engines because of this particular incident?

Mr PRATT: If there are liquids in the fuel systems, we would then clean the fuel system out.

Mr CHAIRMAN: So your coalescers actually picked up the water before it got to the engine so there was no need to shut an engine down.

Mr MACRIDES: That is right, that is exactly what they are designed to do. As I said, inherently in any gas delivery system there are impurities that develop the pipeline over time, and that is why you have these coalescers in place so that these impurities drop into the coalescers and are then pumped out.

Mr ELFERINK: Can I just ask one other question? Does diesel act in the same way as water in a pipeline? Can it form a slug?

Mr MACRIDES: Yes, it can.

Mr ELFERINK: What happens if that hits a burner?

Mr MACRIDES: You get a hydrocarbon slug hitting the engine itself and the engine would basically shut down. What would happen would be, you would get, I would imagine, the burning capacity of the gas itself would be outside the range of the engine's capability to handle it, so the protection system for the engine would just simply cut in and shut itself down.

Mr ELFERINK: Just a quick question, the causes, was it the engine shutting down ...

Mr MACRIDES: No, there was no gas. Physically, what happened was that NT Gas closed the valve, so there was no gas supply to the engines.

Mr ELFERINK: I misunderstood something there. Why did they do that?

Mr MACRIDES: Because they did not know what had caused the problem.

Mr ELFERINK: This is not public?

Mr MACRIDES: And so, essentially, what they have done is, and you know, you cannot fault them for this, they have taken the prudent approach, not knowing what has caused this, so let us shut the gas supply down. We wish they had given us half-an-hour's notice that they were shutting the gas supply system down, which would have let us run sets up at Channel Island, so that when they shut the system down at Weddell, the sets went off-line, because they had no fuel to burn, we would have had spare capacity sitting there to take over.

It had nothing to do with any of this getting into the engines themselves and the engines shutting down as a result of it. What happened was, their system was overloaded, they did not know what caused it, so they actually physically shut gas supply off to the engines.

Mr ELFERINK: In the preliminary report, did it touch on the issue of why they shut the system down?

Mr MACRIDES: Any pipeline, I would expect, would do exactly the same thing, just prudence.

Mr ELFERINK: So it was simply a matter of prudence that they shut them down. I am actually a little confused. What actually happened then on that day? No, I am completely lost now. It is probably ignorance on my part, but we have a damaged engine ...

Mr MACRIDES: That is later.

Mr ELFERINK: Oh, later.

Mr MACRIDES: We are talking about two different events here. We are not talking about the same event. You are talking about, on 23 November, this event, whereby the coalescers out at Weddell, which are owned and operated by NT Gas, became overloaded with 400 litres of water, basically. Their system should have been able to cope with this amount of water in their coalescers, because its pumping system should have been able to physically pump this volume of water out, remember that is what coalescers are designed to do, they are designed to trap impurities in the system, and then for the pumping system to then pump

those impurities when they fall into the coalescer. Their coalescers were overrun with this amount of water because their pumping could not cope with it, for whatever reason. As a result of that, they did not know what had caused this sudden overrun of their coalescers, so they physically shut gas supply down to our generators ...

Mr ELFERINK: That is the one where you lost 14 000 customers.

Mr MACRIDES: Yes, that is the one where we lost 14 000 customers ...

Mr ELFERINK: And it happened again, on a different occasion.

Mr MACRIDES: Which was on a different occasion, yes. What happens with the regular maintenance inspection regime for engines is that you do what is called a borescope. Basically, it is a rectal probe for an engine. It is a little camera that you put inside these engines on a regular basis to have a look at areas of the engine and see whether there is anything happening. In early December, the borescope regime for Weddell was undertaken and, as a result of that, they picked up damage in the blade section of Weddell engine number two. The damage in this engine was akin to, essentially, the blades melting, and bits and pieces of the blades shearing away and being sucked into the engine itself. Our immediate response to that was, there is a serious problem here, we need to shut this engine down. The engine was operating, so we need to shut this engine down, because, clearly, pieces of metal flying around in an engine is not a good thing. The borescope on number one showed some damage, but not the type of damage that was exhibited in number two. We had the same set of circumstances, same engines, same gas, same everything, but one engine was badly damaged, and the second engine was okay.

The prudent approach, as I said, was to shut engine number two down, and this engine, because of the damage to it, appears beyond repair, let us see if we can get a replacement engine.

Mr ELFERINK: That is the one that was flown in from the United States?

Mr MACRIDES: Yes, that was the one that was flown in from the US that was sourced for us by General Electrics. Our guys, and General Electrics, worked over Christmas New Year period to install this engine, the new engine was installed and operational by about 1 January. In a three week period basically, we removed the old engine, got a new engine in, installed the new engine, and fired the new engine up.

Mr ELFERINK: What damaged that engine?

Mr MACRIDES: We do not know; that is what I am saying. We have a team ...

Mr ELFERINK: Yes, you said that before, but where are the eyes looking? I mean, you would have some suspicions by now.

Mr MACRIDES: Well, there are probably about 1000 different views of what may have caused this. They are all speculation, and I am not going to repeat any of them. We have a team of experts in place which includes gas experts, turbine experts; it includes metallurgists, who are looking at what may have caused the damage to this engine. As I said earlier, we probably will not know until we take this engine overseas and have it stripped down. These engines are the engines that are on an airline, basically, and so you cannot simply just unbolt the engine and look inside it; it is much more difficult than that. It has to be done in a factory. So, until we can actually get inside this engine - the borescope is very narrow in terms of what you can get out of a borescope.

Mr ELFERINK: So you have one system failing because the gas supply was shut down, for prudence sake, by NT Gas. You have another situation where there is a turbine which is damaged for reasons unknown, because the fans have melted, or partially melted, and you have bits of metal coming off them as a result. You can understand that the average punter out there, and people on this table, would be concerned about the proximity between those two events.

Mr MACRIDES: Yes, and clearly, we were worried about that as well, but by the same token you have one machine which does not exhibit the same level of damage that the second machine does, same gas supply, same operating conditions.

Mr ELFERINK: I look forward to the results.

Mr MACRIDES: Well, so do we.

Mr CHAIRMAN: We will be interested, as a council, in what those results are. Just one other question, did NT Gas give you a reason as to why they did not notify you that they were going to turn the gas off?

Mr MACRIDES: That is part of some of the robust discussion we have had with NT Gas. We believe there should have been – if their gas chromatographs were operating effectively there should have been at least half an hour or more time between when they would have picked this water slug - if it was a slug, up, and when it hit City Gate, and that would have given us sufficient time, as I said, to have run up alternate engines. That is part of the series of questions we are going to go back to them with.

Mr CHAIRMAN: We would like to ask NT Gas that. Have you known this to occur before?

Mr MACRIDES: No. As I said at the start, NT Gas have been providing gas to us for 20 to 25 years, and in all that time there has only ever been one failure of their delivery system, which was a force majeure failure an earthquake in Tennant Creek. This is alien to them and it is alien to us. It spooked them as much as it spooked us as to why it occurred, given that we have had 25 years of uninterrupted gas supply through the NT Gas system.

Mr WESTRA VAN HOLTHE: Will you be investigating whether there is a link between the budget ...

Mr MACRIDES: That is clearly why we have put together the team we have; why there is a gas expert on this team as well as a metallurgist, and a gas turbine expert. We have put the team together based on a whole series of speculations as to what may have caused the damage to this machine itself.

Mr ELFERINK: I am finished, Mr Chairman.

Mr CHAIRMAN: Thank you, John.

Ms SCRYMGOUR: I have a couple of questions from page five ...

Mr CHAIRMAN: I was going to ask a general question about diesel and gas in the other generators in the Northern Territory, like Tennant Creek for instance.

Ms SCRYMGOUR: You mean some of the remote or ...

Mr CHAIRMAN: Like Tennant Creek, for instance.

Ms SCRYMGOUR: On page five is your handout, Andrew, in terms of servicing mines and mining town centres, I would like to ask about Jabiru and also Groote Eylandt and the supply of power and generation to those areas and how long has that been a separate agreement.

Mr MACRIDES: We do not generate at either Groote Eylandt or at Jabiru. What we have in place is an arrangement for the maintenance of the network infrastructure in Jabiru, so that is the poles and wires that deliver the electricity to end use customers, and we have in place some retailing arrangements to purchase energy from the owner of the power station and retail it to customers in Jabiru.

Ms SCRYMGOUR: So the owner of the power station, say in Jabiru, is ERA?

Mr MACRIDES: The mine, yes. The same on Groote Eylandt, the owner of the power station on Groote Eylandt is the mine, Gemco, and we have an arrangement in place to purchase electricity from Gemco for the provision of energy supply to public service customers, I believe it is. In Gemco it is fairly limited.

Ms SCRYMGOUR: So that is only in Alyangula? Would that just be to public servants or other residents in Alyangula, or does Gemco provide the power source too?

Mr MACRIDES: No, Alyangula we provide and I believe there might actually be a connection to Alyangula rather than Alyangula having its own power station.

Sorry, I have just been advised that Alyangula does not have a power station so we obviously purchase the energy. There must be a transmission line out to Alyangula.

Ms SCRYMGOUR: And that is all Power and Water services, in both those places?

Mr MACRIDES: Alyangula is one of the communities we service, so we would provide electricity via the Gemco mine arrangement. And I am not sure whether Alyangula is provided with water from bores or whether it is a dam.

Ms SCRYMGOUR: Who looks after this? Is that part of the Indigenous Essential Services?

Mr MACRIDES: Yes, it is part of our Indigenous Essential Services group that the remote operations team look after.

Ms SCRYMGOUR: What about Alyangula? That is not Indigenous Essential Services. Is that Gemco's responsibility in Alyangula itself?

Mr MACRIDES: No, I believe we might provide all the essential services in Alyangula, but do not quote me on that.

Ms SCRYMGOUR: Mr Chair, can I then ask if we can get that information?

Mr CHAIRMAN: All right. I do not have a question number here, but we will call it Question No 1. If you would like to put the question.

Ms SCRYMGOUR: If Power and Water would be able to provide information in terms of the supply of power and water services to Groote Eylandt and also Jabiru, because would that same arrangement not work, or is Jabiru completely separate, and so that is ERA?

Mr MACRIDES: Yes, Jabiru we do not provide water or sewerage services to, it is just the maintenance of the power distribution system.

Mr CHAIRMAN: Can I ask the member for Arafura? That question went on too long, so could we have a precise question?

Ms SCRYMGOUR: If Power and Water would be able to provide in relation to Groote Eylandt and other regional towns what the service arrangements are for Power and Water services, particularly Groote Eylandt.

Mr MACRIDES: I must admit that I briefed myself on gas and generator related issues, not remote service delivery issues!

Ms SCRYMGOUR: There are some of us who are worried about power generation outside of Darwin. I believe it is an important issue in some of our regional towns as well. So it is seeking information, Mr Chair, on Power and Water provision on Groote Eylandt and some of our other regional towns.

Mr CHAIRMAN: I will get back to gas if I could. What is eventually going to happen in relation to the Tennant Creek and Alice Springs generators? Will they eventually all be running on Blacktip gas? And will that be when the contract finishes?

Mr MACRIDES: Not necessarily. We have the option of transitioning sooner rather than later. At the moment, there is a valve at Ban Ban Springs that needs to be basically turned on, and that way gas can flow down the line. Our current operational arrangements are that that will happen in about March, and we will then start providing the southern region with gas from ENI.

Mr CHAIRMAN: Do you have any plans to extend the gas pipeline east and west of the north/south line to any communities?

Mr MACRIDES: There are a number of studies that we have looked at in terms of gas supply. They range from Kings Canyon, Yulara, through to Hermannsburg. We constantly look at the economics of extending gas to each of these locations where the gas can be a viable substitute.

Mr CHAIRMAN: Do you do a sort of cost benefit analysis between, for instance, the possibility of actually bringing the power grid from Alice Springs to Tennant Creek? You have a very long power grid from Tennant Creek to Ali Curung. Obviously, you have got in mind trying to reduce the number of generators that are operating. Are you looking at perhaps expanding our electricity grid rather than going down the path of extending the gas grid?

Mr MACRIDES: We look at a whole range of things when we look at the viability of transitioning remote power stations from diesel to alternate sources. They can be grid connections, gas pipelines – so spur lines, conversion of plant to LNG, or CNG, which does not require a pipeline, and then there is a whole series of renewable energy options as well, so bolting on to existing power stations, wind or solar renewable energy options. All of those things are taken into consideration.

In terms of grid connections, they are probably more viable in the Top End, around the Tiwi Islands, than they are elsewhere, because the size of the communities and the lengths of grid are relatively minor.

Mr CHAIRMAN: One other question. From your report here, I think I counted eleven generating sets at Yulara, and I think 13 sets in Alice Springs, and 13 sets in Tennant Creek - is that historical, that you have just added and added. When you compare with Darwin, which has seven, I have to count the gas turbine one, I suppose, eight, but seven. Is there a move to eventually add larger generating sets in those communities?

Mr MACRIDES: The problem with the size is dependent upon the load. What you cannot do is augment supply with big lumps of load where the demand is not there, because you would be running a 10 megawatt set, for example, at three megawatts, or you would have it for peaking plant only, so it is horribly expensive to do that, which is why these smaller communities with relatively stable loads, you know, that are not going through the roof, tend to have a lot of smaller sets. In some cases we rationalise, but, in most cases, it is difficult to do that because of their load profiles.

Tennant Creek is a bit of an anomaly, because Tennant Creek has ...

Mr CHAIRMAN: ... and Tennant Creek, so ...

Mr MACRIDES: Certainly, over time, with Tennant Creek we will probably look at rationalising the number of sets that are there.

Mr WESTRA Van HOLTHE: Can I ask a regional question? The power line between Katherine and Mataranka, which is typically quite problematic, are there any plans to remediate that line and make it better so that there is a more consistent supply of power to Mataranka as well?

A member: And Larrimah.

Mr WESTRA Van HOLTHE: And Larrimah.

Mr CHAIRMAN: They might be listening to this broadcast.

Mr MACRIDES: The two issues associated with power lines - it is a long power line, so it is quite exposed to weather-related incidences. The second element is that there has been load growth along the power line itself. I think we have increased the capacity of the line to take account of the load growth that has occurred along the line itself and, within our current planning horizon, there are plans to look at further upgrading the line to increase the capacity of it.

The problem we have is much of the load coming off that line is speculative, so you will get a miner coming in and saying they are going to put a new mine in and you ask what is the load going to be and when, and you never hear from them again. It is very difficult to plan the upgrade of a regulated line when you have different views about what the load is going to be.

Mr CHAIRMAN: Thank you. Any other questions? Thank you very much for coming today.

Ms SCRYMGOUR: Mr Chairman, just before we close off, the question I asked in relation to Groote, can I expand that, Andrew, if that is okay?

Mr CHAIRMAN: Is this question number one?

Ms SCRYMGOUR: This was question number one, where I asked about Grootte. If Power could also provide services for Indigenous essential services, and in which communities. Well, we know most of the communities, but what ...

Mr MACRIDES: I should have brought the EIS Annual Report.

A Member: They actually do their own annual report.

Mr MACRIDES: Yes. Not a problem.

Ms SCRYMGOUR: Who does that?

Mr MACRIDES: We actually publish an Indigenous Essential Services Annual Report.

Ms SCRYMGOUR: You have got a separate one, have you?

Mr MACRIDES: Yes.

Ms SCRYMGOUR: I will look it up.

Mr CHAIRMAN: Do you want that question to continue?

Ms SCRYMGOUR: No, no. If you have got a separate published report ...

Mr MACRIDES: We do.

Ms SCRYMGOUR: Does that have staffing, and what generators are in each community? Does it give that information?

Mr MACRIDES: I think it may go down to that level of detail in what we have by way of infrastructure in the 72 communities we are responsible for.

Ms SCRYMGOUR: The thing I am trying to get at is part of this committee's mandate is to look at the 20 growth towns as well.

Mr MACRIDES: Yes.

Ms SCRYMGOUR: When you look at those 20 growth towns, and you look at projection of population - I mean we were just talking about our regional areas and you were saying that population growth along those lines, and the capacity to lift that - what work and what planning is being done by Power and Water, in terms of those 20 growth towns, if you look at whether you projected to 2030 the population growth, what the consumer is going to be using.

Mr MACRIDES: Yes. We have all of that. I am wondering whether it might be better if I organise to come over with a couple of my remote operations staff to give you a briefing.

Ms SCRYMGOUR: We could set a separate – I will talk to the Chairman. That might be better, Andrew.

Mr MACRIDES: Yes, because that way you can ask them direct questions on a whole range of issues, which is probably going to be difficult for me to quarantine into a response to an answer.

Ms SCRYMGOUR: All right.

Mr CHAIRMAN: We can follow it up at our deliberative meeting.

Ms SCRYMGOUR: Yes, we will have a deliberate meeting then we will write to you. That might be a better idea if you are offering that.

Mr MACRIDES: Okay, yes. Perhaps I can get Darryl Day and couple of his strategic planning people

- Darryl is the General Manager Remote Operations - to come over and provide you with a briefing on it.

Mr CHAIRMAN: As the member said, we are doing work on *A Working Future*. We are working through those policies.

Mr MACRIDES: Yes. I meet with all my management team on a monthly basis, and Darryl always comes in with a huge amount of data on work we are doing in relation to the 20 growth towns.

Ms SCRYMGOUR: Good. Mr Chairman, we will leave that question and maybe we will get a separate session.

Mr CHAIRMAN: You do not need that question?

Ms SCRYMGOUR: I will wait, if we can try and organise a meeting with the Indigenous Essential Services.

Mr CHAIRMAN: Thank you very much for coming today. I think all members are very grateful for the amount of information we received. I do not want to sound too biased, but this is one of the reasons this council exists. It is an opportunity we would not normally have except through Estimates Committee, and you know how tight time is with estimates, but we are able today to discuss what I think is a very important issue.

Those 14 000 customers who lost power on that day, at least they have now had the opportunity to hear the reasons why. I think what also comes out of that, it says to people like yourselves there is a responsibility that you have to maintain power, and our job as politicians on this council is to, if something goes wrong, find out why. We are not here to interrogate like in a court, but I think it is helpful for everybody to learn what is happening. We do not get that opportunity very often, and I think it is also good the general media and the public also have an opportunity to hear what you have to say.

Thank you very much for all the information you have given us, and I think it has been very much appreciated. Thank you.

Mr MACRIDES: You are welcome, Mr Chairman.

(recess)

Mr CHAIRMAN:

In certain circumstances, the committee may decide that evidence or part thereof can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* Record, I ask that you state your full names and

the capacity in which you are appearing today. I also ask that you state your name each time you speak. I am sure you recognise that part of the council is here, I am sure there are a couple more coming soon. We have the member for Arafura, Marion Scrymgour; member for Fannie Bay, Michael Gunner; and myself, member for Nelson.

I ask if you could introduce yourselves so Hansard knows who is here.

Mr JACKSON: Stephen Jackson, Director, Research and Statistics with the Department of Justice.

Mr SHANAHAN: Greg Shanahan, Chief Executive Officer, Department of Justice.

Mr GORDON: Peter Gordon, Acting Commander in Charge of Strategic Planning Command, which provides statistics for the Northern Territory Police.

Mr KELLY: Graham Kelly, I am the Assistant Commissioner for Operations Service in the NT Police.

Mr CHAIRMAN: As you might know, the reason that the council has asked you to come along today is because a lot of our members felt that one of the issues that seems to crop up on a regular basis is that sometimes there are some different interpretations on statistics, especially related to domestic violence, and some other differences between the police figures have and what the Department of Justice figures have. We are wishing to clarify that today.

I could start off asking, Graham, if you could perhaps give us a definition of what you call domestic violence when it comes to official statistics?

Mr KELLY: Domestic violence for us is defined that where there is a familial relationship between people who engage in violent conduct, or where there is a threat of that violent conduct between the people involved in that familial relationship. It can also include people who are in a de facto-type relationship, or people who have been in a shorter term relationship as boyfriend and girlfriend.

Mr CHAIRMAN: Domestic violence - is it necessarily between partners, or can it be related to the family, or cousins ...

Mr KELLY: No, it extends to family relationships, between brothers, between fathers and sons, between mothers and daughters, it is quite broad.

Mr CHAIRMAN: In an Aboriginal context, how broad is that family if you wanted to class that as a domestic violence incident?

Mr KELLY: I believe, generally speaking, if there is a family relationship, it becomes classed as a domestic violence situation, unless there is some suggestion that the relationship is a little further apart and it does not appear that the circumstances are related to that family relationship.

Mr GUNNER: How often would you tag something as a domestic violence incident, then, further down the track, have that understanding that they are maybe further apart and it might not?

Mr KELLY: If you look at the way incidents are recorded by police, they vary in different locations. In Darwin, for instance, if there is a phone call made and it is reported as a

domestic violence incident, and there is a man and a woman, for instance, fighting in the street, it will probably, in all probability, be recorded as a domestic violence incident.

When the police attend, if they determine that the people do not have any sort of family relationship or boyfriend/girlfriend type relationship, they are two individuals who have come across each other, engaged in combat that is not related to their relationship, then that job would be subsequently recorded with a different confirmed incident type. It might be an assault, or it might be a fight in a public place, or it might be some sort of general disturbance.

If you are talking about places outside of Darwin and Alice Springs, where the receipt of the call is different - it is taken in a different way - then there might be additional information sought from people. If I use a remote community as an example, often the phone call is received by a police officer who probably knows the people involved, and probably would know straight away that it is probably not a domestic violence type incident, and in any event, the recording of the incident will probably occur subsequent to their attendance.

Mr CHAIRMAN: If an offence happens in Darwin or Alice Springs, how does it get into the system so it ends up in the annual report as a statistic? What is the process to get it there?

Mr SHANAHAN: When a call is received at the Police Communications Centres in either Darwin or Alice Springs - and I have to say Alice Springs is now primarily received in Darwin at the Joint Emergency Services Communications Centre (JEESC) now. That job would be recorded on our ICAD, system which is the Integrated Computer Aided Dispatch System, which takes our initial complaint. The information is put onto that data system, and it is dispatched to a patrol unit to attend.

The information is subsequently bumped over to PROMIS to create what is called a PROMIS job, incident and the data is added to by the attending police or by a call back to the communications operator about the nature of the job. The police officers will update the job, and subsequently that information will get bumped into a pool of statistics or information which is provided to the Department of Justice for quarterly reports, and we will use the same data for developing our annual report.

Mr CHAIRMAN: I will get this clear, it goes into the PROMIS system - this is the Alice Springs/Darwin. The police add information as they get more information about what has happened. They decide it is a domestic violence issue, therefore it becomes a statistic under domestic violence, and that statistic moves from the PROMIS system to the Department of Justice.

Mr KELLY: We retain it in the PROMIS system and we use the PROMIS system to develop our annual report statistics, and the same information is passed over to the Department of Justice, and they use that information to produce the reports Justice has a need for.

Mr GUNNER: The same data is shared?

Mr KELLY: It is the same data.

Mr CHAIRMAN: If an incident is recorded outside Darwin and Alice Springs, what happens there?

Mr KELLY: We miss the ICAD step, and the police officer directly enters the data into PROMIS.

Mr CHAIRMAN: If he is at Oenpelli and there is a domestic violence issue, he visits the premises and after he does what he has to do, he then records that as a domestic violence in a book I suppose, and then he goes back onto his computer?

Mr KELLY: Yes.

Mr CHAIRMAN: Which would be the PROMIS system?

Mr KELLY: That is right.

Ms SCRYMGOUR: Do they enter most of that data, Graham. We know, in a remote community, incidents occur on a daily basis and police are called out. Are they required, with every incident that they are called out to, to not only record it in their book but then to record that in the PROMIS system.

Mr KELLY: Yes.

Mr CHAIRMAN: I have some figures here, I do not know whether you have some, put together about the numbers of domestic violence victims – sorry, the percentage of domestic family violence victims. Is that different to domestic family violence offences?

Mr GORDON: Peter Gordon. There are offence-based counting rules and there are victim-based counting rules. In our annual report this year we actually did offence-based because that is how we have done it in the past; we are looking to transition to victim-based counting so we are actually reporting the victims of crime as opposed to the offences. So in this year's annual report we had both types – victim-based and offence-based. There could be a single offence with three victims, so it really depends. If Peter Gordon is assaulted, he is a victim. If Gerry Wood is assaulted, he is a victim. It might be by the same offender in the same incident. We are trying to move nationally with Australian Standard Offence codes (ASOC), and Stephen may correct me here, they are transitioning to victim-based counting.

Mr GUNNER: Is it also possible to have a single victim but multiple offences?

Mr GORDON: Yes.

Mr CHAIRMAN: If I could welcome Willem Westra van Holthe from Katherine, he has probably more experience in some of these matters.

Mr WESTRA Van HOLTHE: My apologies for being late.

Mr CHAIRMAN: That is okay. Has the phrase 'unique offences' some special meaning?

Mr GORDON: Probably the easiest way to deal with it is: Peter Gordon is assaulted - the assault is the unique offence. It might be that later on Peter Gordon is later kidnapped as well and held - and that is another unique offence. So it really depends on the time it happens. I can be assaulted and punched out, and that is an assault. While I am assaulted I suffer grievous bodily harm, which is part of the same offence and called 'circumstances of aggravation'. So with each offence we pick the most serious one and that is the unique offence. So, if there are a couple of minor backup charges, as we would normally do for police, you would say: 'He has been assaulted, it was an aggravated assault.' We will pick the aggravated assault, because it is the most serious, as the unique offence for this."

Ms SCRYMGOUR: In a domestic violence situation when you are talking about the different levels of aggravated assault on someone, when does it go from being not the victim

but the perpetrator? When does it go from the charge of a domestic violence situation to causing grievous bodily harm? Just say the victim was seriously hurt; they would not be charged with domestic violence, it would go to the next level?

Mr GORDON: In respect to orders, domestic violence orders and things like that, if I was assaulted by my wife we may charge my wife with assault or aggravated assault depending on what the circumstances are of the assault. If she caused grievous bodily harm, she would be charged with grievous bodily harm. Parallel to that, we would follow the domestic violence route which would be seeking intervention orders in regard to preventing us from living together. It could be that we just say: 'You are not allowed to be together if you are drinking.' Often orders are like that. If you are going to drink alcohol, you are not allowed to go to the residence. So there are full non-contact ones, and there are also ones that relate to behaviour, alcohol or other types of behaviour.

Ms SCRYMGOUR: Those incidences – each one is then recorded?

Mr GORDON: Yes.

Ms SCRYMGOUR: So you have one lot of reports that goes into promise, and if you are then changing those charges - depending on the severity - does the previous one stay or does that get changed too?

Mr GORDON: It will be there, but we will only count the most serious offence for offence-based counting, but the link to domestic violence will remain, even if we do not proceed in court for a domestic violence, or it might be that the police attending settles the dispute down. People say, 'I do not want to proceed'. They are not recidivist offenders, they are not known to police. So just that initial police visit may – it will be classed as a domestic violence incident, even if there was no actual violence, but it is raised voices, the threat of violence, things like that, so that is still classed as a domestic violence job.

I did pull some statistics from Katherine, and when I looked, I said, 'here is a traffic incident', so it is just a minor – it is recorded initially as a little traffic problem. When we actually go to the job, it is wife and husband having a blue over something, and she has bumped her car into his car, and so, even though it is a minor traffic incident, it is know a domestic violence incident because of that familial relationship.

Ms SCRYMGOUR: So it gets reported twice, does it?

Mr GORDON: It is reported once, but we can confirm it as a domestic violence incident, and we actually put – every time we identify that the combatants, or people involved in an incident, are in a familial relationship, so brother and sister, cousins, whatever, once we have assessed the job and found out what the background is, we say it is domestic violence-related or it is DV-related, because they know each other, the incident occurred – and even if it is just a threat of violence, it is still recorded as a domestic violence event for our records because, next month, it might escalate into further violence or more violence, so we get a history or pattern, so we can actually start saying, well, this happened before.

A lot of it is intelligence, even when we link it down as a domestic violence, we will attend the job. If there is no actual violence that has occurred, it is a heated moment, the power bill or whatever has come in, you have been running the airconditioner, we have a bit of a shout about it and there is no actual physical violence but it is still classed as a DV-type event.

Mr CHAIRMAN: These figures I have here which are what you would interpolate from the percentage of domestic violence victims, for instance, in 2008-09, it works out at 3049 people are victims of domestic violence. Now, are they ones who have actually been charged, or

does it include the one where you have turned up, there was a bit of a biff, but you said, 'Look, I have sorted that out', or when you say victims, has someone actually been charged with that offence?

Mr GORDON: Not always, no. I might be the victim of an assault. If my wife hits, and I say, 'Well, yes, I am the victim of an assault, but I do not want to make a complaint', so it will be a DV incident, but we never proceed with an assault, because Peter Gordon will not go to court and tell that he got bashed up by Mrs Gordon.

Mr CHAIRMAN: So that is included in that 3049, even the ones that do not go?

Mr GORDON: Yes.

Mr CHAIRMAN: What about repeat offenders?

Mr GORDON: Repeat offenders.

Mr CHAIRMAN: Can you break those figures up so that you can actually say, one person might have been charged 20 times in the year with domestic violence?

Mr GORDON: Well, see, we do not actually charge them with domestic violence. We charge them with substantial offences of assault and things like that, but it is a DV-related matter. But, if Peter Gordon gets assaulted by his wife two or three times, and Peter Gordon keeps saying, 'I do not want to do anything about it', the police will say, 'We need to intercede on this', because he is a continual victim, so we will take out orders – restraining orders, domestic violence restraining orders – on behalf of the victim, even in those circumstances where the victim says, 'I do not want you to do this'.

Mr CHAIRMAN: But say it happens three times, just to say, can your figures actually bring it down to the victims, not the multiple victim, the victim? So say one victim has been in trouble three times, that would reduce the figure of 3049 down to 3046, because it is the same victim, just ...

Mr GORDON: But if they are three separate offences ...

Mr CHAIRMAN: Yes, but from the point of view of working out whether domestic violence is getting any worse, it may be that we have concentrated on a group of people who are repeat offenders, you might say, so how do you know ...

Mr GORDON: And we do concentrate on them. I could not say that we do it that way. We actually say, if it is this incident, today, Peter Gordon is assaulted, that is a single incident. Tomorrow, if Peter Gordon is assaulted again, it is a single incident, it is another incident, and I am classed as another victim. It might be the case Peter Gordon is assaulted 10 times, so that number is 3561, and then you take off eight of them because it is me being assaulted. However, we still count them as individual victims.

Mr GUNNER: I appreciate what you are saying, but it would also be a question of the impact on police time and resources too, would it not?

Mr GORDON: Yes.

Mr GUNNER: If there are ten separate incidences through a year, you have been called out ten times. Police have got in the car and driven there. In making your decisions around allocation of resources, where and how you use your police, the information there at the moment is actually useful?

Mr GORDON: Yes.

Mr CHAIRMAN: What I am getting at is while it is important, are we starting to succeed in reducing domestic violence? The figures have to be pretty accurate, so if a bundle of these people are the same people year in and year out, and really that is the way it is, the statistics do not necessarily show that. If we are getting an increase in new people being victims, then you know we have some problems. If it is the same people - I am not saying it is not a problem - the statistics are running a number and you really have to break up that number into what does the number mean in reality. One person with ten offences against them. That is probably what I was trying to get at.

Mr KELLY: If I can answer that, we do, and have done, broken the data down into recidivist offenders, and we are able to say, for instance, if there is a person who is a multiple offender on the same victim, and even a multiple offender on different victims. We are also able to say a victim, on a number of occasions, and part of the Violent Crime Reduction Strategy, and the development of it, was to target those people who are on the higher end of the scale with intervention action. Things like the Peace at Home Project in Alice Springs, and the DV units we established in Darwin, Tennant and Alice Springs, Katherine, which is now the Peace at Home Project, they look at those things for intervention. The idea is not only for police intervention but also for referrals, and we have employed lawyers in Darwin and Alice Springs with the DV units to try to support the people in legal services that they need and, in a broader sense, with the different agencies which are available to provide intervention service with DV couples, to try and break that cycle, if you like.

In terms of more recent how successful is that, I cannot give you the information off the top of my head, but we could probably provide that at a later time if that is what you were after. In a general sense, yes, we can identify repeat victims and repeat offenders. Our strategy is premised on the fact we can do that and target them.

Mr CHAIRMAN: I would like to welcome John Elferink, member for Darwin.

Mr ELFERINK: I apologise for being late ladies and gentlemen. I was at a lunchtime meeting and could not get away, so my apologies to you.

I do have some further questions, Mr Chairman, when you are ready.

Mr CHAIRMAN: I can let you know we have been getting a background on what domestic violence is, and working out what happens when domestic violence is recorded in different parts of the Territory. You probably know from your past experience. Then where those statistics go, which is the Department of Justice. We have not reached the Department of Justice; we are clarifying how statistics are analysed in relation to whether you have a victim who has been subject to multiple offences by the same person for instance, and how that affects the figure shown here.

Do you have any other questions at this stage?

Mr ELFERINK: To the police, yes.

Without having been privy to the opening statements, I apologise for going over old ground. I guessed at the outset, there was a change in the proportionality as recorded in Police Annual Reports, of domestic violence related events and offences against the person, because of the way you are classifying them.

You started off with counting domestic violence offences, and in later Police annual reports it turns to victims, is that correct?

Mr GORDON: Yes, that is correct.

Mr ELFERINK: The reason I am concerned is I draw your attention to page 109 of the 2007-08 Annual Report, where the result for the year 2007-08, counting offences, is 48.2% of that proportionality. If you go to the next year's Annual Report, at page 126, now we are counting it just victims, not the offence rates, and the result is 48.2%, precisely the same number - one for offences, the other one for victims. If you would expect to see a change when you are counting victims or offences, why do I not see it in those two annual reports?

Mr KELLY: Can I answer that? I do not know. I have no idea.

Mr ELFERINK: This is the issue I have, because in parliament and in public I hear consistent assertions from the Chief Minister, particularly - and this goes to the policy settings of the government - the assertions that domestic violence are a substantial reason for the increase in violence in our community. I do not find that reflected in the numbers, in fact, from what I can make out, and I had to do the counting using those proportionalities, and I ended up making a few comments about that in parliament ...

Mr JACKSON: Excuse me, Mr Chair, is it possible to get a copy of the documents which are being referred to?

Mr ELFERINK: Sure. These are straight printouts from the ...

Mr CHAIRMAN: Marie might be able to ...

Mr JACKSON: There might be a page numbering problem or some inconsistency.

Mr ELFERINK: I am referring to two annual reports, one for the financial year 2007-08, and the other for the year 2008-09, which reproduces the 2007-08 numbers.

Mr CHAIRMAN: Would we all be able to get a copy so we know we are reading off the same page? I have one year here, but I do not have the other year, so I would be interested to know what is going on also; especially if the police say they are not sure either. That is part of the reason why this was called for.

Mr ELFERINK: If you then use those proportionalities, as I did in the speech I made in *Hansard* on the 28 November, you actually have to crunch the numbers backwards, but the result you get is a fairly consistent reporting rate of domestic violence-related incidents, be they victims or offenders, but a substantial increase in non-domestic violence-related matters – an increase of about 900 over the period I referred to in that speech. It concerns me, and that is the reason why I have asked specifically, or this committee has asked you gentlemen here, because if government policy settings are based on the assumption that domestic violence is the primary source of assaults in our community, then there is an indication that those assumptions are not correct. Does anyone care to comment on that?

Mr KELLY: It is difficult for me to comment because I am not completely sure what you are saying. If you are saying are there other offences or assaults that are not DV-related? The answer to that is, yes, absolutely there are. Are there increases in some of those assault offences that are non-DV related? The answer to that is, yes, I believe there are.

Mr ELFERINK: That is what appears to be the case.

Mr KELLY: But if you are saying: has there been an increase in DV-related assaults reported? I have to say to you, yes, there are. I do not understand what the point is you are trying to make.

Mr ELFERINK: The point is this: the increase in domestic violence results has been about 58 over the period of the annual reports I am referring to in that speech; the increase in non-domestic violence related assaults is about 900. So, there is a focus on domestic violence, which is noble and fine and I am not complaining about that, but there is a focus on domestic violence when I am seeing in the statistics produced by the police force, an increase of 900 over that same period of non-domestic violence related assaults. The Chief Minister continually asserts it is domestic violence which is driving this increase in assaults, and I am not seeing that in police annual reports. I am trying to figure out whether I am wrong, or whether the policy settings are targeted inappropriately.

I will just draw your attention again to what I was referring. If you look at the 2008-09 report on page 126, it gives a result for 2007-08 for domestic family violence victims of 48.2%; the proportion of domestic violence-related offences from page 109 you have in front of you - that is offences, not victims - produces precisely the same result for the same year.

Mr GUNNER: Can I ask a question? I am not sure if it is to Police or to – it would be to Police, actually. The 2007-08 year, it was 48.2%, which John has identified on 109, 2007-08, 48.2%; then, on page 126, 2007-08, 48.2%. In both instances, would that be the same measure, and what has happened in 2008-09, the 47.1%, that is the victims. So 48.2% is from the previous year, and is offences 2007-08, and then, on 126, 2007-08, 48.2%, have you carried the offences over, and the new one, 47.1%, 2008-09, that is when you started counted victims?

Mr ELFERINK: Well, no, you have re-crunched the numbers. If you are going to label it victims, then you would crunch the numbers and produce apples and apples.

Mr GUNNER: It might be a mislabelling and they might be comparing oranges and apples, that is why I am asking the question.

Mr KELLY: And without going back and having a look at the numbers, I cannot answer that question.

Mr SHANAHAN: I think you might be right because, if you go to the 2009 Annual Report, on page 110, which is the table which deals with offences committed upon victims, they use the same terminology – domestic family violence victims, but the percentage is different.

Mr GUNNER: So, rather than backcasting ...

Mr SHANAHAN: I think there just might be ...

Mr ELFERINK: What, for the 2007-08 year? Is that reproduced in the 2009 Annual Report?

Mr SHANAHAN: Yes, it is.

Mr KELLY: The next page, 110.

Mr SHANAHAN: 110.

Mr ELFERINK: For the 2008-09?

Mr SHANAHAN: Yes, and for the 2007-08.

Mr ELFERINK: Now I am guessing, because I do not have the report.

Mr CHAIRMAN: Would we be able to get a copy so we can ...

Mr SHANAHAN: The only thing that I can think of is that it is a trans-positional type area where it is ...

A Member: I think it is a typo.

Mr SHANAHAN: It is a typo.

Mr ELFERINK: It is a typo.

Mr SHANAHAN: Yes, because that one did not say victims, the one you gave us, then it marries up.

Mr ELFERINK: Sorry, the one I gave you does, at page 126.

Ms SCRYMGOUR: 126 has got victims.

Mr SHANAHAN: Yes, the top talks about offences and the bottom bit talks about – just the description, it says the domestic violence victims.

Mr ELFERINK: All right. So that will explain that, it is a typo. We do rely on these documents.

Mr CHAIRMAN: We are here today because of a typo.

Is this data – actually, I know it is in the police report, but it is provided by DOJ to the police?

Mr GORDON: They are all from police.

Mr CHAIRMAN: They are all from police.

Mr GUNNER: So the data is from police but shared with DOJ and then ...

Mr GORDON: This report is produced solely by police, it is not DOJ.

Mr CHAIRMAN: Even though your figures go to DOJ?

Mr GORDON: They produce different sets of reports.

Mr JACKSON: Excuse me, Mr Chairman, police figures do not come to DOJ. Police data comes to DOJ and we generate figures from there.

Mr ELFERINK: And this is extrapolated from the PROMIS system, yes?

Mr GORDON: PROMIS data.

Mr ELFERINK: So one would hope, though, that you come up with the same results.

Mr CHAIRMAN: What was the difference between data and figures – pardon my ignorance?

Mr GUNNER: So data is raw?

Mr JACKSON: Police will give us an extract of their data, which will give us, maybe, on a quarterly basis, 80 000 records of individual information, and we then aggregate those up into this number of murders, this number of assaults, this number of sexual assaults, this number of unlawful entries. So we are working from the raw data to aggregate up to the numbers, and the numbers that we create for the Northern Territory on the yearly basis of offences are the same numbers that the police create. So we reconcile back to one another's figures.

Mr ELFERINK: This is where we have a bit of a problem, where the police numbers then crunch out a number of 48.2% for domestic family violence victims, what you report now is – or what the Chief Minister quotes, I presume, are figures produced by your department as assault offences. So, where some numbers produce below half – I will point you to an answer given on 19 October 2009 in parliament, the Chief Minister said, of the 1440 assault offences recorded, 54.3% were domestic violence-related. I would like to know that, when I read a Police Annual Report and listen to the Chief Minister, and read DOJ numbers, that we seem to be getting complicit information, and these are differences of about 5% or 6%. I am concerned about that, particularly when they all pertain to the same data set.

Mr JACKSON: Your dilemma, and the community's dilemma at this point in time, is we report on offences, and the police report on both offences and victims. We are counting different things, depending on what table you are looking at. That is one potential anomaly.

Would you like me to raise the issue about Katherine specifically?

Mr ELFERINK: If you would like.

Mr JACKSON: No, only if you are interested.

Mr CHAIRMAN: We are interested.

Mr JACKSON: The issue for Katherine is we report on the town of Katherine, as we report on the city of Darwin, and the city of Palmerston, and the town of Alice Springs. We are looking at the major urban centres. In the Police Annual Report, they are reporting for their command structure. When they report on Katherine and Northern Region or Northern Command, they are reporting on a much bigger geographic area than us. Where we are looking at Katherine town, they are looking over from Borroloola across to Timber Creek, up to Cobourg Peninsula across to Nhulunbuy; totally different geography.

Mr ELFERINK: That produces these anomalies?

Mr JACKSON: That will produce different figures yet again.

Mr ELFERINK: I note now from the figure I have just – thank you for tabling that figure. The 2007-08 figure in the last report now changes to 46%, which I presume is dealing with a typo. It then gets back to my original concern; we have this focus where the Chief Minister is of the impression 54% of these offences are related to domestic violence. The police are now saying it is 46%, which only goes to support the concern I have that the Chief Minister's focus on domestic violence is not actually reflected in the police statistics, and there is now 8% difference between the two positions, and that non-domestic related violent assaults are forming an increasing proportion of the assaults in our community, and not domestic related.

Mr GUNNER: Did the Chief Minister use a year when he was quoting?

Mr ELFERINK: He was referring to a question on 6 October, crime stats ...

Mr GUNNER: So last year.

Mr ELERKINK: ... assault rates over the last 12 months. The answer was given on 19 October 2009.

Mr KELLY: Can I clarify something here? When the Chief Minister talks about the crime statistics, and he talks about the previous 12 months, we need to be clear about what 12 month period he is talking about. Usually when we do the crime statistics, it is a 12 month period preceding the quarter for the month released.

So the figures will not look anything like the annual report figures because they will be from different quarters. It might be two quarters out of the previous year, for instance, and it is a comparison between the same 12 month period ending at that quarter.

Mr ELFERINK: I appreciate that, and I had turned my mind to that issue when I was reading these numbers. However, we are talking about figures of around 5000, in fact pushing the 6000 mark, and the shift in reporting periods would be largely nullified by such large numbers. You would expect that to even out.

Is there a statistical analysis anywhere which demonstrates that, in different times of the year, the assault rates vary, particularly relating to domestic violence, or is that just a speculation?

Mr KELLY: Well, this is one of the difficulties we face in the Northern Territory by reporting on a quarterly basis. We have a fair bit of volatility in the numbers because they are relatively small, and also because we have seasonal factors which influence things.

Obviously there are a whole range of variables which affect the statistics, and when you are dealing with some of these numbers, in short term quarters, they can be quite misleading unless you look at long term trends over several years.

Mr ELFERINK: Yes, however I have been, and that has consistently been the problem I am running into. You are seeing the proportion of domestic violence dropping as an overall proportion of the number of offences reported, and that is consistently the figure I have seen out of the last annual report of 46%; and now in the 2008-09 year, 45.5%. That portion of domestic violence is actually getting smaller. The Chief Minister is clearly under the impression that it is getting bigger.

Mr CHAIRMAN: Could I just quickly refer that to Stephen?

Mr ELFERINK: No. I do not take task with what you are saying, and I do not expect you to comment on what the Chief Minister has publicly uttered, but I am relying on the information I am getting from you to make these points.

Mr CHAIRMAN: We might ask Mr Jackson if he would like to comment.

Mr JACKSON: My dilemma again, sadly, is I cannot actually see the reference points that your colleague is coming from, Mr Chair, but I can tell you looking at the data I have for the latest set of domestic violence offences that they went up in the 12 months to September 2009 there was 51% of offences recorded as DV related. The preceding 12 months to

September 2008 it was 50.7%; the preceding 12 months to September 2007 it as 54.8%. That is on a 12 month period up to the last period for which we released quarterly statistics.

Mr ELFERINK: Thank you. Can you table that document for us?

Mr JACKSON: I am happy to table that document, yes.

Mr ELFERINK: This is our dilemma then ...

Mr JACKSON: We are talking different time periods, and we are sometimes talking different geographies, and we are sometimes actually talking different things of accounting, to be frank.

Mr ELFERINK: That is probably part of my problem that I opened two different annual reports and there are all these variables in these annual reports, and I know why those variables are there, but they leave us with a dilemma as a consumer of those statistics.

Mr GORDON: Peter Gordon. I have just been speaking with my colleague Mr Mu. When we talk about the annual report we talk about a percentage of offences that are domestic violence related; these relate to all of these category offences. What Mr Jackson is talking about is specifically related to assault offences, so again we are counting apples and - not quite oranges - but maybe pears.

Mr CHAIRMAN: Can I ask a simple question then, not being a great statistician? Is it currently the situation that the Department of Justice has a different, I will not say interpretation, but comes from a different base, and you come from a different base? Is there a need that we all come from the one base, or is it good that you have different interpretations from a range of data? Is it healthy that your data is different to your data, or the interpretation of the data, sorry, being different?

Mr JACKSON: For the last six years we have been releasing information on assaults. That information always relates to assaults, it does not relate to murders or sexual assaults or any such. So, being pedantic, and we should be when we are talking about statistics, we are talking about the percentage of assaults which are domestic violence related, whereas the police are talking about the percentage of offences against the person which are domestic violence related, and that includes sexual assault, it includes murders, it includes dangerous acts and a whole range of things which are out of our scope. In our publication we define what is in scope - so it is in our quarterly publication what is in scope.

Mr CHAIRMAN: That is fine. I suppose what I am asking is: from the point of view of clarity for people who have to deal with these statistics, should we be dealing equally from the same base? Would your interpretation of domestic violence crimes be the same as the Department of Justice? Or is there no point?

Mr KELLY: I do not necessarily believe it is a case of what is the best way. I believe the real issue is if you are going to compare statistics between one year and the next year or the previous year, you compare the same statistics from the same source with the same classifications. So, it is valid to compare assault statistics between different years as long as you go to the same sources of information. Similarly, our report is about crimes against the person, violent crimes against the person, and that is the information we want to provide the community in respect to policing business; so to turn around and say: Should we provide the same statistics as the Department of Justice? Well, there does not seem to be much point.

Mr CHAIRMAN: If I am Chief Minister, and I am not, by the way – it is not debatable at all. But the point is that, if I have the figures and I am asked a question like John was talking about then, so what set of figures should I say – should I use your figures or your figures?

Mr KELLY: Well, if the question that was being answered was to do with domestic violence-related assaults, then their figures. If the question was to do with domestic violence-related crimes against the person, use ours.

Mr CHAIRMAN: The question was just how many domestic violence victims are there ...

Mr ELFERINK: This is the problem I have, and I do not expect you to comment on it, but the Police minister is relying on the Department of Justice figures to justify policy settings for the police department.

Ms SCRYMGOUR: It looks at both.

Mr ELFERINK: Well, it does not quote both ...

Ms SCRYMGOUR: If you look at both, I mean ...

Mr ELFERINK: You miss the point, okay, it does not quote both.

Ms SCRYMGOUR: Even if you look at both, you see domestic violence is still high ...

Mr ELFERINK: It uses DOJ selectively ...

Ms SCRYMGOUR: It is a majority of those numbers.

Mr ELFERINK: ... and the results of the policy settings are wrong.

Mr CHAIRMAN: One at a time. We are trying to work through it, and I think it is an important matter issue.

Ms SCRYMGOUR: Of course it is important.

Mr CHAIRMAN: I do have a feeling the Chief Minister has trouble understanding some of this as well. It is not easy to understand where these figures are based. I think part of the reason I have asked you to come today, of course, is to try and clarify where it is. Now, if one of our recommendations is that some things need to be changed to make it more clear to the public exactly what these figures mean, well maybe that is one of our recommendations, but I am here on a learning process, because I certainly did not understand the difference between the two, and I think a lot of other people probably did not understand the difference between the two, but it is much clearer now than it has been before.

Do other members have any questions in relation to this?

Ms SCRYMGOUR: It is as clear as mud.

Mr CHAIRMAN: Well, I would like to ask, if government is setting policy in relation to programs to reduce domestic violence, does it go to the Department of Justice, look at its figures, or go to the department of Police and look at its figures? How does it set its policies, so that it has consistent figures, so, from one year to the next, it knows it has got changes, that its policies are changing the rate of domestic violence? If you have two lots of people running two sort of different sets of figures, should there be one consistent set of figures coming out from government departments?

Mr KELLY: If I was to provide an answer to that, I would suggest that the information that we provide to the Chief Minister is about domestic violence-related offences. The issue for us is, how do we pitch our effort towards reducing domestic violence to meet government's policy objectives? We do not do that to the exclusion of all else. We also have to work towards the personal violence objectives in respect to assaults that are not domestic related. We also have to pitch our efforts towards alcohol-related offences, which might be violence, or traffic, or whatever.

We have to provide our best advice to the minister for Police, in terms of how we go about doing those things, and how we work towards achieving the policy objectives and, similarly, we have to provide the best advice we can in terms of whether there needs to be some adjustment and, of course, then to policy, and then the Chief Minister is obviously in the situation where he needs to ask our colleagues at the other end of the table about how they view things, and then go through the normal consultation process with other agencies about whether there needs to be adjustment.

From our perspective, there are a range of things that we need to do, and we pitch the best we can to achieve the best outcomes that we can.

Mr ELFERINK: This reporting structure here, by the way, that is the same one the ABS uses isn't it?

This is the one that appears in your Annual Report?

Mr KELLY: They are linked to the ASOC program.

Mr ELERINK: But if I look at the ABS numbers, they are presented in pretty much exactly the same way as they are in the Annual Report

Mr KELLY: Very similar, and we aggregate certain offences against certain codes.

Mr ELFERINK: Can I ask, it is part of the national agreement, I presume?

Mr GORDON: It is a national agreement. Again, the way we deal with recorded crime is different than the way Victoria deals with recorded crime. Often our statistics look quite over-inflated compared to Victoria's, because of the way they do business. That is accepted, and the ABS look at the way all jurisdictions do business and try to get some middle ground that we all report consistently against, except we have a prima facie thing. If Peter Gordon rings up and says this has happened, we record it as an offence. Victoria does it in a different way. Until a policeman says that offence has occurred, it has not occurred. Again, you are counting slightly differently. How we get other jurisdictions to count the same as us is anyone's business, but these are closely aligned to the ASOC reporting thing as we can possibly be.

Mr ELFERINK: The numbers, as they are expressed by the crime statistics produced by the Northern Territory, are different. I observe you make comparisons between aggravated assaults against domestic violence related things, which is one of the reasons you get this aberration; you do not count murder, rape, that sort of thing. Is the way you report statistics part of a national model, or is it unique to the Territory?

Mr JACKSON: No, our model maps pretty closely to the ABS model, similar to the police, except some of the categories of offence which have quite small counts in, we do not in fact present them as single categories because there is no public interest in those offences.

Mr ELFERINK: Particularly murder in the ...

Mr JACKSON: No, we do that, we do that. It is here in the publication. If you would look at that you would see the similarity between our reporting structure and the police reporting structure, and compared to the ABS reporting structure, and we were quite conscious of the need to do that. If you look at homicide and related, it is exactly the same definition as police. You look at robbery, it is there, assault is there, sexual assaults are there. We do have a category of offence called other offences against the person, and in there we chuck in the kidnaps, because they do not happen very often, we chuck in the robberies, because they do not happen very often, and they do not drive public policy at the moment, and they do not drive public interest. That is the difference.

Mr ELFERINK: We have more robberies than murder.

Mr JACKSON: No question, and thank goodness that is the case, but when look at the number of assaults, you have 1458 assaults in the last quarter; you had 32 robberies. It was a materiality issue for us.

Mr ELFERINK: Without engaging in that, the way you report them, is that part of a national agreement? Do other jurisdictions report crime the way the department of Justice does?

Mr JACKSON: No, other jurisdictions not only count them differently, they report them differently as well. If you look at another jurisdiction's reporting on crime statistics, you will see they are radically different from what we do. As a jurisdiction we are probably very conscious, much more conscious than other jurisdictions in trying to map back to the ABS classifications.

Mr ELFERINK: Do other police forces report in that ABS format?

Mr GORDON: Other police forces do report in that ABS format, different counting systems, but they will say - and it might be aggravated assault, they will group certain offences under aggravated assault so it is aggravated assault male on female, aggravated assault weapon, all the different types.

Mr ELFERINK: Depending on the legislation of the jurisdiction?

Mr GORDON: They are grouped against like codes. Again, we work closely with the department of Justice and national statistics organisations to make sure that we are mapping the same. So if the department of Justice provide reports to ABS, they are mapping against the same codes police map against, because we are all getting it from the same data set. One of the advantages we have in the Northern Territory, over many other jurisdictions, is we have the integrated justice information system, IJIS. Because police, courts, prisons and the department of Justice are all using the same system, we map our offence codes very similarly; we all input into the same system, so we are all partners in that system, so we are actually more closely aligned than any other jurisdiction.

Mr WESTRA Van HOLTHE: Do you use IJIS to, gather data for your reporting in your annual reports, or does it all come from PROMIS?

Mr GORDON: IJIS is also part of a reporting set, and we use IJIS in some of the ABS reporting, but most, with the previous commissioner, we used PROMIS because it gives us a wider set of data. As you would know, assaults might be reported but never end up in the IJIS system because Peter Gordon, as the victim, decides he does not want to proceed. It does not mean the assault did not happen, we just cannot prove it in a court of law, so we do

not proceed to IJIS. The richer data set is in PROMIS because we get thousands of phone calls all the time and initially we classify them; it might be reported as a domestic, but when we get there it is actually two mates having a fight over the football and it is just a disturbance. We have confirmed incidents. PROMIS is a richer data set and it gives us a lot more information. When you are in PROMIS, as you would know, once you have confirmed what an offence is and if you identify offences, there is further information put in, so that is how we get the rich data set that we have.

Mr WESTRA van HOLTHE: So you use the confirmed incident type for one data set, and then you use offences for another data set?

Mr GORDON: Yes.

Mr GUNNER: I believe the commander repeated an important point earlier about the fact we are talking about the same data set for both police and the Department of Justice, and whenever we collect data there is always a number of ways to interpret it, which I believe creates healthy policy debate and decisions. One thing I wanted to ask you about: you mentioned earlier about some of the problems with reporting quarterly because of fluctuations in the way the jurisdictions work. I am interested in more information about that. And are we the only jurisdiction that reports quarterly?

Mr KELLY: Graham Kelly. I cannot tell you what the other jurisdictions do; Richard might be able to give you some advice on that. In terms of quarterly reporting, one of the things it does for us, because our numbers are so small they are quite volatile and, in some cases, you might have an increase in offences in one quarter of five, six, seven or whatever, and there is a 300% increase in terms of the percentage variation, which looks really bad - when the reality is that it is not. Over a 12 month period some of those bumps smooth out. One of the difficulties we have is we create, to some degree and in some respects, community angst about some issues when it is probably unnecessary. If I was to make any recommendation, one of the things I would suggest is that we go to six monthly or 12 monthly reporting, or have a time period which irons some of those bumps out.

Mr GUNNER: Greg or Stephen, do you have anything to add to that?

Mr JACKSON: Stephen Jackson. I would certainly concur with Assistant Commissioner Kelly that quarterly reporting creates anomalies for us and that is because of our relatively small populations. If we produce a quarterly report on Katherine, for example, we only have approximately 9000 people living in the town, which is a relatively small population, and the numbers will fluctuate from one period to the next, which can be a source of concern.

Whenever I present statistics to the community in Katherine I will always give them the quarterly publication because that is there, but I will always give them the five and six year, eleven year outlook, to show them what has happened annually over the years. From my viewpoint, we are at some risk in introducing quarterly statistics for small population centres.

Mr GUNNER: Are we the only jurisdiction that produces reports quarterly?

Mr JACKSON: We were the first jurisdiction to report quarterly, and the Bureau of Statistics in New South Wales picked it up after we did, so they currently report quarterly. Their reporting quarterly can be quite meaningful because their population centres are 50 000 to 80 000, they are as big as the whole of the Top End; whereas we go down to Nhulunbuy where there are 3000 people and the statistics are up and down like the proverbial yo-yo.

This comes to an issue which was raised only last week by the Attorney-General who asked us to review the frequency and scope of reporting our statistics. It is timely to have a look at that because the Australian Bureau of Statistics has brought out a revised classification, so you poor souls are having trouble this year, wait until next year comes along and you try to do comparisons, because they have changed the way they are classifying many offences, and the groupings of offences have changed.

Mr GUNNER: So the ABS is changing its reporting?

Mr JACKSON: Their reporting structures drive ours, as you could see if you looked at our reporting structures. We are looking now, and we are investigating this with our colleagues in police, to see how we can move ahead to adopt the new ASOC classifications and to improve our disclosure to the community and the policy makers.

Mr CHAIRMAN: You use a different database to get the percentage of domestic violence victims, why do you not use the same basis as the police do? You use just assaults, they use offences against the person. Why do we not just keep that the same?

Mr JACKSON: Predominantly, it is a historical thing. The police have only just started reporting on these domestic violence in the last two years, we have been doing it now for some several years. The community interest was, at that time when we started doing this, a high level of assaults, why was there such a high level of assaults, what factors are contributing to assaults? The drivers from the community, the drivers of policy, was assaults. If you look at the assault figures – the assault figures run at around about 5500 assaults reported in one year, and around about 300 other offences against the person. The materiality is with the assaults. They are 95% of the offences against the person. To add and to close that, and we know, and police know, that the accuracy of that information on assaults is very sound, whereas if we look at some other types of offences, it is not as sound.

Mr ELFERINK: That is because of the group – the size of the group?

Mr JACKSON: Yes, much more material. Assaults swamp the whole thing, they colour the whole thing.

Mr CHAIRMAN: So what do you do with your statistics when you are finished? Are they just sort of there for people to look at, or are you proactive with your statistics and go out and tell the government, well look, there are some major issues in this area, etcetera?

Mr SHANAHAN: If you go back to the example about reforming the DV legislation, we, as an agency, look up the *Criminal Code* and those types of acts which deal with offences. So, if we see a trend in a particular area, or if it becomes a concern for the community, we will go back and rely on our statistical base to inform government policy on what the responses might be, what the issues might be.

We work closely with the police, and they also get to see the final – well, they work on us in developing the legislation, but also seeing the final version of the Cabinet submission, so if they want to add something about some of the stuff we do not include, they get an opportunity to add their bit as well.

But, generally speaking, we will always go back to our source of information to get that data to inform government policy. We can actually break it down below what we publish, and so we often go and ask questions of Stephen out of session, which drives him mad, but he still comes up with all sorts of answers for us based on the type of issue or the mischief that we are trying to address.

Mr CHAIRMAN: Do government departments also come to you, or you go to them and say, for instance, FACSIA, do they deal with you or the police in relation to some of these issues?

Mr JACKSON: FACSIA drive us mad, to be honest, Mr Chairman. We are closely related to FACSIA in terms of the emergency response, in terms of remote service delivery to do with remote communities; in terms of alcohol supply into the Territory.

Mr CHAIRMAN: Can you break those domestic violence figures down into fairly greater analysis? For instance, was it alcohol related, or was it male against female; female against male; where was it in relation to the Northern Territory, etcetera?

Mr JACKSON: Some things are relatively easy to do, thanks to the great data that the police provide us with. We can identify a DV offence that has also got alcohol involved. That is easy to do. We can identify pretty well where the offence took place because of the police recording mechanisms. So that sort of stuff we can do.

When it comes to males assaulting females, well there is actually a very specific offence called male assault female, and if that offence is recorded, we can identify whether it is DV-related or not. But there would be a broad spectrum of other offences where males are assaulting females, and it would be classed as an aggravated assault. Unless we looked at the victim data, so we introduce another complexity now, but the victim data will tell us who the victim was.

Mr ELFERINK: A few more questions. I notice at the end of every set of numbers produced by the department of Justice – these are the statistics usually at page 109-110, depending on the issue - there is a notation that 70%, or 69%, depending on the issue, of assaults go unreported in the back of crime statistics when they are released quarterly. How do you know 70% of assault offences go unreported?

Mr JACKSON: I think it is actually 25%, but I am looking for the ...

Mr ELFERINK: No, that is the house break-ins. It is around page 109-110.

Mr JACKSON: Yes, unreported offences. I beg your pardon, you are quite right, 69% of assault offences not reported to the police. This is on the basis of a survey conducted by the Australian Bureau of Statistics.

Mr ELFERINK: I believe A C Nielson produces that survey, is that correct?

Mr JACKSON: No, it is not. They used to do a survey for the police. The Australian Bureau of Statistics are very closed-shop about the survey they conduct, so I am referring to the survey conducted by the Australian Bureau of Statistics.

Mr ELFERINK: That is done in-house?

Mr JACKSON: That is done in-house.

Mr ELFERINK: That is where that number comes from?

Mr JACKSON: That number is from their figures, and it is not a Northern Territory figure, it is a national figure.

Mr ELFERINK: Again, I appreciate that. That is quite clear. In fact the very first issue that was raised and it was adjusted accordingly. I will go to the police. A C Nielson I think is

the one that does the satisfaction, or the fear of counts, one of your performance measures. People over the age of 15 get surveyed, how safe do you feel at home during the day – that is the A.C. Nielson stuff, is that correct?

Mr GORDON: I believe so, yes.

Mr ELFERINK: Is that a national survey in which the Northern Territory is included, or do they survey the Northern Territory specifically and then give you those numbers? They must do, I suppose ...

Mr KELLY: It is a national survey, and it is done on a state basis. We are able to say, from that survey based on previous years, whether there is a variation up or down for EMT. Again, the survey sample size in the Northern Territory is extremely small.

Mr ELFERINK: How small?

Mr KELLY: I think it is about 2000. It is done by telephone, which obviously skews the result in the Northern Territory. Rather than look at it from the point of view of being a hard and fast thing that is ridji didj, if you look at it from the point of view of it giving us a good indicator compared to previous years, then it is probably a reasonably satisfactory measure. Ideally ...

Mr ELFERINK: Yes, but the perception questions 'how do you feel' rather than these sorts of numbers, should say how actually safe you are. The Northern Territory Police is provided with those results in what form? As they appear in the annual report, or are they more comprehensive?

Mr KELLY: I would have to ask Mr Mu. They are produced on an annual basis apparently, and then we take the information out about the particular issues we are using as a performance indicator against Budget Paper Three.

Mr ELFERINK: A C Nielson produces a report, maybe for all the jurisdictions they surveyed – if Mr Mu wants to come forward, it might be easier.

The report produced, Mr Mu I presume, it says: we have checked New South Wales, Tasmania, Western Australia, Northern Territory; these are the results for each jurisdiction. Is that basically how you come to the format?

Mr MU: The survey is run by A C Nielson as you rightly said, but it is a survey based on the perception of the people, and the survey is currently under review at this stage because some jurisdictions feel it is not relevant any more. For example, New South Wales is unwilling to contribute funding for the survey so is looking for alternative survey mechanisms to produce these results. What I can say is the result is available through A.C. Nielson to each of the jurisdictions who supplied funding for the survey and police get the report out of it.

Mr ELFERINK: Have we got the last one?

Mr MU: I believe the last one was probably produced last year.

Mr ELFERINK: For the annual report, I presume?

Mr MU: I am not familiar with that because that is run by a separate section within the police.

Mr ELFERINK: I was just wondering whether we are in a position to table the information given to the police force as a result of that AC Nelson survey.

Mr KELLY: Not immediately, but if we can get a hold of it and provide it, yes.

Mr ELFERINK: I would appreciate that. Thank you. No more questions Mr Chairman.

Mr CHAIRMAN: Are there any other questions?

Mr WESTRA VAN HOLTHE: I want to quickly ask in relation to mandatory reporting. What changes, if any, have there been in domestic violence reports since mandatory reporting came into being?

Mr KELLY: Anecdotally, I believe we probably had a slight one. One of the issues we were concerned about, as were some of the other agencies, was that we would have a landslide of additional reports that we would not have otherwise got.

There is, I guess, a couple of things we can say about that, but we are reasonably happy we are getting perhaps a few more, but we are also reasonably happy that we are probably getting a good mix of reporting.

I do not believe that we are getting everyone. That would be naïve. I believe there are still many more out there that we probably could be getting, and we obviously would hope that people take their responsibility seriously and get that information to us.

Mr WESTRA VAN HOLTHE: Have you prosecuted anyone for breaching their obligations with regards to reporting?

Mr KELLY: No.

Mr CHAIRMAN: Of course we also have more police, either Commonwealth police through the intervention or an increase in police numbers in the Territory. Has there been any relationship between the increase in numbers in policing in outlying areas as in relation to any increase in domestic violence?

Mr KELLY: Yes, and I guess it is a fair point to make that it is not only domestic violence matters but in other matters we have seen a rise in some areas because of the presence of the additional police. We have got 18 police stations that we did not previously have, and we have boosted the numbers in seven police stations, or six police stations, to give a better capacity in those police stations in remote areas as well. So, you add to that the increased numbers of police over the last five or six years and there is a fair bit of grunt out there that we did not have previously.

Mr CHAIRMAN: Something you mentioned before about the reporting of those offences; how we have one lot of offences reported slightly differently so Darwin and Alice Springs is reported through the ICAD system and the PROMIS system, would it be better to have the entire Northern Territory under the one system - ICAD and PROMIS - or just a straight line to PROMIS? Would it be better to have a uniform system across the board?

Mr KELLY: That would be the ideal, but I believe it is probably something that is not achievable.

Mr CHAIRMAN: Which system is better – the ICAD and PROMIS or ...?

Mr KELLY: Well, PROMIS serves a purpose very well. We are probably, I would have to say, in a better position than many other jurisdictions in terms of our capacity with our PROMIS data system. ICAD is used for an alternative purpose, and that is to immediately take information and then dispatch it. So, it is a computer mechanism that is used to help support dispatching of high volumes.

One other thing we have done recently, as you may be aware, we have changed our call taking to Darwin and the information reported from Alice Springs gets reported into the ICAD system which allows Alice Springs, using the same system, to take that information directly off the computer immediately and dispatch from Alice Springs; so we have started creating a network and we are considering the possibility of doing the same thing in Katherine to help improve service delivery in Katherine and responsiveness to calls for assistance in the Katherine area.

Would it would be nice to have it all over the Territory, sure, but the radio infrastructure that would be necessary to do that is just beyond the capacity of the Northern Territory to pay.

Mr ELFERINK: One last question, can you, Assistant Commissioner, Superintendent, or Commander Gordon at the moment?

Mr GORDON: Acting Commander.

Mr ELFERINK: Acting Commander Gordon, can you provide for me the raw numbers, so that I can satisfy myself that I am comparing apples with apples, of the number of domestic violence victims for the last four financial years? I know you probably cannot do it now, but can you provide it to the committee by e-mail or whatever in a reasonable time?

Mr CHAIRMAN: Do you want that as a question on notice?

Mr ELFERINK: Yes, a question on notice.

Mr CHAIRMAN: I will make that question No 2.

Mr GUNNER: Did question No 1 ever happen?

Mr CHAIRMAN: We will let it go.

Mr CHAIRMAN: Do you want to make sure that Maria has the question?

Mr GORDON: A point of clarification, are you looking for the number of domestic violence orders the police have done, or the number of reported domestic violence, we get a complaint of domestic violence, or offences against the person that are domestic violence?

Mr ELFERINK: The one which produces the number of family violence victims' percentage down the bottom, whatever that one is, please. As long as I can track back with a set of numbers on the victim, year in year out, over about four years.

Mr WESTRA van HOLTHE: Just a couple for the gents from DOJ. You mentioned earlier that you make policy recommendations to the government based on statistics over time, that is correct, I believe I heard you right there. I believe you are also alluding, in saying that the longer term statistical trends are a better way to look at statistics, rather than the short-term fluctuations?

I am going to use the Katherine figures because I am familiar with them. Over your last quarterly crime and Justice figures, it said that the assaults in Katherine per quarter from, I believe it was 2003 or 2004, have gone from 112 up to 202, which is probably an 80% jump over that period of time. So you would get a reasonable indication that crime, or assault or violent crime in Katherine is increasing and not subject to seasonal variations when you look at those figures. Would that be a fair comment?

Mr JACKSON: It is certainly a fair comment. On a quarterly basis, the level of assaults recorded by the police were 202 in the last quarter, and if we went back to the same quarter the previous year, September quarter 2008, they were only 110, so there has been an increase over the last 12 months.

Mr WESTRA van HOLTHE: I believe those figures also go back a few years?

Mr JACKSON: They do, indeed. If you went back to the September quarter in 2007, there were 112 in that particular quarter.

Mr WESTRA van HOLTHE: 2007.

Mr JACKSON: On an annual basis, the stats this year, for the last 12 months, were 695 in the 12 months to the end of September, compared to 501 the previous year. The police may want to offer their observations as to why that has gone up, I do not know if there are any insights there.

Mr WESTRA van HOLTHE: The question I have is that, when you make policy recommendations to the government regarding assaults and how it might deal with it on a policy basis, do you just throw a blanket over the whole Northern Territory and say, look, assaults are going up slowly, they are not really doing much, you do not need to worry too much, or do you focus your areas of attention and say, well, excuse me, Chief Minister, but the crime rate in Katherine is rising astronomically, can we have a focussed policy on that particular region to try to solve the issues there, or is it just a blanket?

Mr SHANAHAN: Obviously, police do that on a daily basis, in terms of tracking where their issues are. We do it in terms of some of our community safety planning and our alcohol management planning. We take account of that and we look at where the serious areas are, but in terms of creating offences under some of our general statutes, our criminal law statutes, we would not differentiate.

You look at your overall policy settings and then you look at how that applies in the different regions, then you look at what measures you could put in place to try and address those issues. I know, for example, police are ...

Mr WESTRA van HOLTHE: I am not only talking about offences, I am talking about – you might recommend changes to legislation, but you also are providing policy suggestions or directions to government. If there is a problem in Katherine or Alice Springs or somewhere else, does that form a separate part of any policy recommendations you might make?

Mr SHANAHAN: In Katherine, for example, we have the interagency tasking coordination group.

Mr WESTRA van HOLTHE: Yes.

Mr SHANAHAN: These figures get fed into that. If we know there is a rise in assaults or the alcohol management planning stuff, and we know there are some issues around

antisocial behaviour, we will engage with police and other agencies within the community to look at measures we could put in place to address that.

Mr WESTRA van HOLTHE: The interagency tasking and coordination group is a result of coordination between DOJ and the police, or has that come from the Northern Territory government as a policy statement?

Mr KELLY: It originated out of government's antisocial behaviour strategies a couple of years ago. There were a range of things to be implemented by a number of different agencies, primarily around antisocial behaviour and community safety. What we did was establish the interagency tasking coordination groups, which are chaired by the Police Commander in Darwin, Alice Springs and Katherine.

We have actually established one in Tennant Creek and Wadeye, and we are using the same model for remote communities now as well; we have just started that process. The intention was they get together and come up with problem solving plans to implement the sorts of things we wanted to happen across the board so all of the agencies basically contribute. The problem solving plan might involve three or four different agencies with different aspects of the solution. That cannot operate on its own obviously because there is a need for broader assistance. They can get a problem they cannot deal with because they are not funded for, or it is beyond the capacity of the different agencies.

What sits above that is a community safety working group, which is chaired by DOJ, and which also provides a secretariat for the interagency tasking coordination group. It provides a bit of a hierarchy and they sit over the top, and they are deputy level agency staff. The idea with that is to make sure there is coordination, and if there are some barriers or there are things we need to do to help the local people implement their plans, or if there is a shortage of funds or something that we might be able to shift from somewhere else.

That is at a high enough level to be able to make some adjustments and recommendations about how they might do things, and help facilitate those groups making stuff happen on the ground.

We have a mechanism to be able to provide advice and make recommendations to Co-Ord from that community safety working group. In terms of being able to make stuff happen, there is a pretty significant capacity to attempt to move things forward. It also means there is an advice loop, and there is a feedback loop in the process so Co-Ord can give us directions about some things they want achieved, which we can use the interagency tasking coordination groups to do.

That community safety working group also provides guidance and oversight to a range of other multi-agency working groups that are implementing policy and trying to put things into practice, if you like, getting the rubber on converting policy into practice. That mechanism is there to provide information up and down, and because those mechanisms are there, issues can be identified reasonably easily and reasonably quickly fed into places where we can get some solutions to them.

I do not believe we have hit any real hurdles yet that we have not been able to resolve, some of them being quite difficult to resolve, but I believe we have got some good outcomes across the board. I do not know whether answers your question, but what I am saying is there is a mechanism there for that advice to come up and down and for things to be done on a local basis, supported and helped by the central hierarchy of different agencies, and that is all across government, across the board.

Mr WESTRA Van HOLTHE: So the solutions are more likely to be driven from a local level?

Mr KELLY: Yes, that is specifically the intention.

Ms SCRYMGOUR: Maybe this question is for the Department of Justice. Stephen, with the statistics you were going through and the percentages, I heard you saying that FACSIA was driving you crazy with statistics, has the Department of Justice and FACSIA been able to narrow down or look at the migration for communities into your main urban centres - Darwin, Alice Springs, Katherine, Tennant Creek - has that work occurred?

Mr JACKSON: It has not occurred between my area and FACSIA, but FACSIA were negotiating with Centrelink to look at getting information about movements.

Ms SCRYMGOUR: The percentage of domestic violence and non-domestic violence incidences which both police and Justice deal with, what portion of these offences are alcohol related?

Mr JACKSON: Over 40%.

Ms SCRYMGOUR: Over 40%? And that is in all of the major centres?

Mr JACKSON: The average for the Territory is over 40%.

Ms SCRYMGOUR: So if we looked at the 12 months to September 2009 across Darwin, which has 65.8% of domestic violence incidences in the Northern Territory, so that is across the balance for the Northern Territory, we can safely say are alcohol related? Would the police say that most of the cases they are attending are alcohol related?

Mr GORDON: I would suggest it is higher than 40%. Alcohol plays a major factor in almost all domestic violence cases we are called to.

Mr CHAIRMAN: Do you actually record that when someone goes to a place and can smell alcohol or see beer cans around, do you make an assumption it is alcohol related?

Mr GORDON: Much of it is the constable's perception.

Mr CHAIRMAN: He would have a good idea if he is on the beat often.

Ms SCRYMGOUR: You normally know if someone is intoxicated; so that is recorded if the police are called to an incident, and clearly you will be able to tell if the person is intoxicated and that gets noted?

Mr GORDON: There is a field in PROMIS that we complete to say it is alcohol related and, again, in PROMIS there is a number of fields we fill in that records everything from your date of birth to your hat size, everything. When we go to say it is a domestic violence related offence there are certain fields in it we complete, and it is the same if it is alcohol related, we record as much as we can but sometimes it is a balance between recording information and slowing up the police response. As one of your panel members could suggest, the PROMIS system is a fantastic system for police, it gives us fantastic statistical reporting, really good for the management of major cases and incidents - it is a great system - but you have to feed it, which means that someone has to sit there typing information in, and that is the downside of PROMIS; there is a policeman, or a police auxiliary, or a public servant sitting at a desk typing that information in, it has got to get in somehow.

Ms SCRYMGOUR: It is even harder when they are a copper in a remote area.

Mr GORDON: It sure is.

Ms SCRYMGOUR: Talking to some of the coppers in remote communities, just trying to keep law and order in the community and then having to report. So, is that the same as well for the non-domestic violence cases where you have a high percentage of violence throughout the Northern Territory, that a good percentage of that violence is alcohol related?

Mr GORDON: A large proportion of it, and I would say the greater proportion of non-domestic violence assaults are alcohol or drug related. Alcohol is right across Territory culture, it is something that impacts on everything. We record it against most offences that we record. So, if someone steals a bike and alcohol was a factor, we will record that alcohol was a factor.

Ms SCRYMGOUR: In stealing a bike?

Mr GORDON: In stealing a bike, in unlawful entry; so we try to record that statistic to get a good grasp on alcohol-related offences.

Mr SHANAHAN: Can I add something. We also collect data from our business, and, in about 80% of cases, they say that alcohol is involved in their crime.

Ms SCRYMGOUR: Where do you put that in there?

Mr ELFERINK: I think that is probably closer to the truth.

Ms SCRYMGOUR: Where do you publish that? If alcohol is one of the factors, and we all know you do not need to be a rocket scientist not to know that grog is a major factor in domestic violence; non-domestic violence cases. Where is it published, do you break it down even further from there?

Mr SHANAHAN: No.

Ms SCRYMGOUR: If that is the cause behind these statistics going up, where do we publish that, to tell ...

Mr SHANAHAN: We do not do a regular publication ...

Ms SCRYMGOUR: Well, if grog is the major cause behind this, why aren't we ...

Mr SHANAHAN: I am just trying to think where I have seen it published.

Mr GORDON: There is an organisation called DUMA – Drug Use Monitoring in Australia. They produce a report annually. I could probably chase down a copy of the last DUMA report for you. The Northern Territory actually subscribe to DUMA, so we have researches coming into our watch-houses and prisons, interviewing prisoners to say, before you committed your last offence, did you drink, did you take drugs, how much did you drink, things like that. As Mr Shanahan said, probably 80% of people in custody when they do the surveys, and they only do odd spots, they might do it for a week and then come back six months later, probably 80% have drunk up to 10 or 12 alcoholic drinks before they commit their offence. It is quite frightening the statistics that come out of – and this is offenders in gaol, in custody - telling the researches what they have drunk.

Mr CHAIRMAN: We could probably get a copy of that.

Ms SCRYMGOUR: What is it, Drug Use Monitoring in Australia?

Mr CHAIRMAN: Any other questions?

We have covered a fair bit of ground today. We will probably have to go back and read some of what we have said today, but you have clarified some things for us. I mean it has been difficult with the changeover in the method of reporting from offences to victims, and we had to understand where that was going, plus we had to understand why the figures from DOJ are slightly different than the figures from the police, but I think it has been important that we have gone through that as well.

Again, I say it is important the council does raise these issues. The member for Port Darwin raised the issue, and I believe it is good that the public can attend these meetings, and the media, and find out firsthand what the story is from the police perspective and from the Department of Justice.

Thank you all very much for coming and we appreciate the information you have given us today.

Mr CHAIRMAN: I would like to welcome Mr Bob Beadman, NT Coordinator-General for Remote Services, thank you for coming today.

I declare open this meeting of the Council of Territory Cooperation and welcome the witness who is appearing before the council to provide information in line with the council's terms of reference. This hearing is open to the public and is being recorded. A transcript will be produced and will be available to the public. In certain circumstances, the committee may decide that evidence or part thereof can be taken in camera and remain confidential. Please advise me if you wish any part of your evidence to be in camera, but I remind you that this is at the discretion of the committee. You are reminded that evidence given to the committee is protected by parliamentary privilege. For the purposes of the *Hansard* record, I ask that you state your full name and the capacity in which you are appearing today. I also ask that you state your name each time you speak.

Mr BEADMAN: My full name is Robert John Beadman and I am here in the capacity of Coordinator-General, Remote Services.

Mr CHAIRMAN: Thank you. Bob, as you know, one of the tasks of the Council of Territory Cooperation is to look at *A Working Future*, so you are obviously a good person to have come along to help us with our task. Would you be able to give us a bit of an overview of how you came to be the Coordinator-General and what the role of that Coordinator-General is?

Mr BEADMAN: I suppose the short answer is, I was asked to take the function on. The long answer is that, I suppose I have been around so long in the Territory and other places, with Indigenous affairs and public administration, in the Commonwealth and in the Territory government, that people thought that I might be able to get hold of what was envisaged in this role.

Mr CHAIRMAN: What do you see your role is as a Coordinator-General? Is it just for this Remote Services, or is it Coordinator-General for *A Working Future*?

Mr BEADMAN: Well, *A Working Future* and Remote Services go hand in glove. Maybe I need to go back a little by way of explanation.

The Council of Australian Governments entered into a range of agreements with state and territory jurisdictions. One of them was a remote service delivery agreement. Many of them were about closing the gap on Indigenous disadvantage and, as part of that process, the Australian government identified 29 sites around Australia for priority attention, 15 of them in the Territory, and I imagine, I was not in government then, that the Territory government looked at the map and decided that, from a Territory government viewpoint, there were some gaps. They have added some communities, added some additional wrapping in a package called *A Working Future*. There are 20 sites in *A Working Future*. There are 15 sites in the Remote Service Delivery Agreement with the Commonwealth. The Commonwealth also laid out some additional coordination mechanisms which would apply to those 15 sites. Of the 29 around Australia, 15 being in the Territory – obviously the lion's share – the Territory Government no doubt took a position that it could well do to have its own coordinator general rather than have a Commonwealth man telling the Northern Territory Government where and how they might better go about their business. I was appointed to match what their Commonwealth man does.

Mr CHAIRMAN: Who is the Commonwealth man?

Mr BEADMAN: A chap by the name of Brian Gleeson. The states have appointed coordinator generals too, but their style is a little different. They are invariably full-time existing public servants, probably in the premier's department at deputy level, who have had this function added to their existing duties. I am entirely different; I am outside government, stand alone, and have more freedom, I believe.

Mr CHAIRMAN: Your role now – you put together this report?

Mr BEADMAN: In an appendix to the report is my letter of appointment by the Chief Minister. It lays out the government's expectations in the role I will perform. In essence, it is to take an arm's length independent view of what is happening through agencies, how they have geared up to deliver on the government commitments at this national partnership agreement level, eliminate overlap, eliminate or identify gaps, identify systemic problems in the way governments go about business, but not to supplant what those government agencies are doing on the ground.

Mr ELFERINK: Something like a departmental auditor, to make sure everybody is producing a service which is not being replicated.

Mr BEADMAN: Departmental auditors do not get the opportunity to bring an independent report into the centre of government which has not gone through some filter process.

Mr ELFERINK: I will rephrase it, like the role of an auditor-general.

Mr BEADMAN: Perhaps.

Mr CHAIRMAN: Could I ask a general question – 20 towns were picked. Have you had any say in that, or has the government decided your job was to make sure those growth towns will be growth towns?

Mr BEADMAN: That was done before my appointment. Those communities were identified on the day my appointment was announced. I have had no input into the selection of those places.

Mr ELFERINK: Are they appropriate?

Mr CHAIRMAN: That is what I was going to ask. There are several sites in the Territory such as Daguragu and Kalkarindji and two towns on Groote Eylandt; they are quite close together. I have said before, publicly, I believe in the case of Mount Isa and Kununurra, and maybe to some extent, Tennant Creek, perhaps we should have included some of those places not in the Territory that many Northern Territory people relate to such as Alpururulam to Mount Isa, and people who live west of Timber Creek, many relate to Kununurra. Have you basically accepted that is what is going to happen, or in your travels around, and in your report, said to the government these may not be appropriate, or we might be duplicating, or is it said this is what has been decided on, let us move on from there?

Mr BEADMAN: I have taken the 20 sites identified in *A Working Future* as a given. I think they are all appropriate. I think the Territory has pushed the envelope a little in relation to what had been previously agreed with the Commonwealth. The 15 sites in the remote service delivery agreement are all on Aboriginal land. The Territory Government has gone beyond that and identified places as you have mentioned, Daguragu, Kalkarindji. Kalkarindji is not on Aboriginal land, Elliott is not on Aboriginal land, Borroloola is not on Aboriginal land. In terms of coverage of the map, I believe everyone, or most people believe that perhaps there is a gap to the north-east of Alice Springs, but so is there a gap in there being a fully fledged community that might have taken on that mantle. Alparra is mentioned as perhaps being an option, but a short examination of the history of that place reveals at that point in time it was an outstation resource centre. It has probably outgrown that status now, throwing up the question of: when does an outstation become a community?

Mr ELFERINK: That is Harts Range, is it not?

Mr BEADMAN: Well, it is north of that, but it would have served that broader area and Ampilatwatja, Harts Park Range. So there has been ministerial correspondence that recognises that gap and looks towards perhaps doing something in the next tranche, but no agreements at all, and the next tranche is mentioned in many documents suggesting that these 15 or 20, depending on whether you are talking to remote service delivery townships or Working Future townships, are not the end of it, I would hope, but when people are satisfied that infrastructure build-up, private sector market build-up, employment take up has reached a satisfactory level, whatever that might be, then we will move on and prioritise expenditure in some other locations and try and bring them up to scratch, too.

Mr CHAIRMAN: I was just going to ask about – and I will give you a particular case that worried me – Lajamanu is regarded as a growth town, now Lajamanu is a long way from anyway, and people at Amanbidji, Bulla – I mean, if someone said to me that is going to be their centre, I would be going: ‘Why should it be their centre?’ That is why I mentioned Kununurra, the Federal government has just spent or is going to put, I believe, \$225m into upgrading Kununurra services and schools because of the Ord River Stage 2, so here you have down the end of a major highway high schools, hospitals, employment etcetera, but we do not seem to take that into account. The same with Mount Isa, which has a large mine, high schools, some of the communities in that area all relate to one another and play footy there and go shopping there. Do you think we should be looking at some of those places, because if we are looking at economic growth, looking at better education and health services, if some of those are already there and being expanded, should we be parochial and say: ‘Sorry, Amanbidji people, but Lajamanu is your new growth town and that is where we are going to centre all the facilities’?

Mr BEADMAN: I would reverse the question and ask whether or not you could have left Lajamanu off the map? Of 15 priority locations around the Territory and given its population and, as you state, given its distance out and the logistics of accessing services from somewhere else, it is a perfectly legitimate inclusion. What you have raised, though, is another dimension again, and clearly you will never have a fully fledged hospital or university

or international airstrip at Lajamanu; you might be looking in turn to go to a larger regional centre for those sorts of services. But in the end economies of scale are going to dictate the end extremity to which governments are prepared to spend at localities. But in terms of the area that Lajamanu services, the outstations it services, the mobility of Warlpiri people through that part of the world, I believe it was a perfectly legitimate inclusion, and would have been a glaring omission were it not in there.

Mr CHAIRMAN: I was not actually saying it should not be in there, because when you draw those circles around your maps, they are just circles and they do not always relate to practicality. In other words, really, some of those people would go to Kununurra, they would not go to Lajamanu. Because we are just drawing very geometrical circles around these places when in actual fact you have to look at the people who are in that area that would relate to Lajamanu, and they will relate to Lajamanu, but other people will relate to different areas.

Mr BEADMAN: Court service, for example, they are not likely to go to Kununurra for a cyclical court hearing, are they?

Mr CHAIRMAN: That is not such a silly idea, considering the agreement we now have in the Pitjantjatjara lands in relation to policing which goes across borders, and courts which go across the borders. I believe they are issues which need to be looked at, but that is another area. I do believe that we should not mark borders down and say we will just do our bit inside, when over the other side of the border there are facilities that we can use for the betterment of the people who live in that area.

Mr BEADMAN: The lines on the map there were designed to show the distances from the centres that were selected and give the reader a feel for how many people are within that radius. Whether or not they go elsewhere for their services is another issue. But in terms of government trying to provide the maximum level of services to a locality that will capture the maximum possible population, I believe a pretty good job has been done.

Ms SCRYMGOUR: Can I suggest, in terms of cross-border, particularly in that region you are talking about of Kununurra and that migration from within the Timber Creek region – there is already a good model within the health and medical area, where services and that sort of infrastructure is already provided. It has been worked out with the Northern Territory and Western Australian governments and those organisations because of that migration across the border. That is a potential model to look at.

Mr ELFERINK: I have a couple of quick questions. In your role as the Coordinator-General, are you satisfied, within the Northern Territory's jurisdiction, that is, its departments, that you are being well received and responded to effectively?

Mr BEADMAN: Yes, I am, and I would go further and say that I am surprised, I suppose, at the readiness of agencies to recognise that this is, indeed, a new approach, that this warrants some restructure and redirection of effort, reprioritisation of how you allocate resources and gearing up, some changing of mentality ...

Mr ELFERINK: You would be grateful, in some respects ...

Mr BEADMAN: I believe that is true. I really do believe that is true. I believe that most people have got to the position where there was a recognition that something dramatic needed to happen, and it is happening and they have grabbed it.

Mr ELFERINK: The letter of transmission referring to your authority from the Chief Minister, of course, is limited to his jurisdictional capacity. How are you finding your

relationship with organisations outside of that jurisdiction, specifically the federal government departments and, more particularly, the land councils?

Mr BEADMAN: I have not backed off from commenting on activity that was the responsibility of another government and, indeed, there is significant comment in this report about the seriousness with which I view the take-up of employment opportunities has been pivotal to turning around this malaise that we have all observed over the last few years. That squarely falls to the Commonwealth. I will be interested to hear what it says in response to that. I believe there is an effort involved in agencies which have been delivering largesse to toughen up and start delivering some bad news, by way of defaulting, that is going to be a challenge for everyone.

The land councils - I have had some remarks to make in that report about the issue of leasing, again, a pivotal issue. I believe township leasing is fundamental to what both governments are trying to do. I am a little concerned, given the heat that has built up over the roll-out of the Strategic Indigenous Housing Infrastructure Program, SIHIP, that there was a move to leasing housing precincts, which I believe relieved the pressure on dealing with the bigger issue of township leasing, which will not go away because both governments have been very clear in the partnership agreements, and what they have said separately, control of the land on which infrastructure roll-out will occur is fundamental to government's committing that expenditure.

The Land Councils are perhaps uncomfortable with what I have said.

Mr ELFERINK: Yes, this is where I am going. Whilst I know they are not within your jurisdiction or purview strictly speaking, have you had a response from them; have you communicated with them? They are pivotal to the outcomes we seek.

Mr BEADMAN: They had some difficulty with what I had to say at the conference in Canberra. I sought to meet with Kim Hill after that, unsuccessfully.

Mr ELFERINK: How have you gone with the other three Land Councils?

Mr BEADMAN: I have not spoken to them directly; however I have been in the Tiwi Islands and in Groote Eylandt in recent times, and fine. I did seek, earlier, to speak with Dave Ross and the Central Land Council, unsuccessfully.

Mr ELFERINK: Would it be correct to assume that is a resistance to your role from those organisations?

Mr BEADMAN: No, I cannot assume that. Perhaps they were busy.

Mr ELFERINK: Hardly what you would call a fulsome embracing of your role though?

Mr BEADMAN: Perhaps they think it is a highly important role.

Mr ELFERINK: I think it is a very, very important role, and I would hope they would see it in the same light. I am sorry we are busy does not reflect that; but that is an observation on my part.

Ms SCRYMGOUR: Bob, I want to explore this issue of township leasing, and in your report you say leasing is critical. I understand the reason behind having secure tenure. If both governments are going to invest they need secure tenure. What is the driving force between - this is your report from years of observation and looking at these issues – township leasing versus Section 19. It seems you have not seen any leases rolled out, or

the land councils have not operated effectively enough. I know in Central Australia there have been some issues, particularly with SIHIP and trying to get those leases done, but in the Top End in your observation, besides township leasing, surely Section 19 leases have been rolled out where you have had enterprises and other engagements happening?

Mr BEADMAN: Let me put an historical context on this so people know exactly where I am coming from. I was shanghaied into working in Minister Ian Viner's office at the time the *Land Rights Act* had passage in 1976. From about 1978 onwards, in the Department of Aboriginal Affairs Central Office, I had responsibility for it. I was in Alice Springs for four years. I returned to Canberra in 1984 and was responsible for the administration of *Land Rights Act* for ten years. There is no greater advocate for the *Land Rights Act* than me.

It nevertheless has had some perverse outcomes too. As I have said in other writings, it has put barriers in front of the great Australian dream of home ownership, and it creates such a torturous route through Section 19 that few dare to tread. Some people have been persistent enough to stay the course and negotiate leases; it is not a legislative barrier, but it is a legislative maze.

The *Land Rights Act*, of course, followed a system where Aboriginal reserves were put in place. They installed a permit system. Its intention was to keep out the desperados, but it also kept out normal type business migration. So you got to point now in the 21st century where all those townships now have been denied the normal business migration; where each of the councils, whether they were the community government councils before shires, or shires now, have got to fill the vacuum that is left behind and take on a myriad of functions that goes much much wider than the functions taken on by the Darwin City Council.

So it is easy to look at things in that context and arrive at a conclusion that we have got to open up the way to home ownership, and we have got to open up the way to enterprise development.

Ms SCRYMGOUR: Can I just come in there, Bob? I do not want you to think I was saying that you are against the *Land Rights Act* - that is not what I was asking you, and I am well aware of the 30 years of your history. We can have this discussion and this debate at a different time, but I believe that the *Land Rights Act* is conveniently being used as a means of governments getting out of – you touch on about the shires and the community government councils now taking on the purview or the responsibility for postal agencies, for Centrelink – we could go through all that, but is that because of the *Land Rights Act* or is it because of government neglect and government not taking its responsibility for putting those agencies, those established infrastructures, and also staffing, on the ground in those communities? For me, it is not the *Land Rights Act* that has done that, it is governments that have done that.

Mr BEADMAN: That is another point, and I agree with you fully.

Ms SCRYMGOUR: I believe it is a major point, because people use the *Land Rights Act* as having prevented these things from happening on the ground in communities, when that is not true.

Mr BEADMAN: Let me go on and address that point which, I believe in my mind, is another point. Business migration, private sector investment is one thing, government presence is another, and I believe that governments did desert, in the 1970s. In mission times, in government settlement times, you had an iron hand administration that did all of those things that you would expect governments to do in townships of that size, but along came this new idea of self-determination, self-management, which means that we cannot be in there in a doctrinaire way and, mind you, the titles that people carried in those days were

not very convincing in terms of working with people. We had superintendents in communities; we had patrol officers doing the field work, so the nomenclature was wrong, absolutely wrong.

And I believe that contributed to governments believing 'we have to get out of this game and we have got to empower people to take it on for themselves' - but a wholesale withdrawal - I do not think so. A transfer of funds to people who were not ready to take on that range of functions in order to employ your own community advisors or town clerks, and take on that myriad of functions – we all know the results of that through the advent of shires.

So, the Commonwealth government installing government business managers and, in the more recent months, Indigenous engagement officers in communities has been the first restoration of government presence of an administrative kind in those places other than police, education and health since the grand withdrawal of the 1970s; and I believe it should not end there and I believe that there is an overload onto shires and non-government organisations to undertake this myriad of functions on behalf of governments when, in fact, governments need to rethink re-establishing a presence across a whole range of functions out there. Centrelink has opened an office in Wadeye in recent times, probably other places as well, I have yet to catch up – so, yes, government presence, most certainly. Private sector investment and what can spin out of that I see as a separate issue, but related.

Ms SCRYMGOUR: In your report, you say at the outset that, many years ago, the rights agenda rather than the responsibility agenda was one that has left communities in the situation that it is today, so it is pointing at Aboriginal people and their communities, and I am not saying that it is perfect out there. Yes, there are issues and we have got to fix them, but could that not be the same said of the government where the rights agenda was pursued rather than the responsibility agenda, and governments taking responsibility and that trying to catch up with this 30 years later is the reason why we have the backlog that is there today?

Mr BEADMAN: Yes, and I would add that, when I talked of rights versus responsibilities, I do not know what year it was installed, but the department of Social Security, or Centrelink, by whatever name, introduced the remote area exemption. They would tell you that the purpose was to avoid people, for the most part illiterate, from having to fill in this multiplicity of government forms that only governments can produce in those numbers. Another view might be, will it relieve government people of having to assist Indigenous people in having to fill out those forms and make it easier for everybody? The end result was that people could turn up available work with impunity, that once a benefit was extended, they stayed on it for life, unless they energetically themselves got off it, and we have seen all the social fallout from that intergenerational welfare dependency. The remote area exemption was probably installed as, well, people at the time believed it was a generous measure but, of course, it was a destructive measure when viewed over the passage of time. So there was no mutual obligation whatsoever, and I see mutual obligation in the field of responsibilities.

Ms SCRYMGOUR: I have a couple more questions, I will try to get through these. Bob, you talked before about the HOIL program. When you went through that, that is the home ownership on Aboriginal Lands. Do you know how many of those homes have been built on homelands, and not in communities, or urban or remote but, in your travels, if you have been able to get your information out of the Commonwealth, because anyone else trying to get that information, you cannot get that information, so, do you know how many houses on homelands have been built through the HOIL program, because it was that program – I think it was minister Brough, when he was the federal affairs minister of that time federally, he said that that program was going to be amended so that homeland people could access to build their infrastructure. Through my trying to look around and talk to other homeland organisations, they have not been able to get any access to it. I believe \$107m was set aside for HOIL over the four years. Why have homeland or outstation resource centres been

unable to get access to that program, why has it not been successful or been taken up? If that is the case, what does it tell you about HOIL if these organisations this program was set up to get cannot get access to it?

Mr BEADMAN: I do not know the number. I believe that was a program administered by Indigenous Business Australia.

Ms SCRYMGOUR: IBA?

Mr BEADMAN: Yes. I do not know the number, but I would have thought that, unless that homelands or outstation resident was able to negotiate a section 19 lease for the area of the household block on that outstation, then you are not going to get to the concept of home ownership, because you have not got to the question of ownership of the land on which that asset would be built. I am unaware of any such lease arrangements having been done for individual household blocks on homelands.

Ms SCRYMGOUR: Can you tell me the difference between the land tenure - if you look at the growth towns and you look at the land where the homelands are – the difference between the title, because it is all private land?

Mr BEADMAN: At the present time there is no differentiation between the freehold inalienable communal title on which townships sit under the *Land Rights Act* and the land title over the rest of the land trust area over which homelands sit.

Ms SCRYMGOUR: It is all the same?

Mr BEADMAN: Exactly. The difference is in order to get out of that yoke, if it could be called that, has arisen this idea of leasing the enter township and it being held by a government entity, who would in turn issue subleases to these individual household blocks, or shire asset blocks, or whatever. By that method you do get a secure tradable title over the land on which the asset will be erected, and that can get to home ownership.

Ms SCRYMGOUR: On the Tiwi Islands, which you are familiar with, you have the 99 year lease which is under the auspice of the Office of Township Lease, or the executive director of township leases. If you have look at - the whole point of getting a whole of township leasing, setting up a government statutory authority and having an individual do the leasing, the Tiwi Shire is finding it most difficult to get the leases or subleases off the executive director of township leases because of the commercial rates versus the peppercorn rental they were getting through the Land Council. I fail to see the logic here; the land councils had a long term lease with the former community government councils for peppercorn rental, \$1 a year, for services on the ground in those communities. The executive director of Township Leasing in Canberra is charging commercial rental the same as you would get charged in Darwin or other urban areas, where is the economy of scale in that, particularly for shires which have not been funded? To pay these rentals has not been factored into the shire's funding, unless they charge rates, and we know all about the rating situation.

Mr BEADMAN: There are a couple of things I can say, but it is not going to take you to a satisfactory conclusion.

The first is that regime is set up under commonwealth legislation. That legislation had in mind a requirement to repay the funds for the source of funds for the cost of the head lease over the township. That would be recovered by way of the commercial leasing charges which would follow.

Ms SCRYMGOUR: So recouped it back to the Commonwealth did you say, Bob?

Mr BEADMAN: I believe it came out of the ABA originally.

Ms SCRYMGOUR: Yes, ABA paid for the establishment. ABA is also paying for the ongoing cost of the executive director of Township Leasing, so the Commonwealth is having two bites of the cherry here. They are not paying for that statutory office?

Mr BEADMAN: This, as I prefaced, is an issue for the Commonwealth, but I have taken it as far as I could.

I understood the ABA was the source of funds and the longer range plan is it will be squared up, over time, by these charges that will be levied.

In terms of the shire I have, in this report, commented on that case. On the one hand, through Grants Commission methodology, its overall share of the pool of funds has diminished a little recently. I know they are very sensitive that has occurred at the same time as additional, unforeseen charges are being levied by the Director of Township Leasing. I saw an email recently which suggested he is about to reopen those discussions with the Tiwi Land Council and the shires over the leasing arrangements for shire assets.

Ms SCRYMGOUR: One more question, Bob, when we look at *Territory 2030*, and the population, and it does link back to *A Working Future*, and your program, you would be familiar with John Taylor, a researcher. In his report he points to a rapid increase in the Aboriginal population, and those of us who have been around for a long time know the population is increasing rather than decreasing. Before you get to 2030, if you look at that population increasing and the Aboriginal population taking over the non-Aboriginal population -I remember years ago people said it was not going to happen, you only have to look at Tennant Creek to see it has happened. I suppose I was reading your report, and I was wanting to look at the scenario in the bush in 2030; where are we going to, what is that step, is *A Working Future* part of 2030, is the Northern Territory government doing the work now before we even get to 2028?

Mr BEADMAN: I believe it demonstrates, in the strongest possible way, it is imperative we do what we are doing now in the *A Working Future*. In the crudest possible way what you have is an increasing population which is dependent on a decreasing number of workers, and that manifests itself in all sorts of ways. We saw the Commonwealth, in the last budget, extend the maximum retiring age because they obviously fear the welfare side of the budget cannot stand the additional outlays as the baby boomers come in to dependency. We have seen, in the last couple of days, further debate about the pressure which is going to be put on hospital systems around the country. Of course, that is the tip of the iceberg in the Northern Territory. You have identified a much stronger birth rate amongst the Aboriginal people than the mainstream population. What has been further demonstrated is even though the mainstream population is stabilising, there is still a transient element. We have this baby boomer age profile working its way through structures. The end outcome of course is, with the burgeoning generosity of the social welfare side of the budget in last 40 years, and the declining number of working contributors to that, people will not be able to be sustained in the manner in which they have been accustomed. We are going to have to be really serious about encouraging, and even coercing, people out of their lethargy into the productive workforce, into the economy; it is imperative that happens. When that happens you will then start to do something about social outcomes; you will start to do something about the social fabric of the Territory. The reason I am in this role is I believe, for the first time ever, you have all the governments' aligned, all of the appropriate policies aligned, to change the place for the better forever.

So, you identified the birth rates? Yes, they are foremost in my mind as one of the strongest possible arguments that you can make, that the future of the Territory depends on the success of what we are doing here.

Mr CHAIRMAN: There are many questions that I could ask, some of them Marion has already touched on. I might ask a general question first. *Closing the Gap* has a series of targets, and they are to close the gap in life expectancy within a generation; to halve the gap in mortality rates for Indigenous children under five within a decade; to ensure all Indigenous 4-year-olds in remote communities have access to early childhood education within five years; to halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade; to halve the gap for Indigenous students in Year 12 attainment or equivalent attainment rates by 2020; and to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

They are all very fine, and I have heard a lot of statements made in years gone by similar to this. If this is to work, you are going to need a baseline. Is there a baseline which says, 'righto, from this particular day these are the facts' and, will your job be – and possibly our job as a council who will be looking at some of the *A Working Future* as well – to see whether these targets are actually being achieved?

Mr BEADMAN: One would hope so, Mr Chairman. In terms of the first part of the question, there is an enormous effort going on, as we speak, in both the Territory government and the Australian government, with people moving forward on baseline mapping. It is a lengthy and complex exercise, with some tensions along the way too, but that is being done, absolutely being done.

In terms of reporting, both the Australian government Coordinator-General and I are asked to report twice a year, so there will be those reports. The National Partnership Agreements of themselves demand a whole range of other reporting mechanisms too that encumber government's to deliver on those reports. So, I think, over time, you will be able to get some satisfaction about the progress that is being made.

I would make one additional comment, and that is that it worries me that there is too much emphasis on the number of houses, the quality of the powerhouses and all of those infrastructure-type things, and not enough focus on how we go about restoring pride, self-esteem, the social side of the ledger, as I call it. If you look at those targets – halving the health gap – okay, if you said, we will bring status up equivalent to the white population, people would say it is unattainable. If you said a quarter, you would probably be condemned because it is too low. So whatever you do in terms of those performance targets is subject to debate – I know that.

What it does not say, to me, is how you are going to get there. It does not say what we are going to do about grog, and that is crucial to getting a health outcome. We are doing something about diet, through FaHCSIA's involvement in outback stores, and looking a bit more closely at the sorts of food stocks that are stocked out there. However, I do not think we are doing enough in people's heads, enough with youth, enough about self-esteem, pride, arts. There are a few people thinking this way, and maybe I am completely out of step in opening up that subject in this forum but, to my mind, it is crucial, an absolutely crucial plank, and I have said to all of the public service forums that have put up with me that the infrastructure part is easy, the social reconstruction part is the difficult part.

Mr ELFERINK: But that is inextricably linked with something as fundamental as a job, is it not? And this has been my lifelong – well, not lifelong, but complaint ever since entering parliament. As you know, I was the member for Macdonnell for eight years. The lack of penetration; this section 19 maze which has prevented those jobs from ever appearing. I go

on to make this observation in terms of providing an education in a place like Kintore, you are essentially wasting your time because you may as well stick a Pablo Picasso painting on the wall and tell the kid to study that. When the kid walks out of the community, that education means nothing. They do not use it to shop; they hand over some money and get some change shoved in their hand, they do not know if it is the right amount or not. If they are lucky they might. They go to the health clinic; there is no form they have to fill out. There is no contextual environment in which that education makes any sense whatsoever, and if you do not use it, you lose it. It does not stick. I did quadratic equations in high school, I was good at them, I know that; I would not recognise one now.

The point is unless there is a job measuring with a tape and adding up your measurements matters and has some practical outcome, you are wasting your time. I would even go so far as to say that applies to health. What is the point of getting healthy if your lifestyle does not improve, and you do not get more result for it than the person who is unhealthy sitting on the same veranda next to you? It is there the esteem issue is essentially based. We have told these people they are worthless for ages; we have told them: sit down; we will give you some money. We have done all that. You have been useless, we will give you an education, do not use it. You cannot be trusted to make your own contract with some outside authority so you are now completely isolated. Whilst I hear you defending the *Land Rights Act*, believe me, I believe in land rights as a form of rights to land, but what was once a wall of protection has now become nothing more than a prison for these people. That is what needs to be addressed in terms of those social outcomes. I am sure that there is a question in there somewhere. Sorry, I got on my soapbox...

Ms SCRYMGOUR: That is your interpretation.

Mr ELFERINK: It is my interpretation, and I can tell you it is the one I can see results of.

Mr CHAIRMAN: I read the introduction in your report, and I said before I agree with pretty well all of it, because I have been through a fair bit of that myself. I know I sometimes get into trouble for talking about the past – you are not going to create employment out of the sky. There is not going to be a mine turn up tomorrow, there is not going to be a big tourist bus turn up tomorrow; those kinds of economic development take time; you have to build the roads, you have to encourage people to go there. In the meantime, what are people going to do? I can go back and sound like an old grandfather – in the old days on Bathurst Island, the council was the main employer. It employed your department in those days. It gave me, as the Town Clerk, a bucket of money which I could spend to employ every person possible, and that is what we did, and we created pride in the community. I know what Bathurst Island was like then, people did have pride, it was clean, the lawns were mowed, and trees were planted. To some extent that has gone because people do not have full time work anymore.

You emphasise here people should have a job, and that is one of the key things we need to do. I can say that is what happened in the past, and you can say this is what should happen in the future. Is someone going to say 'let us do this now?' The Commonwealth controls the CDEP program through its funding, work for the dole through its funding. Where can we make a move which says to the Commonwealth, 'your report says employment is a number one factor in changing things around'. We have super shires now. How can we get the Commonwealth to say it will provide enough funds for any able person who wants a job in that shire to gain employment? Can we do it?

Mr BEADMAN: If I had the answer to that I would be sitting where you are.

Mr CHAIRMAN: You are a wise man; you have been around too.

Mr BEADMAN: I think by a whole range of ways - I heard an aside that CDEP has sunsetted to next year. When the original idea to wind up CDEP occurred there were going to be alternative employment schemes. Let me give you just another piece of history. CDEP emerged out of the shock people received of being paid individual benefits after they had been employed on training allowances for years; when we had the chooks, and the goats, and the orchards.

Mr CHAIRMAN: There was a gap between that of about six years.

Mr BEADMAN: All of those small scale enterprises disappeared. Those people who have been around for a long time would remember them, and would remember when most able-bodied adult people in communities had meaningful lives.

Back to your question; CDEP became a suppressant on the emergence of real jobs - I have said that a number of times - for the simple reason it was too easy for the clinic, the school or the council to borrow several people over a crisis with two off on sick leave or the flu, and then they had it extended for another couple of months, and it rolled into years.

It allowed functional agencies of every kind to avoid having to fight for the proper salaries bill to fulfil the functions of the agency.

Part of the idea behind the CDEP wind up is you will force agencies to pick up properly on the full cost of delivery a service out there. I have got a range of other ideas, and one of them is in that report too. It seems to have been beyond the capability of governments to factor in the potential for saved welfare outlays when arriving at what is best price on a tender.

The end result - and I have quoted it - you can find the road maintenance person relocated from town out bush, while the locals have got the grader and the plant and they sit on and watch and wonder how this bloke got the job when we are sitting here. The short answer is because his quote might have been \$20 000 cheaper than the remote community, but the Commonwealth stood to save \$100 000 in saved welfare outlays. We have not been able to get that transfer of funds from one level of government to the other in order to be able to accept a higher than bottom line tender.

Stores. Tiwi Islands, I was there in the last couple of months. I am not going to name places but in one location they cannot fill vacancies on the council payroll. In another location the job services provider is getting knock backs from people when they are offered work. In another place, there have been signs on the store during my last few visits, 'help wanted apply within'.

We are not going to achieve 100% employment out there, but we are going to achieve a vast employment on 100% unemployment. If you look around at what jobs there used to be, and what jobs there are now, they are diminished. I believe part of the exercise will be in recreation of some of those import substitution village type enterprises.

Ms SCRYMGOUR: Bob, employment is a major - before employment I think education is the fundamental. If you do not get education right - people are not going to get a job, so unless you educate somebody properly and get the resources there they are not going to get a job.

Mr CHAIRMAN: Hand in hand.

Ms SCRYMGOUR: With CDEP, and I am on record supporting CDEP only because I have watched successful CDEP programs, where you can use CDEP as a lever to create

businesses and employment. That has happened in the Territory. Not everything is a basket case out there, and not all black fellas sit down and get unemployment. There have been successful ranger programs and other things which have happened. I think people have looked at local government and health, and only looked at those areas, without looking at the whole natural resource area where ranger programs - if you go to the coastal island communities and communities in the Top End the third biggest employer in the Northern Territory is Bawinanga Aboriginal Corporation. That is in the Northern Territory. Laynhupuy Homelands; we are talking about outstation resourcing, we are not looking at the shires. I have seen employment, whether it is binninj, whether it is Yolgnu or Aboriginal, depending on what area, the employment factor of Aboriginal people actually decreasing or diminishing under the shires, rather than where you had the small community government councils that our Chairman used to work in - and I came out of that field. The evidence you say, in page 11 of your report, that employment is a major issue, and it is a major issue, obviously, I thought, well, before employment, where is the issue about education and the urgency for education, and why have we not moved on? I mean, if we are really serious as a state and as people wanting to fix that – you talk about the social – Aboriginal people needing a hand up and let us look at some of the social capital. I think that we have got to stop putting Aboriginal people down too.

I am not saying pussy footing around the issues, because I think a lot of us have said it like it is, and I think John Ah Kit led the way in government, telling it like it is, but things have got to change. I suppose I want more in terms of education, because I think that is critical, and you touched on something very briefly, but you did not touch on it any more, and that is the issue of alcohol and other drugs. I believe that if Aboriginal people find themselves in a state of where they are, it is because of that factor. Both governments could make a big difference in both of those areas, but it needs both governments to make some hard changes in policies in relation to that.

Mr BEADMAN: Yes, I agree with you in relation to education. I wish I had the formula to get kids to school. In my other hat, I have just, I suppose, exceeded my brief by using absenteeism rates in schools as a barometer on the wellbeing of leadership in a community. I know that there might be many that would dispute that there is a valid connection there. I had a lengthy discussion, fairly recently – again, it would be inappropriate that I name the place – about kids roaming town at 4 am, and they are not ...

Ms SCRYMGOUR: Well, you can pick any community in the Northern Territory, Bob.

Mr BEADMAN: Well, I suppose, that gets me off the hook, does it not?

Ms SCRYMGOUR: You can look around Darwin. Well, Darwin is the same. You can just look around the northern suburbs.

Mr BEADMAN: And I said to them, 'Well, this is leadership in the room now. What do you see your role in relation to that?' and they said, 'None'. I said, 'Hang on, it is unacceptable to you that the kids are vandalising at that hour of the morning, so it has got something to do with you. Have you considered a delegation to go and speak to the parents? You would know which parents are involved'. 'Oh, no, we haven't. We cannot handle that'. 'Why cannot you handle that? You handled all of those social things perfectly adequately before Captain Cook came here'. They looked a bit more interested after that and said 'Well, yes, we did too'. It is an interesting conundrum, is it not?

I do not know what the answer is. The Education department has taken countless measures, and it obviously worries them as professionals that they are not getting the educational outcomes.

Ms SCRYMGOUR: Except the enforcement of the *Education Act*.

Mr BEADMAN: Well, then, you are damned if you do and damned if you do not, are you not?

Ms SCRYMGOUR: Well, we are quarantining people's welfare payments.

Mr BEADMAN: I think it ought to be enforced. I have said in some other writing that government, men in grey utes used to chase me over back yard fences 50 years ago.

Ms SCRYMGOUR: But is that not the basis though, you cannot have *A Working Future*, or push this forward unless you – I mean, that is the basis of all of this.

Mr BEADMAN: I think you can develop a case that – the motivation to get kids to school, in turn, is inextricably linked to the opportunities that parents might see coming out of the system. If the opportunities for endless welfare benefits is drying up rapidly, and the necessity to get out and earn a wage has been put on you in a pretty heavy way, and a realisation that your kids are going to be second-class in that race for remunerated employment, then that might provide some motivations to start to get the kids to school.

Mr CHAIRMAN: We are running a little over time. I wonder if I could ask some specific questions on your report. Going back to town leasing, there is one question I wanted to ask in relation to your statement. You say, 'as I understand it, when changes to the *Land Rights Act* were made in 2007 to allow for township leasing under the new section 19A, the Northern Territory Government declined to establish a statutory entity to take up the function and lease remote townships with the result that the Australian Government created its own statutory office of the executive director of township leasing, ETL'. Are you saying the Northern Territory Government had an opportunity to step in and do the role the Commonwealth is doing now and declined?

Mr BEADMAN: That is my understanding.

Mr CHAIRMAN: If so, why did they say that?

Mr BEADMAN: I could not answer that question, Chairman.

Ms SCRYMGOUR: The Commonwealth government has not paid one single cent for that office, and it costs \$15m to run. If you think the Commonwealth government is paying for that out of their coffers, it is the ABA.

Mr CHAIRMAN: We have been trying to get the director of township leasing to a meeting, but so far ...

Ms SCRYMGOUR: Of course you will not. If you can get hold of Macklin and if Macklin agrees to it, good luck.

Mr ELFERINK: The offices are here at Smith Street, are they not? Subpoena them.

Mr CHAIRMAN: What concerned me was the shires having to pay leases for their assets, and that is not on.

Mr BEADMAN: If you take the wider view, and we are going to create a new way of thinking about normalising those towns, if that is not an offensive word – it is certainly not intended to be - it seems to me that you ought to put shires on the same footing as you would any other asset holder that pays rates to any other body.

Mr CHAIRMAN: Governments do not pay rates.

Mr BEADMAN: It is arguable whether that is an ethical ...

Mr CHAIRMAN: It could be argued it is robbing Peter to pay Paul. If you charge a council, it will turn around and collect that money from the people it provides the service for.

Mr BEADMAN: We can go around this endlessly. All I am saying is ...

Ms SCRYMGOUR: The municipals have a rate base too, which they can lever.

Mr BEADMAN: All I am saying is if you are going to normalise the underlying land tenure in a place you ought to minimise the exemptions.

Mr CHAIRMAN: That is true. Generally council owns its own block of land, therefore it does not rate itself, therefore it does not charge itself, therefore it is not a cost on the community. In this case, the difference is at Bathurst Island, if you charge the council a lease, it will have to recover that lease, and normally the only way to recover that lease is by the people its serve. The people it serves are the ones that owned the land in the first place. It is cuckoo, that is all I am saying. For businesses, it may be a little different, but when you are talking about the provision of government services, basic infrastructure services, roads, reserves, and rubbish, you would have thought they would be exempt because they are providing a service to the community.

Ms SCRYMGOUR: Chair, I am conscious of the time. Will we get Mr Beadman to come back again? I believe there is much more we want to know.

Mr CHAIRMAN: I think we will. Maybe you can give us a report on where you are going after this when we meet you again. This report came out on what date? November?

Mr BEADMAN: Early December; it was to the end of November.

Mr CHAIRMAN: What is your intention? It has report number one; is there going to be a report number two?

Mr BEADMAN: By May.

Mr WOOD: People who have not read this report will have time to read it. When you bring out report number two may be a good time to ask you to come back and see where we are going.

Ms SCRYMGOUR: Mr Chair, I have more questions for the report. There is more in this report that I wanted to explore with *A Working Future* and your assessments, particularly for the homeland resource agencies and centres, and the land tenure stuff. There are some facts which need to be sorted out, or some corrections that need to be done in this, particularly about land tenure, and when you look at the Crown Lands Act and the land tenure in remote communities, but obviously that is ...

Mr BEADMAN: I am happy to chat at any time, also.

Mr CHAIRMAN: In your report there are quite a number of issues we are looking at from the SIHIP program, the leasing, and also local government provision of services. I am interested in your next report to see how you think local government and *A Working Future* is

actually going to work together, because I would hate to see things become so complicated that it does not happen.

Mr BEADMAN: There is a serious risk the expectations of the many layers of government about consultation and consultative forums and so on can get completely exponentially unmanageable. Behind me, Mathew Fagan, who is working assiduously as the Executive Director of the Service Delivery Coordination Unit, with a whole range of briefs, but foremost in his mind at the present time is how you can get some sanity into the multiplicity of government agencies which want to go to a bush community at their chosen time, and expect the undivided attention of people in the bush for as long as required by that government agency. We simply have to do that better!

The various partnership agreements call for consultative structures, and if you appointed a fresh person to every one of those you would have no one left in the houses out there. Clearly, there is a need to bring some rationality into that. We are trying to rationalise things in terms of what is a representative structure for a place and, in turn, how you might coordinate the interest of every government agency, which has been really wound up now, through these efforts, in getting out there to do their job better. We have to bring some sanity into the whole process, and we are doing our best to do that.

Mr CHAIRMAN: There are many more questions I would like to ask, but we have run out of time today. We are happy to get you back, if you would like to come back ...

Mr BEADMAN: I am happy to come back; I am at your beck and call.

Mr CHAIRMAN: Thank you very much for coming today; thank you to the members also. Thank you to the public, and Maria and Kay for helping out with all the typing, etcetera, and Michelle.