

The Estimates Committee convened at 8.30 am.

CHIEF MINISTER'S PORTFOLIOS

AUDITOR-GENERAL'S OFFICE

Madam CHAIR: Good morning and welcome to this morning's session of the 2016 estimates hearings. I would like to welcome the Chief Minister, and I invite you to introduce the officers accompanying you.

Mr GILES: Thank you, Madam Chair. The Office of the Auditor-General is a statutory office established by the Legislative Assembly in the *Audit Act*. The role of the Auditor-General can be viewed as a safeguard, intended to maintain the financial integrity of the Northern Territory's parliamentary system of government. The Auditor-General assists the public account and other accounts, taking into account recognised professional standards and practices; carries out audits that they have been directed to do by the minister; conducts audits of performance management systems; conducts audits of public sector entities, including whole-of-government accounts; reviews information referred, pursuant to the *Public Information Act*; and reports to the Legislative Assembly on the audits mentioned above.

Some of the highlights, or key points – the office's cost recovery model endorsed by government in the 2015-16 budget process came into effect this financial year and enabled the office to undertake 158 new audits and reviews during the 2015-16 financial year. This compares to 129 audits and reviews during 2014-15, and 123 audits and reviews in 2013-14.

Of the 158 audits planned, 137 audits were completed by 31 May 2016, with 21 still to complete. Whilst most of these are expected to be completed prior to 30 June 2016, nine are likely to be carried forward and finalised in early July 2016. The increased audit program has enabled a more detailed and robust review of financial and compliance matters affecting the public account, and ensured sufficient audit work is undertaken in order to form an opinion on the Treasurer's Annual Financial Statements.

The 2015-16 audit program also saw an increase in performance management system audits and reviews, designed to contribute to improved public sector reporting and transparency. The use of whole-of-government data continued in relation to fuel purchases, with the objective of adding value to agencies by reporting trends and aberrations in data. The office will end the 2015-16 year largely on budget.

I now introduce Ms Julie Crisp, who is the Northern Territory's Auditor-General.

Madam CHAIR: Are there any questions relating to the Chief Minister's statement?

Mr GUNNER: Thank you, Madam Chair and Chief Minister. Auditor-General, there are two documents I wanted to touch on up front: the Treasurer's Annual Financial Report; and the February 2016 report to the Legislative Assembly.

In the TAFR you commented that, one, you were unable to form an opinion on the financial statements of the Power and Water Corporation and its controlled entities; two, there are inadequate books and records maintained by Power and Water Corporation; and three, you were unable to satisfy yourself that the amount of the valuation of the property plant and equipment of Power and Water Corporation was correct. Then, in your report to the Legislative Assembly, you went further, on page eight, and determined that you had modified your opinion on the TAFR because of the failures in Power and Water Corporation's reporting.

You said you were unable to form an opinion on the truth and fairness of the consolidated total public sector financial position. The relevant findings include insufficient appropriate audit evidence for a loan of \$21.49m from Power and Water Corporation to Jacana Energy; insufficient appropriate audit evidence regarding the completeness, existence or validity of \$8.7m of Power and Water Corporation's \$88.3m total trade and payables balance; and an incomplete financial statement from the Power and Water Corporation which prevented you from forming an audit opinion on the financial statements of Power and Water Corporation and Indigenous Essential Services.

That is pretty serious stuff, Auditor-General. Why are we in this position? What is the impact of not being able to form an opinion on the truth and fairness of the consolidated total public sector financial position?

Ms CRISP: Good morning. The Treasurer's Annual Financial Statement obviously has a number of components to it. We have the general government sector, the public non-financial corporation sector and the public financial corporation sector.

The audit opinion is based on all of that, as a consolidated Treasurer's Annual Financial Statement. The effect of not being able to form an opinion on the consolidated Power and Water entity was that I was unable to form an opinion specifically on the sector that related to the public non-financial corporation, so the audit opinion, *per se*, had it been issued on each individual element, would have been an unmodified opinion on the general government sector. It would have been unmodified as far as public financial corporations go. But the results of the Power and Water Corporation are pervasive to the public non-financial corporation sector.

Mr GUNNER: What is the consequence of not being able to form that opinion? Is there an impact to that?

Ms CRISP: There will be a continuing impact to that to the extent that we are in a position where the 2016 financial statements have opening balances that I was unable to form an opinion on in that sector. I need to be confident about how this year's closing balances finish and the impact on the non-financial corporation sector throughout the year in order to form an opinion at 2016 as well. There is flow-on effect.

Mr GUNNER: Is there a question mark as to the budget estimates if we are not sure about the truth and fairness of the consolidated total public sector financial position?

Ms CRISP: My understanding of the budget estimates is that the government owned corporations sit outside of that; they have their Statement of Corporate Intent process. So, in relation to the agency budget estimates, it should have no impact on that.

Mr GUNNER: Do you know what is being done to get out of this position?

Mr GILES: I do not know if that is a question for the Auditor-General. That is more of a question for policy of government.

Mr GUNNER: It may not have happened in this instance, but the Auditor-General usually makes recommendations when doing an audit.

Ms CRISP: The process is, with Power and Water's financial statements, that they have worked through a number of the issues that were raised at the time of that audit and have come to a position on their financial statements and submitted those. I am in the process of finalising the audit field work related to 30 June 2015. We will commence the 2016 audit in the coming year. We have not undertaken any interim work in relation to that so we will be undertaking that audit for 2016 financials (inaudible).

Mr GUNNER: A lot of hours were required to audit Power and Water this time around. For the record, could you tell us how many hours were spent doing it this time around and how are you budgeting for next time? Is it that you will have to allocate extra time, or is the amount of time you have spent this year sufficient, or will you be spending less?

Ms CRISP: I believe we will be spending less. In relation to the number of hours, I do not have the exact number of hours. It can translate through to cost. There was a significant increase in the number of hours and associated costs with auditing Power and Water. The recovery model to which the Chief Minister referred enables us to recover the cost of those. To the extent that it has required more work and resources, it has not impacted on the work we would have done on the public account, which is a good thing. I hope there will be a lot fewer hours for the 2016 audit process.

Mr GUNNER: It was 2428 hours for 2015, 1 July to 31 December, and 1 July to 31 December in 2014 was 1200 hours. You do not have a rough estimate of how many hours ...

Ms CRISP: I can take it on notice and respond. I have looked at it in dollars rather than hours. One of the challenges is that once you start facing difficult audit areas you require a higher level of audit staff involved. The number of hours does not always directly relate exactly to the cost.

Mr GUNNER: It is in your report as hours. Do you have a dollar figure for that so we can compare it to a dollar figure for 2016, if that is how you are budgeting for 2016?

Ms CRISP: Yes. The audit cost for Power and Water and its associated controlled entity, Indigenous Essential Services, to date for 2016 was \$890 983. That compares to consolidated 2015 audit-related costs of about \$287 607, so it is a significant increase. Our estimate for the 2016 audit is more closely aligned with last year's audit budget.

Mr GUNNER: The \$890 000?

Ms CRISP: No, the \$280 000. Roughly \$300 000 is what we have budgeted for that. We, obviously, have seen some benefit from having a team at Power and Water Corporation for much of the year. We are familiar with the processes that have gone on in the year to reconcile some of the issues.

Mr GUNNER: I believe this is the first time the Auditor-General has had to provide a comment of this nature, an unqualified opinion.

Ms CRISP: There has been a qualified opinion in the past ...

Mr GUNNER: Qualified, sorry.

Ms CRISP: ... primarily around asset valuations, and it related largely to differences in how the public sector accounts for the value of assets, compared to what the accounting standards require.

Mr GUNNER: Did that apply to a whole TAFR?

Ms CRISP: It did, some years ago. Yes.

Mr GUNNER: Thank you. Last year the CEO of DCM required agencies undertake a six-month compliance audit after the induction of the new travel system. You indicated you would review DCM. Have you been able to do that review?

Ms CRISP: Yes, I have. I will be reporting on it in the June sittings.

Mr GUNNER: Okay, excellent. Can you outline what is in that report yet?

Ms CRISP: The process with my reports to the Legislative Assembly is that I am required to give the agencies the right of reply before I make any public comment.

Mr GUNNER: So, we are still waiting for the reply from DCM?

Ms CRISP: So, Friday is the close-off period for the right of reply, and then those replies will be included within my report and tabled at the same time.

Ms FYLES: They will be tabled on Thursday next week?

Ms CRISP: Next Thursday.

Mr GUNNER: Thank you, Auditor-General; those are all my questions.

Mr WOOD: Auditor-General, I am sure you will answer this more quickly than I can understand. Page 13 of the budget says that total income was \$5493 for 2015-16 and total expenses were \$4493 - very well balanced – but on your annual report, on page 59, it shows total income \$4501 and total expenses \$4411. I am wondering if there is a reason for the difference between the two.

Ms CRISP: There is, yes. It is in millions ...

Mr WOOD: Sorry, yes.

Ms CRISP: ... otherwise the budget has been cut without my notice. There has been a change in what we expected to recover under the cost recovery model. We anticipated what costs we would have and what we would be able to recover directly from statutory corporations. That has moved somewhat based on the cost overruns associated with some of the audits; we are not factoring for such an increase and, therefore, such a recovery in the next year.

Mr WOOD: So that estimate is really the one I should worry about, more than the annual report.

This is more of an historic question, but it relates to today. I remember the issue about fuel cards. The Auditor-General looked at fuel cards in August 2014, especially in regards to the Health department. They had a fairly large number of issues in relation to the use of fuel cards. Have you done a review of fuel cards since then to see if some of the departments have actually tightened up on the use of them?

Ms CRISP: In relation to the fuel card, we call it a data analytic. We drop the data out of the back of the fuel card system and run a series of data analytics on it to see if there are any anomalies or aberrations. We have done that and have continued to do that, and we are trying to cycle that through the various agencies, so it is not just a matter of targeting one. I will be reporting on the number of those data analytic exercises next week in the June report as well.

We have seen an improvement in the number of anomalies that have come out of those reviews. A number of departments are actually undertaking those reviews, so, to that end, it has been a good result.

Mr WOOD: The other part of your job is about accuracy of information. Does that take up much of your time? That is your requirement under the *Public Information Act*, and I notice there were three queries, I think, in 2015-16, and there were estimated to be four queries in that period. Does it take up much of your time and is there a cost to that?

Ms CRISP: Those reviews are undertaken by me, so as far as an additional cost, no; that falls into my salary costs. Do they take up time? They take up varying amounts of time. Depending on what I am looking at and what I have been referred, some matters are longer than others when it comes to looking at them, and some are shorter. The more you have the more time it takes, but there is not an established amount of time for each one.

Mr WOOD: The Chief Minister might say this is more about policy, but do you think the *Public Information Act* is in the area of the Auditor-General? We have another person who does public information – and whether it should be in that area. Do we have it in the right spot? In other words, does it take some of your work away from what your key focus is in auditing government departments, and should it perhaps be in another person's, another department's or another statutory authority's regime? That might be for the Chief Minister to answer.

Mr GILES: I am happy for you to answer it, Julie. I am keen to know your opinion as well.

Ms CRISP: It is what it is. As far as where it sits, it will take the same amount of time for anyone. The reality is that the majority of the audit work done out of my office is outsourced. The *Public Information Act* does not impact on the amount of work outsourced to the authorised audit firms in that sense, and, as far as where it is best placed, it is probably not my call.

Mr WOOD: Thanks. That is all my questions.

Madam CHAIR: Are there any other questions for the Auditor-General? If that is the case, on behalf of the committee, I would like to thank the Auditor-General very much for coming along this morning.

NT ELECTORAL COMMISSION

Madam CHAIR: The committee will now move on to consider the Northern Territory Electoral Commission. I invite you, Chief Minister, to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Northern Territory Electoral Commission.

Mr GILES: I think everyone around the table knows Iain Loganathan. He is quite busy at the moment, with the federal election and the Territory election coming up, so I will hand it straight over to him.

Madam CHAIR: Are there any questions?

Mr GUNNER: Yes. Thank you, Madam Chair. Electoral Commissioner, what was the total cost incurred in 2015-16 on the redistribution of electoral boundaries?

Mr LOGANATHAN: The total cost was \$185 000. Let me clear that up; it was \$185 000 over two financial years for the redistribution.

Mr GUNNER: So 2014-15 and 2015-16?

Mr LOGANATHAN: That did not include the enrolment stimulation drive conducted prior to conducting the redistribution that cost \$630 000.

Mr GUNNER: And that was to get people on the roll.

Mr LOGANATHAN: To clean the roll. It cleans the roll. That resulted in a number of people getting on to the electoral roll, as well as removing people who no longer resided at a residence from the roll.

Mr GUNNER: Do you have outcomes from that, for example, X came on and Y came off?

Mr LOGANATHAN: Yes I do. I do not have them with me. I am happy to take that on notice. We have a report on the outcome of the roll stimulation and I am happy to table that report.

Mr GUNNER: Is that public already?

Mr LOGANATHAN: Yes.

Mr GUNNER: That is fine, thank you.

Mr LOGANATHAN: I will e-mail that to you.

Mr GUNNER: Chief Minister, you accused the Electoral Commission of an unprofessional orchestrated leak to media ahead of the redistribution. You said, 'As a body separate and independent of government I think the standards need to be held much higher and that sort of information should not be coming out before any particular release of a paper'.

When you made the allegations did you have any evidence to support that allegation?

Mr GILES: I read about it in the paper.

Mr GUNNER: Did you have any evidence that it was the Electoral Commission?

Mr GILES: Well, I read about the findings of the redistribution in the paper. To me, it shows that it got out before it formally came out. Since that time plenty of water has gone under the bridge.

Mr GUNNER: Commissioner, was there a leak on the redistribution?

Mr LOGANATHAN: The redistribution is, obviously, a sensitive matter in terms of our producing of reports. We have to deal with external parties such as printers. All those parties sign confidentiality clauses in relation to the agreements that have been made.

To answer your question, from my perspective the answer is no, but there was a lot of media speculation in regard to what the redistribution draft boundaries might say, and there was a lot of reporting in relation to whether Alice Springs would lose a seat or not. I saw the media reporting part of the speculation in relation to what those draft reports may say.

Mr GUNNER: The Chief Minister assumes an inquiry in his submission. Did that inquiry occur?

Mr LOGANATHAN: The matter was discussed as part of the Augmented Redistribution Committee. We went through our processes in relation to confidentiality, ensuring things were in accordance with the expected practice, and we were confident in relation to the processes we followed being in accordance with what is prescribed in the legislation.

Mr GUNNER: Was there a cost to that inquiry or was that just normal business – you said you discussed it through normal business?

Mr LOGANATHAN: That was just part of the process of the Augmented Redistribution Committee.

Mr GUNNER: This is, obviously, important regarding the confidence we and the community have in the Electoral Commission. We can rule out that there was a leak, and you are confident and all your processes are secure?

Mr LOGANATHAN: Absolutely.

Mr GUNNER: Excellent. That is really good to hear. Thank you.

Commissioner, are there any changes to the *Electoral Act* which have financial implications for the Electoral Commission in 2015-16 or 2016-17, and, if so, could you outline the details?

Mr LOGANATHAN: The main changes to the *Electoral Act* that have financial implications in regard to the changes that occurred in February this year, which was the change to the voting system – the implementation of the 100 m rule prohibition. In relation to marginal costs, we have chosen to reorder ballot boxes because the ballot boxes had directions in relation to how you cast a vote using a fully preferential voting system. That was at a cost of \$25 000. In saying that, cardboard does not last for a very long time in the Northern Territory; it deteriorates quite quickly, so we would have had to do that in due course anyway.

Mr GUNNER: At the moment \$25 000 for new ballot boxes, and that is about it?

Mr LOGANATHAN: That is correct. We will have a public information campaign about the change to the voting system and what that means. My role as the Electoral Commissioner is to make sure electors go to a polling booth making a fully-informed vote. There is a cost involved in that, but that is part of the election cost. We would have done that even if there was no change; there would still be a voter information campaign.

Mr GUNNER: In the costs incurred so far, like those 100 m maps, is that all normal business and no extra cost?

Mr LOGANATHAN: It is part of the election cost. The total budget for the 2016 election is \$2.6m, and those costs have been absorbed as part of that election budget.

Mr GUNNER: Given the late changes to voting procedures and the fact there will be a federal election very soon, on 2 July, what plans does the Electoral Commission have to help voters who are not literate in English cast a formal vote in the August general election?

Mr LOGANATHAN: We have a number of plans. In relation to the timing of the federal election, we have had discussions with the AEC and there has been an agreement that we would not run any voter information campaigns about the change to the voting system until after the federal election ...

Mr GUNNER: Because of the different voting methods?

Mr LOGANATHAN: ... to avoid confusion, so that is the process that we have agreed with. In relation to what we are doing specifically with Indigenous electors, or electors from a non-English speaking background, you would have seen the newsletters I have sent out in relation to tablets we will be using at polling places. They will have a message in 15 Indigenous languages, plus Greek, plus the main dialect used in the Philippines. The message is in relation to how you cast a vote using optional preferential voting.

In addition to that, we will be advertising on radio through TEABBA and CAAMA in relation to the change of the system.

Mr GUNNER: And that all starts 3 July?

Mr LOGANATHAN: It will start about mid-July.

Mr GUNNER: Right.

Mr LOGANATHAN: We will probably wait until the federal election is announced, when the result is known and the poll is declared, and we will kick off from mid-July until the election on 27 August.

Mr GUNNER: So, there will be an advertising campaign and there will be tablets at the booths.

Mr LOGANATHAN: That is correct.

Mr GUNNER: Do you have costs for those items?

Mr LOGANATHAN: For the advertising campaign – I do not have a breakdown of the costs of these ads as they are part of a greater suite of ads, including advertising early voting, enrolment, the close of rolls and informing people about polling day. The total public awareness budget for the election is \$300 000. Those costs are part of that.

Mr GUNNER: That is the same as last election? That is about ...

Mr LOGANATHAN: It is on par. As a percentage of total cost, the public awareness component is on par with 2012.

Mr GUNNER: Because of the changes do you not think more is needed to make sure people vote formally?

Mr LOGANATHAN: We are trying to use different ways of getting the message across. Some of them are not expensive, to be quite honest. We are looking at, possibly, many electors giving us e-mail addresses so we have the potential to e-mail electors with voter information at no cost.

We will also be writing to all electors who have a reliable mail delivery service, with information about where they can vote early, where they can vote on polling day and postal voting. On the back of that letter will be an explanation in relation to optional preferential voting. We would have done that anyway. We are just using the fact we have had a change in the voting system to augment those letters to contain this new information.

Mr GUNNER: Would it be reasonable to suggest – with concerns about illiterate voters voting formal, as in, they are the ones most likely to probably vote informal – that e-mail and mail may not be the best method of ...

Mr LOGANATHAN: Absolutely. That is why we developed the tablets, and we will be doing a TV campaign on the change to the voting system. Also, we will be doing things specifically in Indigenous media, in language, about those changes.

Mr GUNNER: The tablets are new. We did not have the tablets last election?

Mr LOGANATHAN: That is correct.

Mr GUNNER: How much did the tablets cost? I assume there has been a software program to ...

Mr LOGANATHAN: Absolutely. The tablets are part of a greater change in relation to what will occur at all polling places in the Northern Territory in the sense that we will not have hardcopy certified lists. No one will be physically marking off people on the roll. Every issuing officer will have a netbook computer. It is called an electronic certified list. The tablets are part of that change. That is an agreement we have with the ACT Electoral Commission; we have a combined pool for those tablets.

Ms Fyles: Hope you do not have an election on the same day.

Mr LOGANATHAN: Their election is in October; we both have fixed-term elections.

Mr GUNNER: This will be the first time it is used here, and then the ACT will use it?

Mr LOGANATHAN: The ACT has been using it for a number of years. We have just adopted that technology. We used it last year in the Palmerston by-election and in the Litchfield general election. It is a modernisation of the electoral process.

The cost of the software was \$342 000 and it cost \$1m to develop. That was a contract the ACT Electoral Commission had a number of years ago. Part of the terms of that contract was that if any other Electoral Commission used the software they only had to pay the marginal cost. We have to pay the marginal cost of \$342 000. We have a joint pool of 600 tablets with the ACT Electoral Commission, so we will use those tablets for the next election, for the local government election next year and for the local government elections in 2021. Our contribution towards those tablets was \$142 000.

Mr GUNNER: Those tablets get shipped back and forth as needed?

Mr LOGANATHAN: That is correct. We will keep a base here for if there is a by-election, but they are generally stored and maintained by the ACT Electoral Commission, which has a lot more expertise in this area than my office.

Mr GUNNER: In the 2012 general election, turnout in the remote electorates was lower than the urban electorates. You may have touched upon this in an answer about the roll stimulation, which you talked about earlier. What steps is the Electoral Commission taking to get remote electors on the roll and turning up at the 2016 election?

Mr LOGANATHAN: If you are talking about volume participation in regard to remote electors voting, voter turnout in the Northern Territory in remote divisions is very poor. We have divisions where we have a voter turnout out of less than 50%. It is a difficult area to get the message across, and obviously multiple languages are used in those areas.

We will do what we have done in the past. We will have TV campaigns and work with all the community organisations out there getting the information about when polling occurs.

One of the issues we face with remote mobile polling is that there is a mixed message. If you watch the television, it says, 'Polling is on Saturday, but we are coming in the Wednesday before'. So it creates some confusion, such as, 'Well, I saw on television that the election was here on Saturday, but no one was here'. We have to try to combat those mixed messages.

Our information tells us that – I think you said letters and e-mails are probably not the most appropriate technology to communicate with these electors, but SMS is probably a more appropriate medium. What we are looking to do, where we have mobile numbers for electors in those regions, is send them a message to say, 'Here is a link to the mobile polling schedule', so we can get that message a bit more directly to those electors, in the medium that they use, as to when polling will occur in their community.

Mr GUNNER: The *Electoral Act* has seen changes to pre-polling, so will you, in your advertising this year, advertise for Saturday, therefore creating that mixed message, or are you looking to change that this election?

Mr LOGANATHAN: There are a lot of messages to get across. I suppose the trick is to not confuse electors in getting that message, so we will have advertising. In terms of early voting and postal voting, there are no longer any criteria; anybody can early vote or postal vote, and we will be advertising that fact. We will have specific ads letting people know when the early voting centres are open, where they are and that, if it is more convenient, they can vote now.

In our election charter for 2016, we expect that at least 40% of electors are likely to early vote. This is based on the trend in terms of what happened in Palmerston, Litchfield and Alice Springs last year, where these changes have been in place for local government for some time. One in three electors chose to convenience vote. We will have messages about early voting and voting on the Saturday, and then, as I said, we will look at trying to have more direct dealings with electors in remote areas.

Like I said, where we have their mobile numbers, and we only have the mobile numbers of one third of electors on the Territory roll – try to communicate a more direct message to them.

Mr GUNNER: Because of those *Electoral Act* changes, Saturday is the last day of voting now? Have you not thought about, instead of having a mixed message, simply talking about the range?

Mr LOGANATHAN: Yes. The issue is that it is not as though we have all polling places open for two weeks. We only have the early voting centres open in the two weeks prior to the election, so we will be advertising those venues and directing people to them.

When we write to all electors, they will be receiving their letter before early voting commences. It will list all the early voter centres that are closest to their residence. But, obviously, in terms of polling day - that is where we have all the polling places set up, and it will still be a majority of electors who choose to vote on polling day - there will be advertising informing them of where their closest polling places are. All those details are now available on our website in relation to all the election day polling places, as well as the early voting centres.

Ms FYLES: Considering the changes and the increase in people pre-polling, does the commission have adequate resources to run the mobile booths and the town centre pre-poll booths?

Mr LOGANATHAN: Yes. We do not know how many people will do an early vote. We have not done this before; this is the first time it has been done on a large scale election in the Territory. We will definitely resource those early voting centres to accommodate what we think will be a significant demand for the service.

After the election, if it is a figure of 40% or 50%, or even potentially higher, what it may mean is in future elections we may review the number of election day voting centres we have, if we have a significant percentage of electors choosing to vote prior to election day.

Mr GUNNER: In the budget you have estimated \$1m as the cost to run the August general election. Does that \$1m estimate include all the changes that came out of the *Electoral Act*?

Mr LOGANATHAN: That \$1m refers to the amount that has been allocated to the commission in that financial year. We had \$1m allocated to us in the 2015-16 financial year. We had \$1m allocated to us in the 2016-17 financial year. As I said to you, we estimate the cost of the election to be somewhere around \$2.6m and we had advised Treasury of that. We will have to see what the final costings are and then have discussions with Treasury as to how the balance will be financed.

Mr GUNNER: You will need to seek a – in the budget, page 15 says \$1m to conduct the 2016 LA general election, but usually it costs around \$2.5m?

Mr LOGANATHAN: Yes. Like I said, I have already spent \$1m in this financial year in preparation for the August election.

Mr GUNNER: So, post-election, you will need to then go back to Treasury and get the difference?

Mr LOGANATHAN: That is correct.

Mr GUNNER: We do not know yet how much this election will cost?

Mr LOGANATHAN: I have an estimate in relation to what we propose to do, and the estimate is around \$2.6m.

Mr GUNNER: So we will need to get that difference from Treasury post-election?

Mr LOGANATHAN: Yes. So at the moment ...

Mr GILES: That happens every election.

Mr GUNNER: Would that difference include, for example, at July 20 you think we will probably need to spend a bit more post-federal election, advertising the change to the voting method – you have the ability to do that – and then go back for the difference from Treasury?

Mr LOGANATHAN: That is correct. My agreement with Treasury is in relation to if there is any material alteration to the estimate I provided to them; then I would obviously keep them in the loop in regard to any changes in the activities of the commission.

Mr GUNNER: Thanks, Electoral Commissioner. I will move onto a different topic, if someone else wants to ask questions about that space.

Mr WOOD: In electoral services?

Mr GUNNER: No. That was all about how much the election would cost. I just thought, before I move to a different part, do you want to ask questions as to how much the election costs?

Madam CHAIR: Can we go through the output groups rather than jump all over the place?

Mr GUNNER: Usually if I have done a line of questioning, the Independent will follow that line of questioning rather than returning to it later.

Madam CHAIR: There was no statement. Do you have any questions, member for Nelson?

Mr WOOD: Yes. Electoral services is a very broad area.

Mr GUNNER: I have more questions. If you had questions specific to the line of questioning ...

Mr WOOD: I might just ask about the tablets. You are moving from having the big book and crossing off with a pencil. Did that require any change to regulations?

Mr LOGANATHAN: No. The legislation says that you need a roll and it needs to be marked off. In relation to the format of the roll and how it is done is really a matter for the Electoral Commission. Let me say, every other Electoral Commission uses electronic certified lists. We are the last to adopt this technology. It provides cost savings in the sense that if you use hard copy lists, you have to scan those lists to work out who has voted and who has not voted to be able to chase up multiple voters by having it all electronic. It means it is all instantaneous.

The other issue it addresses is that it allows for an online roll that is kept in a separate server. It means that if an elector goes into a polling place and votes and then tries to go to another polling place and vote again, it will actually come up on the system to say they have already voted. These are integrity measures which I think are important for the electoral process.

Mr WOOD: That has gotten rid of the philosophy of 'vote early, vote often'?

Mr LOGANATHAN: The challenge in the Territory is convincing people to vote once, let alone on multiple occasions.

Mr WOOD: You had a video showing people how to vote the correct way, which was full preferential, and then the legislation was changed. How much did that video cost?

Mr LOGANATHAN: The cost of the whole interpreted products – there are two products. One is the one-minute video that is basically translated into 15 Indigenous languages, Greek and the main Filipino dialect. The cost of producing that product is around \$4500. In addition, we obviously have to pay for the translation, and we are going to that process now.

Mr WOOD: You had a video which showed people how to vote on the full preferential system. You had it ready to go, I think.

Mr LOGANATHAN: That was a draft. My undertaking to all the parties, and to candidates, was that we would consult with stakeholders on anything we would do, so we sent out a draft and sought feedback. Obviously, with the changes to the legislation and to OPV, the draft was amended to accommodate the new voting system and that was like a prototype product, not the final product.

Mr WOOD: I did not know whether it had already been produced.

Mr LOGANATHAN: No, it is being produced now and it will be available shortly on our YouTube site.

Mr WOOD: Just a couple of other questions – in your annual report, under targets for 2015-16, you were talking about revised branding in the lead-up to the Legislative Assembly elections. What does 'revised branding' mean?

Mr LOGANATHAN: The previous Electoral Commissioner – in terms of the last election, under the previous Electoral Commissioner – was very much like a cartoon-based branding in regard to the 'vote family' concept. I think we can move on a bit from that and mature the theme.

In the advertising we used in the enrolment stimulation program that we ran in August, which was very much more about one in five Territorians not being on the electoral roll – their voice is not being heard. That is probably a maturing of the theme, moving away from cartoon graphics to other forms of graphics that probably better represent the agency.

Mr WOOD: I have one more question. I think it is on similar lines to some extent, but it is about there being changes to the *Electoral Act* which allowed councils to run their own by-elections. Will that actually reduce the amount of income you receive, and have there been by-elections that councils have run since that change?

Mr LOGANATHAN: If councils choose to run by-elections it would have an adverse impact on the revenue of the agency. It has not happened to date. No council has elected to run the election themselves. They have always used the Electoral Commission, and I hope that trend continues.

Mr WOOD: You are a good talker. Thanks. I have some more questions for later.

Madam CHAIR: I have a question about the new rule of not being able to campaign within 100 m on polling day, and during pre-polling you cannot be within 100 m of the pre-polling booths. How will you police that, and at what additional cost will that come?

Mr LOGANATHAN: The first question in relation to how we police it – the first step is to inform people on what those boundaries are, so all those boundaries are available on our website. If you look at some of those maps, particularly in some of the election day voting centres, you will see they encompass some households that are within 100 m of the school. With those households we will letterbox drop and let them know what the act says, which is that from 8 am to 6 pm on the Saturday they cannot have any political signage.

We have had discussions with the police in relation to how this will be enforced. We will have a police liaison officer working with us all day on election day. The protocol has not been agreed with the police; it has been in discussions with the police. If somebody has a sign up on their house within 100 m, the officer in charge will go to that residence and ask for that sign to be removed. If the resident says no, that is the end of the involvement for an electoral official. They are electoral officials, not law enforcement officers. They will advise us that this has occurred and we will refer that matter to the police. The police have said they will go to the residence and ask for that material to be taken down. If that person refuses then they will take photographic evidence should they wish to prosecute the matter.

Ms FYLES: Who would be the person that would prosecute; the Electoral Commissioner or the police?

Mr LOGANATHAN: It will be the police because it is a criminal offence.

Mr WOOD: What happens if the owner wants to mow the lawn and wants to wear a T-shirt with a person's name on the front?

Mr LOGANATHAN: I have conducted a number of information sessions about this. There has to be a reasonableness test about this. If someone is wearing a T-shirt in their back yard mowing the lawn then I am not totally fussed about it.

Mr WOOD: It might be the front lawn.

Mr LOGANATHAN: Yes. But if you have a big sign that is clearly a political message, then that is not the intent of the legislation and that sign should be taken down.

Mr GILES: I will make a point on that. The intent of the legislation is about giving people a free right to vote without having to run the gauntlet. It is about fairness and reasonableness. If you have 20 people wearing red shirts with signage all over them, mowing the front lawn, clearly that could go to the Court of Disputed Returns.

Ms FYLES: So it is not safe to mow your lawns on 27 August with a T-shirt on?

Mr GILES: The feedback that has come from the community is that they are sick and tired of having to run the gauntlet on election day and people harassing them. This legislation is designed to remove the harassment of voters by people who are handing out how-to-vote cards, and all the signage and the livery that is put up. It is designed to have a clean, free-vote election. That is all it is about, being fair and reasonable to the voter.

Mr WOOD: I am not disagreeing with you; I put the motion to parliament ...

Mr GILES: I just wanted to provide clarification.

Mr WOOD: The issue is how it works in practice. Because this is the first time we have done it, how it will work on the ground is the issue that we probably need to

Mr GILES: It comes back to the point of what is fair and reasonable. If people are deliberately trying to taunt the rules then police will act, and then there will be cases through the Court of Disputed Returns. If it is fair and reasonable, we will all accept it is fair and reasonable.

Ms FYLES: In the changes to this legislation, commissioner, were you consulted? I can think of numerous examples, such as vehicles. Many candidates have their vehicle stickered up. If they are driving past an area – I understand the Chief Minister's intent, but did consultations take place in regard to you implementing practical legislation?

Mr LOGANATHAN: Any amendment to the *Electoral Act* is not done by the Electoral Commission; it is administered by the Chief Minister's department. Let me make it very clear, I am the electoral practitioner, not the electoral lawmaker; that is the role of parliament ...

Mr GILES: That is where it comes back to us. Yes, there was a consultation process as part of that legislation change.

Ms FYLES: Just one other question, Madam Chair. In the changes to the voting system, have you done any testing on those changes? Is there any estimate on the number of votes that may be lost because of the changes?

Mr LOGANATHAN: In relation to votes that would be lost, our election charter says that we think there will be a decrease in informal voting rates in the Northern Territory as a result of those changes.

Mr GILES: So votes will be found.

Mr LOGANATHAN: A number of electors just mark one box, and those votes under fully preferential voting is obviously deemed to be informal votes ...

Ms FYLES: So, of that, how many votes will be extinguished because a person will simply place a one in one box?

Mr LOGANATHAN: Those votes will now be admitted to the count; previously they would be informal.

Ms FYLES: Obviously, past the first round of voting, those votes will be extinguished. Do you have any estimates on those figures?

Mr LOGANATHAN: I will try to answer your question. In our election charter, the informal voting rate at the last election was 3.2%. We think that will come down to about 2%. There will be a certain percentage of the population that will vote informal for whatever reason. In the number of people who will just mark one, or mark one and two and not complete the whole ballot paper – we have not done any particular testing on this. We have looked at other jurisdictions which have the optional preferential voting system to see what the trend was there. Queensland used to have optional preferential voting, but they have just changed back to full preferential ...

Mr WOOD: Sensible people.

Mr LOGANATHAN: But, in Queensland, those changes came in with the Goss government in the 1980s. Initially it was still a high percentage of people completing all the boxes because that is what they had known for years. But over the decades and through the elections, that trend slowly moved. At the last election we had 55% of electors just mark one, 40% of electors marked all the boxes, and the balance just marked some of the boxes.

Mr GUNNER: So the expectation is that in this election the number of votes extinguished will be low, but will increase over elections?

Mr LOGANATHAN: I am not too sure of the word 'extinguished' ...

Mr GUNNER: They vote one, say, for an Independent. Then the vote goes no further because the major parties in that seat may have the majority of the votes. So the vote is not then ...

Mr GILES: You are underwriting Independents. What if the Independent gets the highest number of votes?

Mr GUNNER: Then it might be the Labor or the CLP vote that is extinguished, but you understand what I am saying.

Mr LOGANATHAN: I cannot answer because I do not know how people will vote. I can say that our election report from this election will have a full analysis in relation to what the voting patterns of Territorians have been as a result of the change of the voting system.

Mr WOOD: But do you not actually ...

Madam CHAIR: Member for Katherine, you are next.

Mr WOOD: Oh, sorry.

Madam CHAIR: No, you go - continue.

Mr WOOD: What you said previously about not advertising the new system of polling until after the federal election highlights the fact we will have one system of polling for NT government, which is optional preferential, and two other systems of voting for local government and federal. In Queensland, my understanding is, there were far higher informal votes than for those other forms of government because it brought in a new system of voting.

Mr LOGANATHAN: When these changes were proposed in terms of a bill, I put out an information paper in relation to the commentary from the Electoral Commission. That commentary included issues that should be considered in relation to these changes. That was one of the comments the Electoral Commission made. What we saw, particularly in Queensland and New South Wales when optional preferential voting was there, was a correlation of higher informal voting rates at federal elections as a consequence of that mixed message about whether you had to complete all the boxes or not.

Mr WESTRA van HOLTHE: Mr Loganathan, I have a question about the police liaison role - just going back a moment. Will there be a single point of contact for all electoral officials on polling day, or in the pre-polling, which will then have to filter up to that individual and filter back down to individual police stations for any action that is required? Or will there be the ability for polling officials, on polling day or during pre-polling, to contact local police stations for faster action? I am just thinking, in a practical sense, how this will actually work.

Mr LOGANATHAN: It has not been fully defined. There will be differences in relation to what happens at remote mobile polling, and what happens on election day polling. In terms of election day polling, it is a bit more defined in the sense that with the system that I talked about - the electronic system that we are using - once you have a laptop in a polling place it brings up a whole lot of possibilities in what you can use it for. One of the things it allows you to do – if there are any incidences at the polling place, you put in an electronic comment in relation to the issue that has arisen, and we can view that from our offices in Darwin.

What the discussions with the police have been about is that they will have a liaison officer with us, and that person will either have access to the system or will be in the office with us. They will see those incidents and then direct police as they see appropriate.

In relation to remote mobile polling, it is obviously a bit more complicated than that. We do not know how good the Wi-Fi signal will be or whether we will receive those in real time. We will write to the Police Commissioner and try to seek his assistance in relation to mobile polling places where there is a police presence. They will certainly be aware of the schedule and, if there are any issues, whether they could assist. Obviously in areas where there is no police presence, we will have to consider alternatives.

Mr WESTRA van HOLTHE: All right, thank you.

Madam CHAIR: Opposition Leader, would you like to continue with your questioning.

Mr GUNNER: Electoral Commissioner, what was the cost incurred by the commission in 2015-16 to investigate breaches of the *Electoral Act* by Foundation 51?

Mr LOGANATHAN: The cost to the Electoral Commission in 2015-16 – we completed our report in April 2015.

Mr GUNNER: It was 2014-15.

Mr LOGANATHAN: Yes. In terms of cost to the agency, this financial year has only been in terms of seeking some advice in regard to managing freedom of information requests that have come through. The amount would be, for a number of freedom of information requests including others, around \$20 000.

Mr GUNNER: What was the 2014-15 figure, Electoral Commissioner?

Mr LOGANATHAN: In terms of dealing with - I think I stated at estimates last year, most of it was done internally. The legal advice we received was from the Solicitor-General, so that was at no cost. We sought some external accounting advice and the advice of a person with expertise in this area. I cannot give you an exact figure as I do not have it in front of me, but it was not excessive. The total figure would have been less than \$15 000.

Mr GUNNER: On how many occasions has Foundation 51 failed to comply with the donation disclosure provisions in the *Electoral Act*?

Mr LOGANATHAN: Foundation 51 was established in 2009, and we did not receive any disclosure returns until this matter was initially being investigated by the commission. I do not have the dates in front of me, but all the forms we received and the dates we received them are available on our website.

Mr GUNNER: Did the Electoral Commission form a view on whether Foundation 51 was an associated entity of the CLP?

Mr LOGANATHAN: Yes.

Mr GILES: Can I just ask, is that similar to Harold Nelson Holdings; are they an entity?

Ms FYLES: Chief Minister, you will get your chance. This is for the opposition and Independent members to ask questions.

Mr GILES: I also get an opportunity to make a comment.

Ms FYLES: The Leader of the Opposition has a line of questioning, if you could perhaps let us continue.

Madam CHAIR: Generally speaking, we ask the questions and you answer.

Mr GILES: I will take the answers and instead of just handing them straight over, I will make comment on the way through. I have been pretty free in ...

Mr GUNNER: The Electoral Commissioner said that Foundation 51 is an associated entity of the CLP. Do you still maintain, as you said in the past, that there was never any connection between Foundation 51 and the CLP?

Mr GUNNER: Do you have an answer to the question?

Mr GILES: I find Harold Nelson Holdings to be very similar to what was the Foundation 51 ...

Mr GUNNER: That is not true at all, Chief Minister.

Mr GILES: That being it being identified as ...

Mr GUNNER: Do you maintain, as you have said in the past, that there was never any connection between Foundation 51 and the CLP?

Ms FYLES: You have been asked a question; answer it.

Mr GILES: You have asked me a question and I am happy to answer.

Ms FYLES: Are you are refusing to answer the question?

Madam CHAIR: Could you restate the question for the Chief Minister, please.

Mr GUNNER: Chief Minister, do you still maintain, as you have said in the past, that there was never any connection between Foundation 51 and the CLP now that the Electoral Commissioner has found that Foundation 51 is an associated entity of the CLP?

Mr GILES: What I can say is that we take guidance off the Electoral Commissioner and his findings, and we accept those findings, or the party does. What I also note is that Harold Nelson ...

Ms FYLES: Do you still maintain your view?

Madam CHAIR: Let the Chief Minister answer the question.

Ms FYLES: He is not answering the question, Madam Chair.

Mr GILES: Harold Nelson Holdings, Labor's slush fund, is an associated entity that cordons union funds from members of the unions, through those unions and into Harold Nelson Holdings to fund the Labor party. Now, I think if we are to have a spotlight on funding that goes towards election parties ...

Ms FYLES: You are not answering the question.

Mr GILES: ... I think Harold Nelson Holdings deserves to have a good look at it. I think there needs to be a fair amount of transparency in the way that Harold Nelson Holdings is funding ...

Ms FYLES: We are asking a question about transparency in the CLP and Foundation 51, and you are refusing to answer.

Madam CHAIR: Can you let the Chief Minister continue to answer the question. You can ask another question in a moment, member for Nightcliff.

Mr GILES: Thank you, Madam Chair. You are asking about Foundation 51, but I think it needs to be clear to the public that Labor has two slush funds, Harold Nelson Holdings and EMILY's List, which continue to divert money from - whether that is union thuggery campaigns into Harold Nelson Holdings and then onto the Labor Party, or into other areas. You are very quick ...

Mr GUNNER: The Electoral Commissioner has power of investigation. The Chief Minister is just making stuff up.

Mr GILES: ... to take umbrage at commentary around Harold Nelson Holdings when we all know ...

Mr GUNNER: Because you are dodging the questions on Foundation 51, which has been investigated and has failed to comply for years.

Mr GILES: ... this is the slush fund for the Labor Party. I do not need to say any more than that.

Ms FYLES: Are you going to answer the question or not?

Mr GUNNER: You cannot say any more than that because you are just making stuff up now, Chief Minister.

Mr GILES: I have answered the question.

Ms FYLES: You have not answered the question. Do you still maintain ...

Madam CHAIR: Would you like to restate the question for the Chief Minister.

Mr GUNNER: Chief Minister, do you still maintain, as you have said in the past, that there was never any connection between Foundation 51 and the CLP, considering the Electoral Commissioner has found that Foundation 51 is an associated entity of the CLP?

Mr GILES: I have answered that question. If you go through *Hansard* you will see I have answered that question, but I will maintain ...

Ms FYLES: You have not answered the question.

Mr GILES: ... that Harold Nelson Holdings is a slush fund for the Labor Party. If there needs to be any inquiry, it needs to look at Harold Nelson Holdings and EMILY's List to see where the money is coming through to the Labor Party. There has never been a spotlight shone on that and I think you need to ...

Mr GUNNER: The Electoral Commissioner has the powers of investigation and Foundation 51 is the entity that requires investigation.

Mr GILES: I think common courtesy should prevail around the table.

Madam CHAIR: We are not here to debate the issue; we are here to ask questions.

Ms FYLES: Perhaps I will ask the question and the Chief Minister might answer it.

Mr GILES: That is right, I was still talking.

Ms FYLES: Do you still maintain, as you have said in the past, there was never any connection between Foundation 51 and the CLP, considering the Electoral Commissioner's comment?

Mr GILES: There are two things. One is that party matters are matters for the party, and the second is that I adhere to the findings of the Electoral Commission. That is what I said in an answer three questions ago, and I have tried to provide a further answer, which you are not allowing me to finish. If there was to be any inquiry into electoral donations ...

Ms FYLES: We are not talking about inquiries. I am asking you a very direct question. Yes or no?

Mr GILES: There you go again, member for Nightcliff. I think there should be an inquiry into where all the money from Harold Nelson Holdings is coming from and how it is flowing through, and the same with EMILY's List. While you try to divert attention to other areas, everybody who is in the know knows that Harold Nelson Holdings, the Labor Party slush fund, is diverting money away from hard-working members of unions and funding thuggish Labor Party campaigns.

Ms FYLES: You are refusing to answer the question. It is a yes or no question.

Madam CHAIR: Okay. We might move on. Is there another question?

Mr WESTRA van HOLTHE: Madam Chair, I think the Chief Minister has, in fact, answered the question. He answered it twice in the same way, several questions apart, so I think we should move on.

Madam CHAIR: Are there any other questions to the Chief Minister?

Mr WOOD: Yes. I was just looking at the McGuinness report, and it included a range of recommendations. I am interested to know how many of those recommendations have been either taken up by the government or the Electoral Commissioner.

I can probably give you an indication of what they were. There was the registration of political parties and third party campaigners; there was asking for strengthening legislation regarding gifts and donations; reporting of donations received – and I note that the delay between receipt of a donation by a political party or candidate in its reporting by the commissioner is significant, as that is part of what he said; annual reporting – from an Independent's point of view, I reckon the system is uneven as I have to report within seven weeks of declaration of a poll, whereas a political party only has to do it at the end of the financial year; and the role and structure of the Electoral Commission.

They were some of the recommendations of the McGuinness report and I am interested to know if they have been taken up.

Mr GILES: Member for Nelson, I think those questions are more for the Department of the Chief Minister in regard to the report. DCM administered the report and, in terms of its implementation of any findings, I think we should put those questions to DCM officials when they are here. There may be one or two that Mr Loganathan can answer.

Mr LOGANATHAN: One of the recommendations from the McGuinness report was to move away and have an online system for the submitting and display of disclosure returns. That is something we have

implemented. All parties now basically submit their returns through a spreadsheet which is displayed through an online system that is available on our website.

In regard to your general commentary regarding some of the other recommendations, the Electoral Commission provided an opinion in relation to other recommendations from the McGuinness report, the ones we thought were supported and could be implemented, and others that we thought require further consideration. The one opportunity I have to talk about electoral legislative reform is in our election report, and we will canvass these matters in that report when it is prepared and tabled.

Mr WOOD: I will bring up the other issues with the Chief Minister at the appropriate time.

Madam CHAIR: Any other questions? I thank the Electoral Commissioner for coming for the Estimates Committee this morning and we will move onto the Ombudsman's Office. Thank you very much.

OMBUDSMAN'S OFFICE

Madam CHAIR: Chief Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Ombudsman's Office.

Mr GILES: Thank you, Madam Chair. The Ombudsman is an independent officer appointed on the recommendations of the Legislative Assembly. The Ombudsman handles complaints about administrative actions of public authorities and police conduct. In 2015-16 the Office of the Ombudsman will deal with approximately 2500 approaches from inquiries or complains. Almost all of these matters are finalised without the need for a formal investigation.

Since the last budget estimates process three Ombudsman's major investigation reports have been tabled, dealing with matters arising from the following: the allegations of inappropriate conduct by a former Commissioner of Police and another police officer; essential services being a response by the Department of Housing and Power and Water to widespread incidents of damage to electricity meters in a remote community; and essential services in regard to Power and Water billing and debt management practices in an urban Indigenous community.

During 2015-16 the Ombudsman also finalised two joint projects with Northern Territory public authorities, resulting in the publications of a framework on acceptance of gifts, benefits and hospitality, and the framework and model policy on internal complaint management.

The Ombudsman has also increased community engagement efforts with a focus on engagement with Indigenous communities, and continued to provide a range of training with the NT public sector.

I thank Peter Shoyer, the Ombudsman for the Northern Territory, for coming today and I invite questions directed at me or the Ombudsman.

Madam CHAIR: Any questions on the statement?

Mr GUNNER: Not from us. Thank you, Madam Chair.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2016-2017) Bill as they relate to the Ombudsman's Office. Are there any agency-related whole-of-government questions on budget and fiscal strategies? Are there any questions at all for the Ombudsman?

Mr WOOD: I have questions.

Madam CHAIR: Okay, we might just throw it open now.

Mr WOOD: Thank you, Madam Chair. Peter, in your annual report, at the very front, you talk about integrity in the public service. We do not have an integrity commissioner – and maybe the Chief Minister can answer this, even though it was a recommendation of the Stella Maris inquiry. Do you see the possibility of your role being someone who could take the role of an integrity commissioner? If you read your overview, or introduction, you deal with this issue in quite a bit of detail. It is also an issue that

members of parliament, I presume, would have difficulty with sometimes. Do you see that you could have that role overseeing the roles of members of parliament?

Mr SHOYER: Yes. I do not necessarily think the Ombudsman's Office is the best place to have a role like that. This is something that came out of the report into the actions of the Police Commissioner and another officer. I raised the potential for an integrity office and noted that there had been other suggestions of an office like this. For an integrity commissioner there are a number of different formats, the simplest of which would be to have someone who acts as an adviser to senior public servants and members of parliament so they can get a different perspective on issues that may be of concern to them or may relate to actions by another public servant under their control.

That sort of activity is very valuable, and it is one of the options I recommended to be considered. One of the issues that arises is, given that my office may potentially investigate something that has been undertaken following advice from an integrity commissioner, you then have a situation where I, as Ombudsman, may have advised on a particular course of action and then be called on to investigate. That is not necessarily ideal. This is one of the things that we have raised in a submission to the anti-corruption inquiry. Whether you have an integrity commissioner in some shape or form is one of the options worth considering. It is something that my office could do, but there are drawbacks to it.

Mr WOOD: In relation to integrity, you deal with the public service – that is what it relates to. Do you have a definition that public servants can read which tells them when they may have a conflict of interest? Is there a definition anywhere that they can use to give them guidance as to whether they should make a judgment or step back from it?

Mr SHOYER: Overall, the NT public service has a Code of Conduct, which deals with issues such as conflict of interest. It provides some guidance in that area. Also, a number of individual agencies, for example, NT Police, have specific documents and have developed guidelines on dealing with conflict of interest issues. There are a number of documents that provide guidance.

One of the things we have worked on during the year, and the Chief Minister mentioned it, was a framework on acceptance of gifts, benefits and hospitality, which meshes in with the conflict of interest area. That is something I think we will look at in future years, and I know the Commissioner for Public Interest Disclosures has also been looking at – additional guidance in integrity areas and dealing with conflict of interest.

One of the things I think is very important is that you have those baseline documents, but that you also work with individual officers on a regular basis through those sorts of issues. It is not until you are confronted with those sorts of issues that some people even realise they have a problem. I notice there is some work being done by the Institute of Public Administration recently in terms of conflict of interest.

There is a lot of material out there, but a lot of it is not getting the material together. It is working with individual public servants so at the front of their mind is, 'Is this an issue that I need to deal with in terms of conflict of interest?'

Mr WOOD: When it comes to conflict of interest - say there was somebody in the public service who made a decision about something, which other people might think was an unfair decision, and they may have said that person had a conflict of interest for whatever reason. Do you make a ruling on that? Say that comes to you as a complaint and you do not believe the process was proper; do you have your own guidelines for what a conflict of interest is, whether it is perceived, pecuniary or non-pecuniary? Do you have your own set of guidelines?

Mr SHOYER: Again, we would certainly look at it and that would be one of the areas we are very interested in. It would also be something that the Commissioner for Public Interest Disclosures could look at. We would look at the Code of Conduct for public servants and any individual guidelines or codes that the officer is operating by. We would make a judgment based on that, and on common sense, in terms of what seems to be fair and what does not. If it was a marginal area, it may well be something where we say, 'Look, this is an area that the agency or the public sector as a whole needs to deal with'. If it is a fairly clear case, it would be something we would be making clear recommendations about.

Mr WOOD: In your annual report you mention there have been more complaints regarding Correctional Services than in previous years. Does that have anything to do with the operations of the new prison?

Mr SHOYER: It is entirely to do with the transfer to the new prison and changes in procedures there, I think it safe to say. What we noticed last financial year was a very large increase, and you could see a spike that correlated with the move to the new prison. That went on for a good six months, I think, and then started to trail off.

We have found in the last few months that it has reduced considerably, so for this financial year there will still be a higher number of correctional complaints. For next financial year, assuming that things carry on, it will be reduced significantly from the previous two years. Basically, it was a situation where the move itself raised a number of issues, but also the changes in the way things were done at the prison led to a number of complaints and concerns being raised. You can see a clear curve with a reduction over the past, I suppose, eight to 10 months, and that is getting down to a considerably lower level now.

Mr WOOD: And the percentage of those complaints solved is fairly high?

Mr SHOYER: Yes. What we will do when we get a complaint – there are a number of options in corrections. There is a procedure where prisoners can seek some redress internally to start with. We have also been working with Correctional Services to have an internal review mechanism where an internal body within the prison can handle the next set of complaints, so if people have not gone through those internal steps, unless it is an urgent matter, we will refer them on. We may ask for a report if it is a significant matter and then, if the prison and the Correctional Services cannot resolve the complaint, we will step in.

By and large, those complaints are resolved to an extent. It may well be that there is no justifiable issue that needed to be attended to. We will still look at all matters and give people the opportunity to have their say, and consider whether there is any issue we can address.

Mr WOOD: My other question in regards to Power and Water and Jacana – has the number of complaints to Power and Water and Jacana reduced? I imagine this is part of the changing over of Power and Water into different entities. Has the number of complaints continued or has it started to come down?

Mr SHOYER: No, the number of complaints will continue to rise this year. Whether that has anything to do with the split in Jacana and Power and Water or not, I have not analysed it to that extent, but I have not noticed that. It is probably more the fact that, as the cost of power and water goes up, people are obviously more sensitive. They are more likely to challenge any issue that arises and, I suspect, although I cannot tell for sure, that is the reason for the rise. They have risen over three or four years now.

Mr WOOD: Does your role in those complaints act as a mediator or do you just make a base-led decision? Obviously, there might be people who owe money, but they go to you because they feel that Power and Water charged them an amount they do not think is justified. Do you have to look at it from a point of view of administration rather than being a mediator or someone who might be able to reduce the fee?

Mr SHOYER: We do not take the side of either Power and Water or the complainant. We look at it from an impartial point of view. We also look to see what options there are to resolve an issue. Power and Water and Jacana look at things from a commercial perspective, and part of that is looking at how to best resolve an issue. Sometimes that means we might split the difference somewhere. Our work is very much making sure there are appropriate processes in place to handle those complaints. If we think there is an issue that needs to be dealt with, we will make it clear to Power and Water and Jacana what our views are. That is something that usually resolves the issue.

Mr WOOD: They are all my questions, Madam Chair.

Madam CHAIR: I have a question pertaining to your reference to your inquiry into the removal of the Police Commissioner, John McRoberts, in 2014.

I refer the Chief Minister to the Alice Springs branch meeting of the Country Liberal Party on 3 February 2014. You made some comments about the removal of John McRoberts, the Police Commissioner at the time. You said:

I have good evidence that this ...

The removal of John McRoberts:

... has involved an orchestrated political coup to get rid of the police commissioner. The judicial inquiry ...

Which I believe you did not proceed with:

... will have a look at it.

Chief Minister, did you refer the evidence that you had of an orchestrated political coup to get rid of the Police Commissioner to the Ombudsman as part of his inquiry into the removal of the Police Commissioner?

Mr GILES: I am quite satisfied with the outcomes since that point in time and the process that was engaged. A range of investigations have gone on. I am quite happy with those investigations.

Ms LAMBLEY: Did you refer the evidence you had to the Ombudsman?

Mr GILES: No.

Madam CHAIR: Okay. If there are no more questions, we will have a 10 minute break.

The committee suspended.

DEPARTMENT OF THE CHIEF MINISTER

Madam CHAIR: We now move on to the Department of the Chief Minister. I remind everyone to turn their microphones on when they are speaking. Chief Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of the Chief Minister.

Mr GILES: Thank you, Madam Chair. I wish to make an opening statement covering the main areas of responsibility of the Department of the Chief Minister. The Department of the Chief Minister's total expenditure declines by \$30m, from \$118m in 2015-16 to \$88m in 2016-17. The decline in 2016-17 from 2015-16 is predominantly due to planned reduction of major projects funding, ceasing of Commonwealth government initiatives, and one-off NT government funded items from the current year. Nevertheless, it is pleasing to see the department spending less taxpayers' funds, and I thank all the people at DCM for their work over the past year. I would also like to thank all the public employees who have helped with all agencies' preparations for estimates.

Planned outcomes achieved and funding concluding in 2015-16 consists of \$18.4m in support for major projects; \$2.5m for our new digital strategy that has sought to revolutionise the Northern Territory government's website and align us with similar websites around the world; \$2.5m for Tropical Cyclone Lam and Nathan recovery fund, which is designed to assist communities in cyclone affected areas; \$2m to support Northern Territory major events funding; \$2m Commonwealth government-funded social and community services pay equity program, designed to give equal pay to people working in a social and community services sector; \$2m for the Commonwealth-funded township leasing program, which has been transferred to the Department of Local Government and Community Services; \$1.8m for the Commonwealth government-funded Stronger Futures National Partnership Agreement; \$1m in support for the Aboriginal land strategic policy section; \$800 000 for The Territory Remembers, which is the 75th anniversary of the Bombing of Darwin program, which has now been transferred to the Department of Arts and Museums and will start its commemoration on 19 February 2017; and \$3m has been allocated in 2016-17 for strategic policy coordination, which includes the preparation for COAG meetings, where the Territory fights for our fair share of funding and negotiates better outcomes for the Northern Territory.

On 3 May 2016, the Prime Minister and I signed the bilateral agreement between the Commonwealth and Northern Territory governments for the transition to the National Disability Insurance Scheme. The bilateral agreement outlines key program elements and deliverables, including funding implications for the NDIS transition period, which begins in a little under a month, on 1 July 2016, and runs through to 30 June 2019. The bilateral agreement outlines the financial estimates and maximum projected costs of the NDIS transition for the Northern Territory, that being \$7.7m in 2016, \$33m in 2017 and \$81.5m in 2018 if all 4933 clients estimated to be eligible for the NDIS transition into the NDIS scheme.

There is \$1m towards a very important ice action plan communication strategy, with \$300 000 to be spent in the remainder of the 2015-16 financial year, and \$700 000 in 2016-17.

In February 2015 the Country Liberal government announced \$4.2m over four years to be coordinated through regional coordination committees in Alice Springs, Katherine, Nhulunbuy, Tennant Creek, Darwin and Palmerston to facilitate local early intervention and prevention issues for young people. The commitment to regional youth services also supports education activities, case management and improved coordination of youth services delivered by agencies and organisations. Each region held consultative forums with non-government organisations and government agencies to ensure local solutions were delivered to meet local needs. As such, each region is at different stages of their funding relationship with government.

In the past year the regions have developed medium- to long-term initiatives that I have approved. Trial programs have been funded to ensure the most effective use of the funding to achieve longer-term solutions in Alice Springs, Nhulunbuy, Tennant Creek, Darwin and Palmerston. A sum of \$1.1m has been allocated to deliver these programs in 2016-17.

I would like to briefly cover what is happening in the regions, which is a major focus for this government and a key point of difference between us and the opposition. In Central Australia there is currently investment in the pipeline of approximately \$5.8bn capex involving a potential workforce of an additional 3700 people. There has been a record \$293m spent in infrastructure in the Central Australian region during this financial year, 2015-16. We have supported a range of key investor presentations in Alice Springs throughout the year, including Tellus Holdings, Arafura Resources, Newmont Mining and the Fortune Development Group.

We have supported the establishment of a \$951 000 partnership with the Alice Springs Town Council and the Central Australian Aboriginal Congress to deliver an integrated after-hours service for at-risk youth in Alice Springs. We are investing an extra \$4.2m for regional youth services over the next four years. Of this, \$1.2m has been committed to Alice Springs. The funding is provided for staff in operational elements of such youth programs. In addition, \$350 000 has been committed to the Red Dust Role Models program to deliver its Strong Young Women's Program and Healthy Living Program between 2014 and 2018.

In regard to East Arnhem, the Northern Territory government, together with our regional partners and the communities, responded swiftly to a huge relief and recovery effort following Tropical Cyclones Lam and Nathan in 2015. Progress on the \$100m rebuilding program is going fantastically well. In Galiwinku, where 80 houses require replacement, reconstruction of the first 40 houses is well advanced. Twenty six houses have now been handed over and the remainder will be steadily handed over by July 2016.

The government continues to support Nhulunbuy as the regional hub and strengthen services in East Arnhem Land. The tender for the upgrade of the emergency department at Gove District Hospital into a contemporary emergency department facility suitable for the needs of the region has been released. The total projected budget is around \$10m. This is in addition to the \$6m recently committed to works for the hospital staff quarters, air conditioning and lift systems. A further \$3.5m is allocated in this year's budget for fire and safety upgrades. The targeted completion date is February 2017.

Construction is well under way for the \$20m regional boarding facility in Nhulunbuy. The new facility will provide capacity for 40 students from across the region to access a high-quality teaching program in a supportive boarding environment. Norbuilt was the most competitive tender by at least \$4m. The company has engaged regional businesses to work on the new facility, and at least 15 local Indigenous jobs have been created, including nine in Yolngu. A transition support unit has been established to work with families and students, and consultations are under way in communities on the 2017 program for East Arnhem's remote schools.

In regard to the Big Rivers region, or Katherine, we facilitated \$525 000 youth services grant to YMCA Katherine, focusing on early intervention and prevention. We are supporting the work of the Katherine Regional Economic Development Committee, including the development of the Katherine Business Park and improved transport freight infrastructure. We have committed money to tourism, including \$10m to build a glass skywalk at Nitmiluk. We are releasing land like never before in Katherine, and we have a large reconstruction project going on, particularly in regard to supporting Defence, and an opportunity for Katherine and Big Rivers' future. The implementation of the transport hub will see Katherine as a key focus from a logistics and supply chain centre.

The Barkly region is quite exciting. We have put in place the northern gas pipeline, a \$900m investment expected to create around 900 jobs, 300 going to locals – many for local Indigenous people – and \$112m in contracts for local businesses. On top of this we have established the Airnorth milk run to Darwin,

Katherine, Tennant Creek and Alice Springs. It began on 19 October 2015 for a trial of two years with a view to extending it if it works.

Since commencing, 3092 passengers have used the service. The sector between Darwin and Tennant Creek experiences the highest level of participation with trip bookings, seeing more than 1100 trips taken this year.

I think it is fair to say the take-up of the Airnorth milk run is higher than forecasted in the past, and every time we have higher than forecast participation and patronage on that service it reduces the government level of subsidy and makes the system more viable in looking forward to extension beyond the two years of the trial program.

We have set aside \$500 000 for a gas to liquids program as part of our budget, an investigation to see how we can turn onshore gas into fuel, making our own fuel. The most viable site for this to be developed in the Northern Territory would be in Tennant Creek in the Barkly region. Alternate options include Alice Springs and Darwin, but, from a financial point of view, Tennant Creek is the most viable sector to make our own fuel in the Northern Territory, servicing not only vehicles and power generation, but also potentially the aviation sector, which will give us a more guaranteed supply program. This also means not only are we making our own fuel and creating jobs, but when you make diesel out of gas you get a synthetic fuel which burns cleaner and greener, especially in regards to power generation.

Additionally, we have announced \$3m for housing refurbishments to extend the living areas within Elliott town camps and Marlinja homeland in the Barkly region, making inroads to addressing overcrowding.

Local Indigenous organisation Triple P Contracting is undertaking the work with a large focus on Aboriginal employment and training. The recently released housing strategy will see, for the first time in 30 years, new houses built in Tennant Creek. That is a real testament to the focus on the Barkly region by the Country Liberal government.

I think many would be aware that under the auspices of the Department of the Chief Minister we are investigating and developing a program to see a rail extension between Tennant Creek and Mount Isa, or Cloncurry. This is work which, I imagine, will have a report released by the end of the year, with a view to the railway commencing construction within the next four years, but only a Country Liberal government can do this.

In regard to Wadeye, fostering good governance and strong accountability across the Wadeye region has improved living conditions, community participation, community safety and employment prospects. There has been a decrease in after-hours callouts due to the focus on delivering primary healthcare programs in the community, extending the business hours in community engagement.

The healthcare centre has seen an increase in consultations with men, reduced after-hours presentations and a focus on health promotion.

Our DriveSafe NT program in the remote parts of the Northern Territory is delivering driver education and licensing services in Wadeye. A fully-maintained driver education vehicle has been placed in Wadeye under the supervision of Northern Territory Police to support ongoing driver education and licensing activities. DriveSafe NT Remote's results for the last 10 months include the allocation of 31 provisional licenses in Wadeye.

A Wadeye community activity grant program has supported a range of organisations to deliver community projects, including a subsidised public bus system run by the West Daly Regional Council that will allow individuals to meet appointments with service providers and attend community meetings and civic events.

A local association there is improving the existing Wadeye schools group, making sure it provides attention and focus to many of the needs of young women in the Wadeye community.

Local foundations are bringing a group of emerging leaders from Wadeye to Darwin to participate in a week-long educational and skill development forum hosted by our local community champion, designed to provide greater levels of leadership and economic education for future advancements within Wadeye and the region.

The TDC, Thamarrurr Development Corporation, recycling project is raising community awareness to reduce waste at Wadeye. Local community organisations are also purchasing community sound systems to provide better levels of communication throughout the region.

We continue to seal Port Keats Road. We are extending power generation from Wadeye to Palumpa to Peppimenarti. We are seeing greater levels of connectivity between those regions in the area.

In regard to economic development moving directly away from communities and regions, the government has released its economic development strategy. The government is implementing policies and facilitating projects to sustain the economy now, delivering jobs through the \$100m Boosting our Economy package, and growing the economy into the future by securing investment to create jobs and business opportunities through, for example, the record \$1.7bn 2016-17 capital works program, which includes \$554m in transport infrastructure for such things as the Port Keats Road, and \$170m for the Palmerston hospital.

We are facilitating major projects such as the northern gas pipeline and Darwin's Marine Industry Park. We are working with the Commonwealth to deliver \$20bn worth of Defence construction projects over the next 20 years.

Government investment initiatives are helping local businesses and workers to transform from the recent INPEX spike in construction activity. One of our concerns, looking at our economy going forward, is the likelihood of 8000 INPEX employees losing their jobs at the end of construction activity. We aim to see many of these employees transition into the onshore gas industry, something the Labor opposition does not support. This is a significant concern because 8000 employees moving out of the INPEX construction industry into unemployment is simply unconscionable, and we will support them into the onshore gas industry.

The economic development strategy is our road map to a more diversified economy, one that can deliver stable jobs and growth for Territorians now and into the future. We are investing \$7m to support the activities of the Office of Major Projects, Infrastructure and Investment to initiate, coordinate and develop major projects. There are currently 15 projects that have an award of major project status. In 2015 the NT government formalised the process for awarding major project status to promote consistency of outcome and clarity as to the role of a major project status. The major project status recognises projects that have a significant impact for the Northern Territory and puts in place a framework for intra and intergovernment coordination.

While government is committed to facilitating a major project, such projects must comply with the relevant regulatory framework. Major projects must, of their own right, be economically and environmentally sustainable. The grant of major project status is not a financial commitment to a project. The list of major projects will vary as many more projects are added, or others are removed from the list, according to the policy.

The government remains committed to stimulating the Northern Territory economy through the attraction of major projects. Some of the major projects which the Department of the Chief Minister has worked on this year include the following:

- the facilitation of a luxury hotel in the Top End. Following a strong response for the invitation for expression of interest to build a luxury hotel, a small number of short-listed proponents have been invited to submit a detailed proposal by 27 June 2016. I expect to announce the preferred proponent next month, and I want to see the hotel opened by 2019.
- a commitment by the government to invest up to \$100m to underpin the establishment of a marine maintenance industry in Darwin. The key piece of infrastructure is a multiuser shiplift which could help create up to 4500 new jobs. Our goal is to establish Darwin as a prime location for marine maintenance and support Defence, oil and gas, coastal barging and Border Force. I want to see us servicing Defence and Border Force current and future ships which are based and serviced here, rather than Singapore, Perth and Cairns.
- a vision by government to understand the benefits of long-term lease of the port. The government recognised that the Northern Territory, as is increasingly the case with all other state and territory governments, needs to investigate alternative forms of infrastructure funding if we want to meet the needs of the future and be well-positioned to seize opportunities as they arise. In this regard I have been very clear from the outset about the government's objectives for the long-term lease of the Port of Darwin.

With Landbridge, we have a partner that has demonstrated an outstanding track record of investment and innovation that has underpinned remarkable growth and, with it, new trade and jobs. It has already put out \$25m worth of projected works under way, or about to start, at the port.

- a gas pipeline connecting the Northern Territory and eastern markets, the Northern Gas Pipeline, will provide a pathway to market that will provide incentive for onshore exploration and development. On 17 November 2015 the Northern Territory government selected Jemena Northern Gas Pipeline Pty Ltd, better known as Jemena, to construct the pipeline. The \$900m pipeline will run for 623 kilometres between Tennant Creek in the Northern Territory and Mount Isa in Queensland.
- Project Sea Dragon is a \$1.45bn aquaculture project, which will help to develop northern Australia. The project has a geographical footprint in both the Northern Territory and Western Australia, with facilities proposed for the Legune pastoral lease, Kununurra, Wyndham and Darwin. A truly northern Australia project, Sea Dragon has been granted major project status by the Commonwealth, Western Australian and the Northern Territory governments. This status is about intra-government and inter-government coordination on matters such as approval, training and infrastructure.

On 11 December 2015, the Premier of Queensland and I signed a memorandum of understanding to foster a closer working relationship on major cross-border infrastructure projects, including the Mount Isa to Tennant Creek railway. A cross-border infrastructure and investment steering committee has been established to progress this agreement.

The Country Liberal government decided that a proponent led negotiation model to develop Ord Stage 3 could deliver the best possible outcome. With the agreement of the Northern Territory Land Corporation, a request for proposal commenced on 3 April 2016 to identify a private developer. The proposed approach will put traditional owners in direct contact with the proponent to negotiate an appropriate settlement that is in the best interests of traditional owners and is commercially viable.

Mr GUNNER: Chief Minister, you have had 20 minutes instead of five. Are we close to a wrap?

Mr GILES: Yes, I have a couple of pages to go.

The Economic Development and Major Infrastructure Output decreases from \$31m in 2015-16 to \$11.5m in 2016-17, being a decrease of \$19.5m. The decrease is attributed to the completion and progress of \$18m worth of major projects in 2015 and the finalisation of a \$1m funding for the Aboriginal Land Strategic Policy Unit in 2015-16.

The Northern Australia Development Office Output will receive \$3.6m in 2016-17 to promote Developing the North. The Developing the North agenda is at the forefront of the national agenda and we believe the Territory government must tap in to this, but also continue to drive development in our own backyard, in our regional centres, and create opportunities in remote communities.

In regards to social matters, in 2016-17 \$60 000 has been allocated to operate the Chief Minister's Round Table of Young Territorians. The round table provides young people with the opportunity to speak directly with the Northern Territory government. Membership of the round table reflects the diversity of young Territorians aged between 15 and 25 including geographic, age, cultural and ethnic representation.

The Northern Territory government, through the Office of Youth Affairs, administers the Youth Engagement Grants Program, which provides funding for activities and events that empower, educate and entertain young people across the Northern Territory. As of 31 March 2016, 105 applications were approved and a total of \$78 000 in grant funding was awarded to recreational and development initiatives. An amount of \$170 000 has been allocated to this program in 2016-17, a marked increase from last year; \$98 000 has been allocated towards National Youth Week in 2016-17, National Youth Week being the largest single celebration of young people aged 12 to 25 years held annually across the nation.

In regards to environment, from a Department of the Chief Minister point of view, we are investing \$300 000 to coordinate environmental policy across government and engage with stakeholder groups across the Territory, including the development of the Balanced Environment Strategy, and responding to the recommendations stemming from the Hydraulic Fracturing Inquiry and review of the environmental assessment and approvals process. These reviews have seen the approval of the process of fracking in the Northern Territory and supporting the development of more than 6300 jobs in the onshore gas industry - something that Labor is not supporting.

In regard to major events, the Community Engagement and Support Output increased by \$6.5m in 2015-16, and a further \$1m in 2016-17 to \$23m. The variation in 2015-16 mainly reflects new funding of \$6.4m to support major events across the Northern Territory, including funding significant Territory Day signature events, the extension of the Red CentreNATS in Central Australia and the funding for a new major iconic event, the Festival of Light in Alice Springs, known as Parryeme.

There is \$3.8m to continue providing support to multicultural organisations and initiatives through the multicultural, youth, seniors and community support grant programs. The budget for the community support grants program for 2015-16 is \$1.2m. The objective of the community support grant programs is to assist community groups in organisation in the Northern Territory to support communities, to promote participation in the community and improve social connections between different backgrounds, language groups, genders and age.

In July 2015, significant major events previously supported through the community support grants program were transferred to the Northern Territory Major Events Company for management. As at 31 March 2016, 58 community support grants have been committed for 2015-16 financial year totalling \$601 124. Examples of funding provided through the community support grant program include the City of Darwin council receiving \$35 000 to run the Bombing of Darwin commemoration activities in Darwin and at a more modest level \$1500 was provided to St John Ambulance Service to support cadets based in Alice Springs to attend an international cadet camp in 2016.

Finally, Madam Chair, I am pleased to note that on 6 April 2016 the government announced the resolution of the outstanding issues relating to the settlement of the Kenbi Land Claim. I thank everyone who was involved, both past and present, in working to reach such a momentous land agreement. I look forward to the formal handover later this month. As a person who is passionate about Indigenous affairs, being Chief Minister for three-and-a-half years, working with all the people, past and present, and getting to a point where we could get final agreement on the Kenbi Land Claim has been a fantastic achievement. It is a reflection of the NLC which wanted to work it through, but also the Northern Territory Senator, Nigel Scullion, as a minister for Indigenous Affairs and me as the Chief Minister of the Northern Territory, who is highly committed to seeing resolution of the Kenbi issue and many other Indigenous issues. It is a sign of peace moving forward and of bringing everybody together in the Northern Territory.

I would now like to introduce the officials sitting to the right and left of me: Mr John Coleman, Chief Executive Officer of the Department of Chief Minister; Dr Rachel Bacon, Deputy of the Department of the Chief Minister; and Mr David Ryan, Chief Financial Officer of the Department of Chief Minister. There are many other staff who are providing support for the estimates process today, some present who I will rely on and some who are not present. I thank them for their hard work and preparation. I am happy to take any questions.

Madam CHAIR: Thank you, Chief Minister. Are there any questions on the opening statement?

Mr GUNNER: First of all, Madam Chair, it was a 25-minute statement instead of five minutes. That statement covered everything, so we can ask every question at the statement.

Mr GILES: Let us move on to Tourism. There are some good stories on tourism, if you like.

Ms FYLES: Madam Chair, can I clarify what outputs that major events fall under or output number, Chief Minister?

Mr GILES: That will fall under Community Engagement and Support, Output 7.5.

Ms FYLES: And to clarify about the NDIS which you made mention of. Those questions will be directed to the Health minister?

Mr GILES: Well, as you would be aware, we take a lead role in intergovernmental relations and communications, so I am happy to take anything on that. But if it is in regard to program elements that will go to the Department of Health.

Ms FYLES: Thank you.

Mr GILES: You will have to be careful with which questions go to which area.

Mr GUNNER: Chief Minister, where will you take questions on the communications and marketing bureau – whole-of-agency or output?

Mr GILES: No, that will be done through Government Business Support, Output Group 8.0.

Mr WOOD: Can I ask where will you take questions on travel?

Mr GILES: That will be done through Corporate and Governance, Output Group 9.0. If it makes it any easier I am happy to table the travel report now for you. Gerry.

Mr WOOD: I am not sure it will make it any easier, I will have to read it. But you can table it. Thank you.

Mr GUNNER: We are happy for it to be tabled.

Madam CHAIR: Opposition Leader, would you like to start with the questioning?

Mr GUNNER: Chief Minister, at the start of your statement you touched upon the budget for the agency. You budgeted for \$98m last year, spent \$118m and next year you are budgeting \$88m. You touched upon some of the variations ...

Mr GILES: Can you start the question again? I was tabling that document.

Mr GUNNER: Chief Minister, at the start of your statement you talked about your whole-of-agency budget. You budgeted \$98m last year, spent \$118m last year, and this year you are budgeting \$88m. You mentioned some of the variations in your opening statements and you have some listed in the budget books, but they have no costs next to them. Can you take us through what happened to go from \$98m to \$118m and back to \$88m, and the costs of those variations?

Mr GILES: There is a range of responses. Some of those are in relation to national agreements funding that comes from the Commonwealth government, some relates to increase in expenditure for the Office of Major Projects. As I said in my opening statement, some of it relates to increased levels of funding for major events and there is a high level of movement between the two. Do you have a particular area of questioning?

Mr GUNNER: Those are wild swings, Chief Minister. You have listed ...

Mr GILES: They are not wild. It depends where money has been allocated.

Mr GUNNER: You have listed some variations. Can you give some costs? You even touched upon them in your statement. Can you give some costs to those variations that are listed in the budget book?

Mr GILES: I am happy to read the statement again.

Mr GUNNER: You touched upon them in your statement – the National Disaster Relief and Recovery Arrangements, the funding for NT Major Events, the projects that were finalised, etcetera. There are variations listed but you have not given any costs.

Mr GILES: Let me explain it. I did answer it. The reason I made a big statement was to provide a bit of clarity, but I am happy to go through that further. Part of the changes includes a large amount of money for major projects. We spent a lot on major projects, whether that is feasibility studies into railways, spending a lot of time working on the Ord, Project Sea Dragon, the prawn farm ...

Mr GUNNER: There are no costs involved. I asked for costs, Chief Minister. Will you give some dollar amounts?

Mr GILES: I will give you the numbers.

Mr GUNNER: Can you explain the variations, Chief Minister? Can you actually give some dollar figures?

Mr GILES: Leader of the Opposition, I am happy to give you a consolidated answer, but you just have to allow me to get to it.

Ms FYLES: You cannot answer the specific questions?

Madam CHAIR: Can you give the Chief Minister an opportunity to answer the question, please?

Mr GILES: Thank you, Madam Chair. As I said in my opening statement, there was \$2.5m to help establish the recovery fund for Tropical Cyclones Lam and Nathan. That was matched by the federal government and there is now a \$5m fund. Some of that money has been allocated, but there is \$2.5m in the difference.

As I said in my opening statement, we have put in an additional \$2m to help support major events funding, particularly around areas such as the Territory Day celebrations. I am very keen on seeing Territory Day celebrated more fulsomely. Last year was a fantastic celebration and this year we will see more events go forward with Territory Day.

One thing that was also mentioned in my opening statement is the change to the digital strategy. We want to see a new interface between the community and the Northern Territory government as a way for information to be provided to the public. We spent an additional \$2.5m on the digital strategy. A team of people have been working in DCM to develop the new government website. There are eight areas of interface on nt.gov.au which follows a pathway of – I would not say replicating - but following how the UK government has done it. Anyone who has a look at uk.gov.au will see how the New Zealand government has created its digital interface. The federal government is spending around \$230m minimum to get a new interface, but we have jumped the gun on that, got a lead and tried a new interface for the Territory.

In building a whole new website our officials pretty much had to go through 400 000 independent, or discrete, webpages and rewrite everything, making it more user friendly and in plain English. As an example, last year when some of this started there were references in some of those old webpages to Chief Ministers back into the 1990s. It showed you how old some of that information was. We had to completely rewrite that. The reason we chocked the money up last year was because we wanted to get it all done in one approach, otherwise each one of those eight areas would have taken about 12 months to rewrite and we did not want an eight-year program. So, that is where some of that money has gone.

As I said in my opening statement, we put \$2m into moderating the social and community services pay regime so there is now a better pay equity for those people who work in social and community services. That cost us \$2m and it meant that where we were providing funding agreements – and we wanted to comply with the spirit of some of those national agreements – we needed to put an additional \$2m in to moderate those wages so the wages were higher for people working in the social and community services sector ...

Ms FYLES: Sorry, Chief Minister, I will just ask you a question on that. NGOs would have seen a direct budget line which they could attribute to wages to help match those wage levels, if that ...

Mr GILES: What they will be seeing is an additional \$2m which flows through those NGO agreements.

There has been a \$1.8m for the Commonwealth government-funded Stronger Futures National Partnership Agreement, which is part of the difference. There is \$1m to support the Aboriginal Land Strategic Policy unit, which is now changed because that has left the Department of Chief Minister and has moved over to Land and Resource Management. That is where the \$1m was, but is now being headed up by the CEO of Land and Resource Management. There is \$800 000 for the Territory Remembers campaign.

In the budget this year you will also see that there is further money set aside for three other areas. One is the continuation of the social and community services pay equity program at \$1.7m. There is \$400 000, as outlined in the opening statement, for the continuation of the com strategy around the ice action plan trying to target the drug ice in the Northern Territory which causes so much concern to Territorians. There is a \$2.8m investment into show societies and their show grounds across the Territory. Some show societies run their show grounds, others are run by the grounds people and then the show society use the grounds. There is a combination about where it has gone in that regard.

Mr GUNNER: Chief Minister, last year's budget was for \$98m and 290 staff. This year's budget is for \$88m and 320 staff. Can you explain where the staff are going and how you budget \$10m less, but have 30 staff more?

Mr GILES: There was a strategy last year where we used a lot of outsourcing, particularly on major projects. We engaged many advisers, whether they were probity, economic, legal and environmental advisers. We outsourced work, but did not engage direct staff. There are many areas where we have

found direct employment and engagement. A good example is the area of the digital strategy. We had to put a lot of staff on to help rewrite the website. How many extra staff did we put on for that?

Mr COLEMAN: Eight.

Mr GILES: At least eight in that one program alone. So, there is a range of areas where we have had to put on extra staff to do extra work.

Mr GUNNER: So where are the 30 staff going in this budget?

Mr GILES: Do you want to know exactly each staff member?

Mr GUNNER: You have gone from 290 to 320.

Mr GILES: That is all right, I am happy to find that for you. I will answer that question for you.

I am not sure what paper you are reading from, but I can tell you the number of departmental full-time equivalent staff, at the end of March 2016, was 220.37 compared to March 2015 which was 208.05.

Mr GUNNER: So, 290 is from last year's budget book and 320 is from this year's budget book? On page 29 of the Budget Paper No 3 staffing for 2016-17 is 320, and last year's budget book staffing for the DCM was 290.

Mr GILES: I will just give you this answer. In regard to the staffing numbers and expenditure for Department of Chief Minister, there was a movement of 12.32 full-time equivalents between two years which is documented in Attachment A - which has writing on it so I cannot table it, but I am happy to tell you about particular areas without going through every individual line item.

The Strategic Policy Coordination Unit had an increase of – is that the increase or is that the number?

Mr GUNNER: Can we have an explanation for why the budget book staff numbers are different to staff numbers you have?

Mr GILES: You are asking about the Department of Chief Minister, you are not asking about ...

Mr GUNNER: It says on page 29 in the budget book that the Department of Chief Minister staffing is 320.

Mr GILES: Leader of the Opposition, I am happy to explain something to you. The Department of Chief Minister has staff, the Leader of the Opposition's office obviously has staff, the Office of the Chief Minister has staff, the Administrator has staff - so there are different areas. If you are asking about Department of Chief Minister, I can answer that. If you want an answer about any other offices I can answer that too.

Mr GUNNER: In the budget books it was 290 last year, 320 this year - it is not broken down. I am just asking where the 30 extra staff are.

Mr GILES: Okay, some of them have gone into your office, some into my office, some into the department and some to the Administrator's office.

Mr GUNNER: This probably goes to what you have there. How many staff in Department of the Chief Minister detailed by (a) full-time equivalent; (b) permanent part-time contracts; (c) temporary contract; (d) frontline staffers FTE and as a percentage of the agency; (e) FTE and percentage identified Aboriginal and Torres Strait Islander staff of the agency? This was all given in advance. How many staff are ECO1 level and above, detailed by classification level? How many staff resigned in 2015-16 to date? What was that as a percentage of agency's total staff? How many staff were made redundant in 2015-16? How many were terminated?

Mr GILES: I can tell you the staff movements in DCM and then I will move onto the classification. Is that all right? The staff movements in the Strategic Policy Coordination Unit, which looks at strategic and federal policy and social policy, had an increase in staff of 5.86. That is about our relationship between us and Canberra; that is a lot of the COAG-type of conversations.

If you have a look at the Economic Development and Major Infrastructure, which is where there has been a lot of work done over the last year, there was an increase in 8.27 staff. That looks at economic and

environmental policies, things such as the Hawke report, the Office of Major Projects, the investigation and management of the Palmerston hospital, the redevelopment of Palmerston Regional Hospital, the gas pipeline, the rail line and other major projects in the Northern Territory. It looks at ...

Ms FYLES: Chief Minister, we understand the detail of what people do. We are asking for those numbers. Sorry, we are conscious of time. You made a very long opening statement so if you could just provide the data ...

Mr GILES: I am just trying to give you as much detail as you want.

Ms FYLES: We will ask more questions if we need it.

Mr GILES: So, what would you exactly like to know then?

Ms FYLES: We provided advice of this before, of the full-time equivalent staff. We gave some staffing numbers we would like. Are you able to provide those today?

Mr GILES: I can tell you in regard to the Department of Chief Minister, there are 43.14 people between ECO1 and ECO6; in the Office of Chief Minister, between ECO1 and ECO6 there are 19.4 people; in the Leader of the Opposition's Office there are 1.8 people on ECO1.

Mr GUNNER: What about the full-time equivalents, permanent part-time contracts, temporary contracts?

Mr GILES: I will have to take that on notice.

Ms FYLES: Chief Minister, you were provided this beforehand. You are not able to provide the details to the committee today?

Mr GILES: In relation to staffing numbers at Pay 20, 2016, in the Department of Chief Minister, there were 133.37 full-time equivalents, part-time permanents were 8.07, temporary casual contractors were 78.93 people, totalling 220.37.

In regard to the Office of the Chief Minister, there were 29.5 full-time equivalents, 58.28 temporary or casual contract staff, totalling 87.78 - there being no permanent part-time staff.

In relation to the Leader of the Opposition, there was one full-time equivalent and 9.8 temporary casual staff, totalling 10.8. In regard to total agency ...

Ms FYLES: Sorry, can I just ask a question? On that Office of the Chief Minister, does that include those ECO figures that you read out?

Mr GILES: Yes. In regard to the total agency - I am just totalling all these up for you - full-time equivalent is 163.87 staff, permanent part-time is 8.07 staff and temporary casual contractors 147.01, which totals 318.95 staff.

Ms FYLES: Thank you.

Mr GUNNER: My next question is Output 7.1, Madam Chair. Others might have questions.

Ms FYLES: I have more questions on the opening statement.

Mr WOOD: So did I.

Ms FYLES: You go first, Gerry.

Mr WOOD: One question on the opening statement. Minister, you mentioned about the project at Nhulunbuy and that there were ...

Mr GILES: The boarding school?

Mr WOOD: The boarding school with nine Aboriginal people employed.

Mr GILES: Nine locals; there are 15 in total.

Mr WOOD: One of the concerns I have - and it is the same concern I had when SIHIP was occurring – is those are just numbers. Whilst the government should be encouraged to try to employ as many Aboriginal people as possible, figures do not always tell the whole story.

Do you do a review to see whether the people who are employed are staying employed - that is for a period of time, rather than just nine different people over a couple of weeks? Are they actually skilled or being trained? Do you do an in-depth analysis of whether what you are trying to achieve is actually happening instead of just being a statistic that looks good?

Mr GILES: Absolutely. You can ask the Minister for Infrastructure for more detail about exact statistics, but if you have a look at our performance on Indigenous employment across the board it is outstanding. It is nation-leading. It is leading in many areas internationally, so much so that we have all states and territories coming to us seeing how we are doing it and some countries from overseas seeing how successful we have been and why.

I will not talk particularly about the Norbuilt project at Nhulunbuy but I will talk about the process of how we go. There is a range of policy initiatives involved that see us seeking to increase Indigenous employment. On one hand we have the process around public sector employment, where I have promised to double the public sector Indigenous employment from 8% to 16% by 2020. We started at 8% and about 15 months later, we are now at about 9.8% or 9.9%. That is hundreds and hundreds of extra jobs for Indigenous people. They are all permanent jobs which are guaranteed. It is changing the dynamic in the Northern Territory, particularly in the highly receptive, professional public service we have here.

In relation to the contracting, there are a few areas of that policy. I am outside of my purview of portfolio area. It is partly Indigenous Affairs, partly minister Price's area and partly minister Chandler's area. We have one policy around joint ventures, trying to get more joint ventures done - partnership between local Aboriginal organisations and communities and an experienced builder, if it is building work we are doing - in seeking to provide employment outcomes in that area.

Then we have things such as the provisional sum agreement, which is what you are probably alluding to. The provisional sum agreement is trying to tie up to 10% of the contracted price to the engagement of Indigenous Territorians. Under our past analysis we identified that best endeavours - for want of a better term - was always encouraged to try to get Indigenous people employed. It was never properly monitored or achieved and there were not a lot of outcomes. We estimate - and it is estimation based on science and data analysis - about 40 Aboriginal Territorians were getting jobs out of government procurement.

When you look at our 2015-16 budget, it will be cashed out at \$1.5bn and the next budget in 2016-17 will be cashed at \$1.7bn. It is not just a number, it is a cash number. To only get 40 jobs out of \$1.5bn for 2015-16 is not on. So, we have made those procurement changes with the joint ventures and the provisional sum, plus we are moving – we have not gone heavily into this yet; it is happening but it is not heavy – to direct engagement with local communities about small-scale contracts, going direct to them. We have seen more than 800 employees. We have gone from 40 employees, roughly speaking, to more than 800 employees as the result of the hard work of DoI and those contractors.

There is an audit process at the tender process when they come in to identify how real they are. There is an audit process that comes through with the payments and there is a process of analysis done by DoI, which is pretty tough. Dave McHugh, the CEO, is very tough. If he thinks people are being rubbery, he will rub them out. If he thinks people are trying to manipulate the system, they will be black-listed. We do not have a black list, but these people will be identified as not adhering to the guidelines and the desire to see increased levels of Indigenous employment in those tenders.

I have to say the change has been fantastic. Part of my plan on coming into the role of Chief Minister was (1) to try to get rid of the Berrimah Line and make us all about the Territory and (2) try to remove this issue about inequities between Indigenous and non-Indigenous Territorians. The Berrimah Line has been moved to a large degree and the balance between getting outcomes for Indigenous Territorians has improved, no more so than in the areas of Indigenous employment.

Going back to the opening statement, I had a line there about \$554m from this budget going to transport infrastructure which is roads and bridges. We have other money for telecommunications, but it is roads and bridges. Yes, there is some money going towards Tiger Brennan Drive, but most of the money goes to \$40m for bridges over the Roper and the Wilton Rivers, \$16m for seal between Ramingining and the Central Arnhem Highway, more sealing of the Port Keats road, more money for the Tanami. We are only 18 km from the end of the seal to the turn-off for Yuendumu, so another \$7m on top of what is already

being spent will see us get to that turn-off. It will see more jobs for local people, particularly Warlpiri. It will see a part of the continuation of delivering services for people in the bush.

There are two parts to the back end of your question. One is about training and employment, and the other is about continuity. I will answer the continuity one first. The challenge in our government – which has never been a challenge for other governments in the past because they have not pursued this area – is how we get continuity of employment. If you spend \$7m on the Tanami, the contract will only go for a period of time.

But we need to work out what comes next. A good example is Ngukurr. We do not have every answer for every community, but look at Ngukurr. It engaged in a joint venture with a company called Probuild. It used to be Probuild Alice, now it is Probuild NT. It was around \$6m. I do not have the exact figures on top of my mind as it is a Health question. But Ngukurr entered a joint venture with Yugal Mangi and Probuild for the project management and employment. All the gravel is coming from local areas, which helps with employment. It gets employment in project management and skills experience transfer, and it gets jobs.

Once that JV is finished – it is finished now, but we are waiting on Telstra to do its job and open the place up with telecommunications – it can move on to jobs with Sitzler, which I think has the Roper and Wilton bridge projects. Sitzler can engage people. People will get a job and move from one to the next. Our challenge is making sure there is continuity of work. The other component in all of this is that government spending money is not the only thing that can provide the jobs. We have to work out a way of engaging the private sector in some of this.

In many parts of the Territory there is a small amount of continuity happening. We need to provide more and engage the private sector. Our budget in the Territory is around \$6.5bn, which is not enough to employ every person forever, particularly in regional and remote parts of the Territory.

In some parts, government construction not only delivers improved levels of servicing and community amenity, it delivers jobs and stimulates. But we need to work out the next stimulation. Sometimes it is government stimulation and sometimes it needs to be private sector.

In regard to training versus employment, I worked in this sector before politics. I am a big supporter of employment before training. You would have heard many stories in your time in politics and beyond that. You could line the Stuart Highway from Darwin to Adelaide with the number of training certificates provided to people who are not working. My preference - and this is not the 100% rule but my general rule - is to get people into a job, identify their productivity - whether that is 5%, 50% or 100% - work out ways to improve productivity and train on the job to give people the opportunity. This may seem to be a generalisation, but it is based on analysis: many people come into the semi-skilled, low-skilled or unskilled area, so we want to skill them up on the job rather than trying to train people forever and a day and then they do not get a job.

Mr WOOD: Just one other question on that – that was a long answer ...

Mr GILES: I tried to cover everything.

Mr WOOD: No, that is all right. I realise that. I get the impression that part of the problem is getting people to want to work. Part of that problem is related to social security.

Does the government have discussions with the federal government about ways that could ameliorate that, because that it is a factor? It is easy to work for the dole than perhaps get a job working five days a week. There are other issues. If you get a certain number of people get a good pay, then you know that those people are targeted for 'gimme, gimme', which is an issue as well.

Mr GILES: A bit of humbug. You are right; this is a perennial issue around welfare dependency. There are a few different approaches. The most well-known approach is the carrot and stick approach. Give people the stick if they are not turning up to work and take their welfare off them, and the carrot means trying to pay people to turn up to work, such as an incentive or an enticement.

We are trying to take a different approach in empowering people to take the opportunity of a job. I have said publicly many times, most recently at the Full Council of the Northern Land Council, that we are not forcing people to get involved in economic development, but we are giving them opportunity. If they want to get up and have a go we will help them do that. If they do not they continue in the normality of how things run in a community, the continual level of servicing. But I want to see people get up and have a go.

My views on economic development and employment are pretty clear; I have stated them for many years. I do not support welfare dependency; I support a hand up not a handout, and that is how we should go on.

I have taken the position that we need to bring back CDEP - whether it is CDP or CDEP, whatever you might want to call it. When the changes were made around 2008 or 2009 when everyone was taken off CDP and put on the dole, it had detrimental effects to many people across the Northern Territory and Australia, particularly Indigenous Australians living in regional, rural and remote parts of the Territory.

I know the federal minister has been trying to pass legislation to change the CDP, to bring back the old top-up model. Not being political, but I know it was supposed to be passed before the federal election was called. It was bipartisan and he lost his bipartisan support, so that has not occurred. I am hoping after the federal election the Coalition is elected and they pass the legislation to change CDEP so we can go back to the model where people who were on unemployment can take up CDEP and move to some form of top-up with flexibility around it. CDEP was not the answer, but is part of the motivation in people getting up, getting to work and off the dole and move into that paradigm of employment and economic development. I will be supporting that.

We talk to Canberra all the time about getting the balance between carrot and stick right, but I want to have a more inclusive environment where people want to come to work. It is starting to change. You cannot do everything; Rome was not built in a day. We are getting some changes at some communities which are quite successful, but there is more to be done in many of the other areas. We are talking about generations and generations and decades and decades.

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

Ms FYLES: Yes. Chief Minister, are you able to provide details of the sale or the lease of the Port of Darwin between the government and Landbridge?

Mr GILES: Yes.

Ms FYLES: Are you able to table those documents?

Mr GILES: Do you want details? Are you asking me which area it comes under because there is a specific output area?

Ms FYLES: No, I am asking if you are prepared to table the ...

Mr GILES: I am happy to talk to it. It comes under a particular output area, and it is probably best if we deal with that in the output area.

Ms FYLES: You spoke about it in your opening statement, so I am asking the question now.

Mr GILES: Why do we not wait until we get down to the economic development area, then I will be happy to answer all those questions then?

Ms FYLES: I would prefer if you could answer them now.

Mr GUNNER: It was raised in the statement.

Ms FYLES: You raised it in the statement.

Mr GILES: Okay. I will take guidance from the Chair. We have a specific output area for it, but I am happy to do it either way.

Madam CHAIR: If you are happy to do it either way, you can answer the question now.

Mr GILES: Okay. What is the question?

Ms FYLES: Are you prepared to release the details? Are you prepared to table a document showing the ins and outs of that lease?

Mr GILES: I am happy to talk to it. If you ask me a question, I will answer it.

Ms FYLES: You are not prepared to table any documents?

Mr GILES: No, I am very happy to talk about it. Ask me what you like, and I am happy. I am very proud of our transaction ...

Ms FYLES: Are you prepared to release the full details?

Mr GILES: I am sitting here saying, yes, ask me a question.

Ms FYLES: Are you prepared to release the terms and conditions now?

Mr GILES: I announced all those in parliament. I am happy to read them again. I do not want to waste your time, but ...

Ms FYLES: We are asking you if you can table them.

Mr GILES: Well, let me just answer. One of the terms and conditions was that 20% of the leasing body needed to remain in Australian hands. This is known publicly; I have said it many times and in parliament. At the time, we received \$506m for the transaction based on 100% of cost. We have said that 20% needs to go to an Australian entity within a couple of years, and that process is progressing ...

Ms FYLES: Are you prepared to table here now a list of all the terms and conditions or not?

Mr GILES: I do not have all the terms and conditions on me, but I can tell you the ones that ...

Ms FYLES: Are you happy to take that as a question on notice?

Mr GILES: Yes, happy to.

Question on Notice No 3.1

Madam CHAIR: Could you restate the question please, member for Nightcliff?

Mr GILES: I am happy to keep talking about the port.

Ms FYLES: If the Chief Minister could please provide a list of all the terms and conditions of the lease of the Port of Darwin.

Madam CHAIR: Do you accept the question, minister?

Mr GILES: Yes.

Madam CHAIR: The question asked by the member for Nightcliff of the minister has been allocated number 3.1.

Ms FYLES: What was the total amount of ...

Mr GILES: I point out, Madam Chair, that I have to be careful about commercial-in-confidence with some aspects of that.

Ms FYLES: What amount from the \$506m went on consulting fees?

Mr GILES: I will find the answer for you. Madam Chair ...

Ms FYLES: Chief Minister, we have a lot of questions and you keep giving us nice little anecdotes and stories, but if you could please answer the questions.

Mr GILES: I only said two words.

Madam CHAIR: If you could allow the Chief Minister to answer the question. We will move on to output groups after this question.

Mr GILES: I am trying to find the right area. In relation to the port – I am happy to talk about this up hill and down dale ...

Ms FYLES: It was a specific question.

Mr GILES: What was your specific question?

Ms FYLES: The question I asked was how much went in consultancy fees from the \$506m sale?

Mr GILES: Okay, I can tell you that of the fees we spent as part of the port – the Auditor-General identified that the port was valued at – we spent fees on the following list of advisers into these categories: a lead contractor; a legal contractor; a financial contractor; a trade and economic adviser; an environmental adviser; an engineering adviser; a probity adviser; a coms adviser; and a port and technical adviser. Over the three years, we spent \$27m on all of that type of advice. In the types of advice we ...

Ms FYLES: Can I just clarify? It was \$27m over three years?

Mr GILES: Yes. In regard to how we identified those advisers: in lead advisers, we were working with seven different parties until we identified one; in legal, that was a panel and we were working with three parties until we identified one; we went with five parties for financial and came back to one; four on trade and economic and came back to one; we worked with 12 different agencies to provide us with environmental advice and came back to one; five different engineering parties and came back to one; we identified one for probity; and one for communications, in particular.

Ms FYLES: Sorry, when you said you were working with them and then came back to one, can you explain that?

Mr GILES: Yes, as an example, as a lead adviser, we identified seven agencies that we thought could help us with the lead, then went through a process to identify which one we worked with.

Ms FYLES: Okay. Yesterday the Treasurer spoke about \$13m in consultancy fees. Is that in addition to the \$27m?

Mr GILES: No, he was talking in relation to Flagstaff, which was the lead adviser. On top of that we had to pay legal, probity, environment, etcetera.

Ms FYLES: So, was it \$40m in total?

Mr GILES: \$27m.

Ms FYLES: So, of the \$506m that the Northern Territory government received, we know that \$27m has gone in some type of consultancy fees. What other fees or income were taken away from that sale amount?

Mr GILES: They are all the ones that I have just spoken about.

Ms FYLES: So \$27m. Were there others in the lease?

Mr GILES: No, that is the cost. We spent a lot of time - the lead had to spend a lot of time looking at technical specifications and modelling things on a world-wide basis, looking at what was done with things such as the Port of Botany, the Port of Newcastle, Port of Brisbane, where the current government in Victoria is looking at selling the Port of Melbourne and what happened in South Australia. The lead was the biggest bill in that regard, but we had to spend a lot of money on things such as probity to make sure that everything was done all above board. We spent a lot of time liaising with different agencies, whether that was Defence or FIRB and following the guidelines of the FATTA act. There was a lot of stuff in this ...

Ms FYLES: You spent three years working on that and engaging consultants, but Territorians only found out within about months of the sale?

Mr GILES: That is not right and I am happy to go to that. I am glad you have asked me that. In regard to time lines, it would be good to have a chat about some of that. As an overall view on the time lines, there were a lot of statements made in 2012 and 2013. The decision to secure a private operator for the Port of Darwin was made in mid-2014. A formal marketing process began ...

Ms FYLES: So, I am assuming that was a Cabinet decision made in mid-2014?

Mr GILES: Yes, but publicly announced. It was not kept secret, it was publicly announced. A formal marketing process, which is when we went to market, did an ad in the paper and an international marketing process - everyone around the world knew about this, even if the Labor Party in the Northern Territory did not ...

Ms FYLES: Except the Americans.

Mr GILES: A formal marketing process commenced in late 2014. I gave many interviews about this along the way. Given the small size and bespoke nature of the Darwin port, the Country Liberals government recognised that investor interest could be limited. This resulted in extensive vendor due diligence being undertaken by the government to support the transaction process. These investigations included legal, financial, economic, trade, engineering and environmental studies. These reports were made available to bidders to provide detailed information about the asset.

In April 2015, I accepted all the Port of Darwin Select Committee recommendations and these were incorporated into the transaction legislation or contractual documentation. Indicative offers were sought in May 2015, binding bids were sought in July 2015, contractual close was in October 2015 and financial close was in November 2015. That is just a bit of an overview, but you asked about time lines so I will talk about the time lines ...

Ms FYLES: Can I just clarify a question ...

Mr GILES: I would not mind answering the time line part, if that is all right. The time line is important because there have been many people saying, as you just did, no one knew. That is not correct.

In early 2014, as we advised Territorians, the Northern Territory government engaged Flagstaff Partners as lead advisers to initially scope the opportunities for private investment and subsequently for the long-term lease of the port. The initial scoping study was considered by the Northern Territory government in mid-2014. At that time, a decision was made to undertake more detailed investigations. We made a decision that we would not sell the port, we would seek to engage in a long-term lease.

During this time, extensive due diligence investigations were undertaken encompassing legal, financial, economic, environmental and engineering studies. In parallel to all of this work, consideration was given to the form and shape of the regulatory framework - so we had the right regulatory environment - which would be necessary to support a private operator.

That being said, we did not want a private operator coming in and jacking the prices up. We wanted to make sure we had a step-in availability regulatory environment so that if prices were too high we could step in and regulate, the same way we do with electricity and other measures in the Territory. That is why we now have a regulator for the Darwin port with step-in rights.

In late 2014, the government undertook a market testing to assess the market appetite for a long-term lease transaction. This was all public information. At the time, the government had formed a preliminary view on the asset package and the high-level terms and conditions which it sought to have included in the long-term lease arrangement. This was tested with private sector proponents.

I have referred to a parliamentary inquiry. I know there were members of the Labor opposition involved with that; I think the Leader of the Opposition was involved with it. In February 2015, I announced that a parliamentary select committee would review the proposed legislation enabling the lease transaction and would report on options for enhancing the lease model to ensure that a private sector partner is focused on growth and development of the port. We wanted to make sure it had competitive prices and it followed best practice in safety, environmental and operational efficiency.

That parliamentary committee followed a 10-week process. It invited and received submissions from port users including the livestock industry, Australian Customs and Border Protection Services and unions. When the parliamentary committee handed down its report in April 2015, I said that we would support all

recommendations made by the Leader of the Opposition as part of that committee. In the case of foreign investment, a lease over the Port of Darwin would include a component that the lease is kept in the control of an Australian entity, with the NT government to consult with a Foreign Investment Review Board, or FIRB, and the Department of Defence regarding security and strategic risks that a proposed partner may present.

As part of the transaction process we required our bidders to retain a minimum level of Australian equity, that being 20% or greater, and a precondition that final binding bids received Commonwealth government regulatory clearances, including from FIRB. At no point in the process was the NT government interested in anything but a full and detailed consideration of potential bidders by FIRB and Commonwealth regulatory agencies.

The parliamentary select committee process resulted in an overall delay to transaction time frames by three months. I wanted to delay it so we could make sure we had an open and transparent process within our parliament.

The indicative bids phase for the project commenced in May 2015 and closed at the end of June 2015. A short list of bidders was invited to participate in the binding bids phase which commenced in July 2015 and concluded in September 2015. In July 2015 the identity – and this is a very important point for Labor both here and in Canberra - of shortlisted bidders was provided to the Foreign Investment Review Board and the Australian Competition and Consumer Commission to enable these agencies to undertake the due diligence they required.

In regard to public communications – this was part of your erroneous point earlier – the government has been totally open and transparent about the process. In February 2014, I first announced the appointment of Flagstaff Partners to assist in developing an overarching strategy for attracting private sector investment in our marine infrastructure, including the Darwin port.

In October 2014, I announced that strategies have been developed to address the need for continued investment in Darwin's port facilities and that a real consideration was a long-term lease arrangement. At that point I indicated that the Port of Darwin was not for sale and this position has not changed.

In February 2015, I referred enabling legislation to the parliamentary committee. This was all public information and spoken about publicly. The parliamentary committee, among other things, considered alternative models for attracting private investment – I think the member for Nelson was on that committee as well – and we adhered to every recommendation.

In April 2015, I tabled my position on the findings of the parliamentary committee and advised that the government would accept all select committee recommendations.

In May 2015 – this is an important point that has been missed as well – the Port of Darwin website went live to keep the public informed of the long-term lease process and provide an opportunity for community feedback.

In June 2015, we ran a series of open days and communication tools, which provided an opportunity for members of the public to have their say and to view the facilities. I do not think many Australians have ever seen a port, and I know many Territorians have not seen Darwin port, although many people in Darwin have probably seen Darwin port more than those in New South Wales have seen the Port of Botany or those in Melbourne have seen the Port of Melbourne.

In October 2015, I announced that government had selected the Landbridge Group – that is its partner – in the long-term operation of the port. That gives a time line in relation to how we did everything with the port. It is fully open and transparent.

I want to make one point. There has been much said about the \$506m, which represents the best infrastructure asset sale or lease of any government asset in Australia. The Auditor-General valued the Port of Darwin at \$253m not long before the transaction took place, so not only did we see a port that was lumbered in debt and had only ever once turned a profit, it was valued at \$253m and we leased it for \$506m. That enables us to put more finances into much-needed infrastructure in the Territory and help pay back a bit of Labor debt, because \$75m from the port proceeds has gone towards Labor debt.

But, importantly, we now have a proponent who is not lumbered by debt and can put money into expanding the port. There are already local contractors who are working on reefer points, which are refrigerated

container points on the port, and they have announced \$25m. They will double the berthing space of the cruise ship terminal, increase the size of the hardstand and build a cold storage facility that can help with the import and export of goods and services in Darwin.

If you want to continue the paradigm of the Country Liberals in reducing the cost of living in the Northern Territory, followed by our drops in house prices and petrol prices, and see goods and services drop in prices, especially food products, cold storage logistics is part of that process.

Ms FYLES: Chief Minister, you made reference to the \$27m in consultancy fees was over three years. Even if you take the latest possible date of November 2015, it means that in November 2012 you started the sale of the port. Yet the community did not become aware of it until, in your own words, early 2014.

Mr GILES: That is wrong. I am happy to tell you ...

Mr FYLES: They are your words, not mine.

Mr GILES: They are not my words. I do not make mistakes like you do, member for Nightcliff. I can tell you that 2013, 2014 and 2015 is three years.

Ms FYLES: Chief Minister, you said \$27m over three years. If you take that from November 2015 it takes you back to November 2012.

Mr GILES: I am happy to tell you that when we talk about budgets we talk in financial years, not calendar years. Look at the 2013-14 financial year – and I said in the time line we are talking about 2014. The first half of the calendar year 2014 fits within the financial year of 2013-14. In the financial year of 2013-14 we spent \$1m of the \$27m.

In the 2014-15 financial year, which includes the second half of 2014 and the first half of 2015, we spent \$9m. In the financial year of 2015-16 from 1 July 2015 to 30 June 2016 we spent the remaining \$17m, which comes to a grand total of \$27m over three years.

Ms FYLES: Are you able to provide details in regard to income from the federal government, particularly with Customs berthing in the 2014-15 and the 2015-16 financial years?

Mr GILES: In the last year that would be a matter for the previous budget papers. In regard to these budget papers, I am happy to take that on notice, recognising that there is a commercial-in-confidence nature about who pays what in berthing fees. Your question was about Customs - was that right?

Ms FYLES: The federal government, as I understand, pays \$150m over five years and they have a five-plus-five lease. We are talking about quite considerable income ...

Mr GILES: For what?

Ms FYLES: For Customs berthing at the port. We are talking about quite considerable income.

Mr GILES: Let me hold you back there, because Customs do not berth at the port. One of the reasons why we have moved to this position is because the facilities for Customs vessels to berth in Darwin is a challenge. There are not the right berthing facilities for the blue-hulled Customs vessels to berth at the port. The Naval vessels can berth at the port, if you are talking about the port at East Arm. They can pull up alongside the quay line and refuel if they need to, but they have facilities down here at Larrakeyah where they have all their berthing facilities. So, Customs ...

Ms FYLES: Are you aware of a federal government five-plus-five-year deal of \$150m income to the East Arm port?

Mr GILES: That is totally incorrect. You are completely wrong, member for Nightcliff. What I want to do ...

Ms FYLES: I am just asking the question because this is information we received ...

Mr GILES: No, but I am making sure that you understand the information you have been given is wrong. If you have a look from Parliament House over the balcony tonight - and I am presuming the boat will be there - if there is a blue-hulled Customs vessel parked out in the harbour, the reason it is parked in the

harbour is because there are no facilities for it to park against quay line in Darwin. That is one challenge so we need berthing facilities for Customs boats in Darwin. In the future we will need berthing facilities for other border protection and Naval vessels, whether they are Australian or otherwise.

Part of the other reasoning behind the ship lift, as a good example, is that those blue-hulled vessels now currently sail around to Cairns to be serviced. We want those to be serviced here. The reason they are not being serviced here is because we do not have the facilities to do that. This is why we are moving down the ship lift project, and creating 4500 jobs in that industry as a back end from the ship lift - something that Labor does not support.

The Naval vessels which are not being serviced here are sailing from Darwin around to Henderson, which is in Fremantle south of Perth, costing about \$150 000 in fuel. They are jobs for Territorians that we could be engaging, so ...

Ms FYLES: Chief Minister, you said before you would that question that you would come back with the information. Are you prepared to take that question?

Mr GILES: No, I will not; that is a question for the federal government. There is no contract with the Darwin port for \$150m.

Ms FYLES: My question was: in the 2015-16 financial year before the port lease was signed, how much income did the Territory government receive from the federal government? You were happy to answer it a few moments ago, but you are not happy now?

Mr GILES: I will take it on notice. I presume that would be if someone is providing Customs services on the port?

Question on Notice No 3.2

Ms FYLES: The question I asked was how much income did the federal government pay to the Northern Territory government in the 2015-16 financial year in relation to port services?

Mr GILES: I will take it on notice. It is a stupid question.

Madam CHAIR: You will accept the question, Chief Minister?

Mr GILES: I will refer you to the Minister for Transport. He may be able to give you an answer in that regard.

Ms FYLES: So, are you taking the question on notice or refusing to answer?

Mr GILES: I will refer it to the Minister for Transport.

Ms FYLES: Madam Chair, I ask you to make a ruling. If the Minister for Transport refuses to answer the question or is unable to - I felt it sits within your portfolio.

Mr GILES: I am happy to take any question on the port, but you have asked a question ...

Ms FYLES: Well, you are not happy, you are refusing to provide the information.

Mr GILES: I am not refusing. You have asked a question that is incorrect. I am trying to help you with the answer ...

Ms FYLES: I have asked a question and you are not willing to take it ...

Madam CHAIR: How is it incorrect, Chief Minister?

Mr GILES: Member for Nightcliff, I do not want to point out your errors, but there is no national partnership agreement between ...

Ms FYLES: I am not saying there is a national partnership agreement. I have simply asked a question about the 2015-16 financial year ...

Mr GILES: Can I answer the question for the Chair?

Ms FYLES: ... how much income was received by the Northern Territory government from the federal government in relation to port services?

Mr GILES: I will take it on notice.

Madam CHAIR: The question asked by the member for Nightcliff of the Chief Minister has been allocated number 3.2

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2016-2017) Bill as they relate to the Department of Chief Minister. Are there any agency-related whole-of-government questions on budget and fiscal strategies? That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 7.0 – ADVICE AND COORDINATION **Output 7.1 – Strategic Policy Coordination**

Madam CHAIR: The committee will now proceed to Output Group 7.0, Advice and Coordination, Output 7.1, Strategic Policy Coordination. Are there any questions?

Mr GUNNER: Yes, thank you, Madam Chair. Chief Minister, about 10 or 11 months ago you said statehood was back on the agenda and will be achieved by 1 July 2018. We have not heard much since then. Can you advise us of the current status of negotiations with the Commonwealth?

Mr GILES: Yes, we have engaged with the Commonwealth. I have spoken at length to my COAG colleagues. Every single member of COAG is supportive of the Northern Territory becoming a state. There are a range of processes in which the Northern Territory can become a state; particularly there is an opportunity under section 121 of the Constitution. We have not gone directly to that yet; the first thing we need to do is take Territorians with us. Interestingly, we have support at the federal level, but we now need to drive that change at a Territory level. Let me make it clear, I am not the Minister for Statehood. The Minister for Statehood can take further questions in this regard, but I am happy to answer from the strategic policy point of view ...

Mr GUNNER: Your department does work on this.

Mr GILES: But she is the Minister for Statehood, so we need to be clear on that.

Mr GUNNER: But, it is within the operations of your department?

Mr GILES: Yes, I am answering the question. In relation to statehood, we said it would be ideal to see the Northern Territory become a state by 1 July 2018, but there is a big process that needs to be gone through. One is the process of how we would do that, whether it is section 121 of the Constitution with an adherence by the federal government or any other direct measures. There is also how we engage the community and we are setting aside some processes for how we do that.

We are looking at the Legal and Constitutional Affairs Committee. I think the member for Katherine is now on the Legal and Constitutional Affairs Committee - if I have it correctly - and there has been a communication dialogue between the former chair and now we are engaging with the current chair. There has been a range of communications from you, Leader of the Opposition, saying you are not very supportive of the process ...

Mr GUNNER: That is not true.

Mr GILES: ... so I take that into account and I am very reluctant to move forward with that time frame without a bipartisan support for ...

Mr GUNNER: Well, that is not true at all, Chief Minister. You know we support statehood.

Mr GILES: I have the documents you have sent me. I am very mindful we do not want to rush this. We need community consultation and a bipartisan approach. If there is no bipartisanship then maybe the process should stop.

Mr GUNNER: Well, it is very clear there is bipartisan support, Chief Minister, so I would ask you not to make stuff up. Why has the Commonwealth not accepted an invitation to work collaboratively on a joint issues paper on statehood?

Mr GILES: In regard to making stuff up, you have just done that, because the Commonwealth has sent us correspondence saying it is very keen to work with us. There is a joint working group between Prime Minister and Cabinet and the Northern Territory Department of Chief Minister on that.

Mr GUNNER: So the Commonwealth has accepted an invitation to work collaboratively in a joint issues paper?

Mr GILES: Absolutely.

Mr GUNNER: Okay. Current advice from your department says it has not accepted that invitation. It has now, in the last couple of weeks has it?

Mr GILES: No, it has been working with us for quite some time on it. I do not know what you call collaborate, but both parties are working on this matter.

Mr GUNNER: My understanding is that you sent an invitation to them to work on a joint issues paper, and the Commonwealth said no. So, you are saying they said yes?

Mr GILES: We are just working on a different process.

Mr GUNNER: A different process?

Mr GILES: Yes, we are not working on a joint issues process, but we are working collaboratively.

Mr GUNNER: The question was whether they are accepting an invitation to work on a joint issues process. You said yes and now you are saying no?

Mr GILES: No, that was not the question. You asked me if they were working collaboratively. Yes, we are ...

Mr GUNNER: On a joint issues paper.

Mr GILES: We are working collaboratively, but we are doing it differently.

Mr GUNNER: But, not on a joint issues paper?

Mr GILES: Next question.

Mr GUNNER: All right. At the moment, progress on statehood has stalled domestically and ...

Mr GILES: No, no, no, it has not stalled. There is a process and we are going through the Legal and Constitutional Affairs Committee. We are talking with Canberra about it. You and I have had some dialogue, and you are not as supportive of statehood as I am.

Mr GUNNER: That is simply not true, Chief Minister, so I ask you not to repeat untruths.

Mr GILES: Well, I am not ...

Mr GUNNER: The advice from the department regarding progress on statehood has stalled, both domestically and negotiations with the Commonwealth ...

Mr GILES: Madam Chair, we need to be able to have a response here. You cannot just make statements which are incorrect, Leader of the Opposition.

Mr GUNNER: It is incorrect to say we are not supportive of statehood.

Madam CHAIR: We are not here to debate. Could you ask the questions, Leader of the Opposition, thank you?

Mr GILES: I prefer you not to lie.

Mr GUNNER: I ask him to withdraw that.

Madam CHAIR: Could you withdraw that please, Chief Minister?

Mr GILES: I withdraw.

Mr GUNNER: Currently advice is that progress on a statehood bid is stalled, both domestically and in negotiations with the Commonwealth ...

Mr GILES: What advice?

Ms FYLES: Your own advice, from your own department.

Mr GUNNER: This is the department's advice.

Mr GILES: You are not reading that advice right, the process is still continuing.

Mr GUNNER: That is word for word.

Mr GILES: We are still working towards 1 July 2018. If we do not have bipartisan support, it will slow down. I am answering the question about what is happening. If you want to go through Legal and Constitutional Affairs Committee and get community support, that is the process we are taking. If we lose bipartisan support – and you are saying we have not, but my read is we have. I am happy to take you on your word today and we will continue the engagement.

The issue is statehood is not the number one issue in the Northern Territory. If it was a major issue it would pass a lot quicker because it would have community support. But it is not a number one issue in the Northern Territory.

Interestingly, in the last couple of weeks we have seen some discussion about something called Click to Play which is in-play sports gaming where you can have a bet halfway through a game of football or a horse race, whatever that may be. We are the regulator in the Northern Territory of every sports betting agency in Australia right now. That is because we have fantastic staff and a fantastic regulatory environment. The federal government is saying it is not supportive of Click to Play. It is saying there has been a few workarounds in Click to Play and it has threatened to override Territory legislation.

This comes back to the point about statehood. We do not want to see the federal government overruling the Northern Territory on any of its legislation. This is a prime example of one right now. We know the history about the Intervention where both federal parties overrode legislation in the Northern Territory. We know the history about the euthanasia law which was overturned. We are seeing a fair bit of that right now.

There are many reasons why I believe the Northern Territory should be a state. We need to get the community to come along with us. If you are signalling bipartisan support, that is good. We will be able to progress that a lot faster now through the Legal and Constitutional Affairs Committee.

Mr GUNNER: That has been a permanent signal. At the moment, Chief Minister, the advice from the department is that the Commonwealth has indicated it does not support the statehood bid. You are saying that is not true?

Mr GILES: It is not true.

Mr GUNNER: All right.

Mr GILES: I have had agreement at COAG.

Mr GUNNER: That is why I obviously ...

Mr GILES: It came out in a communique from COAG.

Mr GUNNER: ... found it interesting. It is on the communique, but in negotiations it has not gone further.

Mr GILES: We are going through a different process and issues paper. If you have any further questions ask the Minister for Statehood.

Mr GUNNER: Yes, but at the moment successful delivery of that is in doubt?

Mr GILES: By Labor.

Mr GUNNER: We are not in government, Chief Minister.

Mr GILES: No, by Labor. I am the one championing this, Leader of the Opposition. Labor does not support it, I do.

Mr GUNNER: That simply is not true, Chief Minister. I ask you to stop ...

Mr GILES: Let us not delay then. Come with me on a journey and get it there by 1 July 2018. It is simple. Make the statement right now.

Mr GUNNER: At the moment the Commonwealth said no to an invitation to work on a joint issues paper and the department is advising the Commonwealth is not supporting it in negotiations. I am trying to work out what you are doing to repair that relationship with the Commonwealth and get this advancing.

Mr GILES: Let me make this point, Leader of the Opposition. This is something that has failed on you as a politician. We make the decisions. When I am sitting in the role of Chief Minister and you are sitting in the role of Leader of the Opposition, if I say that I am pursuing statehood on behalf of the Country Liberals and you have a turnaround and say you want to support it, you and I are the ones who can make this happen and provide leadership. Getting bogged down in paperwork and words on a bit of paper is not the point ...

Mr GUNNER: At the moment ...

Mr GILES: No, hang on, I am answering the question. COAG has publicly said - and this includes every jurisdictional leader in Australia - in its communique that it supports the Northern Territory becoming a state by 1 July 2018 ...

Mr GUNNER: Clearly things have gummed up since then, Chief Minister.

Mr GILES: Hang on. No.

Mr GUNNER: We are trying to work out how they have gummed up and how we can ungum them.

Mr GILES: I have given my answer. I am not answering any further questions on this. I am prepared to work together with everyone in a bipartisan approach. If you want to belligerently try to undermine a statehood process, you go about it ...

Mr GUNNER: I am asking questions about where the process is at, Chief Minister, which is quite reasonable and it goes to the operations of your department ...

Mr GILES: What you need to do, Leader of the Opposition, in this frame is show leadership. Talking about words on a bit of paper is not leadership. Sometimes you have to make statements and do things.

Ms FYLES: They are your department's words.

Mr GUNNER: It is the whole purpose of estimates.

Madam CHAIR: Next question, Opposition Leader.

Mr GUNNER: The Strategic and Federal Policy Unit will be working to unlock Commonwealth resistance at a bureaucratic level through a letter to Martin Parkinson. How is that travelling and where are you at?

Mr GILES: I have answered those questions.]

Ms FYLES: You have not answered the question.

Mr GUNNER: That is a specific question, you have not answered that.

Mr GILES: I have answered questions on statehood. I made it quite clear.

Mr GUNNER: This goes to the operations of your department. The Strategic and Federal Policy Unit is working to unlock Commonwealth resistance at the bureaucratic level. How are you going?

Mr GILES: Very well, thank you.

Mr GUNNER: So you have unlocked that resistance?

Mr GILES: Absolutely.

Mr GUNNER: All right.

Mr GILES: I do not think you understand how politics works, Leader of the Opposition. When you try to drive things going forward is when you start to see outcomes come forward. You have to be able to get out there and have a go ...

Ms FYLES: We are asking questions, you are not answering them.

Mr GILES: You are wasting your time on estimates when you can ask about a whole range of things. You are talking about statehood.

Mr GUNNER: We value statehood, Chief Minister. You may not, but we are asking questions about the progress that you are making on statehood after getting that communique ...

Mr GILES: And I have said it is going very well if only Labor was on board ...

Mr GUNNER: Well, obviously we are on board.

Mr GILES: ... and if you are now telling me you are on board I am happy for that.

Mr GUNNER: How has the Strategic and Federal Policy Unit gone? What has happened to unlock the Commonwealth resistance at a bureaucratic level? How have you gone?

Mr GILES: Very well, thanks.

Mr GUNNER: Chief Minister, you head up the COAG working group developing a new national Indigenous economic framework. How much progress has been made on this and are you satisfied with the Northern Territory's performance in this?

Mr GILES: Absolutely, we are leading the nation in Indigenous economic development, particularly around the areas of employment, business and engagement. We have led the reform process and the framework has been adopted by COAG. I now have just about every jurisdiction in Australia coming to the Northern Territory asking how they can – I would not say plagiarise, like Labor does with our policies – look at the way we have developed our policies and how they are being implemented, and seeing how they can take those back to be put into other jurisdictions.

I met with a joint House committee from the South Australian parliament a couple of months ago. It was looking at some of the things we are doing and seeing how they could be implemented.

In regard to that framework and some of our policies, we are now getting interest from some people in overseas countries about what we are doing to advance Indigenous economic development in the Northern Territory. It is a significant challenge. It is a change that has come around very quickly in the last three-and-a-half years. It is a cultural change within the public service of the Northern Territory and every employee in the Northern Territory public service has done a tremendous job in helping craft the policies and the refinement for implementation, and helping them be implemented and monitored. It has been received tremendously.

Malcolm Turnbull, Mike Baird, Jay Weatherill and Colin Barnett have all been emphatic in their support for this change going forward. I know Jay Weatherill is from a different party, but Jay has been pretty good in supporting this. Most recently I had a – I cannot think of the terminology – meeting with Jay in Adelaide, talking about a range of cross-border issues. The issue about Indigenous economic development advancement came up and Jay is pretty keen on working with us on a range of these areas also.

Mr GUNNER: Can you advise, Chief Minister, why successful delivery of this project is in doubt due to lack of staff capacity and availability? Have extra staff been put on to address that concern?

Mr GILES: I disagree with the question.

Mr GUNNER: Current advice from the department is that lack of staff capacity and availability is a challenge and the successful delivery is in doubt.

Mr GILES: Who gave you that advice? I disagree with it completely.

Ms FYLES: It is your own department's advice.

Mr GUNNER: It is your department's advice, so Chief Minister ...

Mr GILES: Hang on, you have laid claim to that. Who gave you that advice because I disagree?

Ms FYLES: It is on the DCM Intranet.

Mr GUNNER: It is on the DCM Intranet. It says that successful project delivery is ...

Mr GILES: I can tell you right now that I fully ...

Mr GUNNER: So you are saying it is all on track and there is no lack of staff capacity?

Mr GILES: It is 100% on track. I have just answered a question from the member for Nelson about some of our economic development performance which is national leading. For the first time ever we are getting Aboriginal people in jobs like never before, whether that is in the private sector, in business, or in the public sector.

The opportunities around provisional sum arrangements through joint venturing and special measures are creating a raft of differences, and I challenge anyone to say that it is not being ...

Ms FYLES: That disputes the advice from your own department.

Mr GUNNER: You are challenging your department's advice.

Mr GILES: Absolutely.

Mr GUNNER: All right, so the department is wrong on that one. The extra staff you are putting on in this budget is to address that lack of staff capacity and availability? So you will overcome where it currently is, which is in doubt?

Mr GILES: I have answered the questions about where the extra staff have gone and to what portfolio areas, and that is going quite well. You are probably referring to a risk management framework document, which looks at how you can seek to achieve or not achieve certain areas of performance across a range of issues. In any SWOT analysis, looking at your strengths, weaknesses, opportunities ...

Mr GUNNER: It is not that either, Chief Minister.

Mr GILES: ... and threats, you would always measure what could work, what could not work and how each one could work.

Mr GUNNER: It is about the current status of the project.

Mr GILES: Are you happy to table the document?

Mr GUNNER: They are your documents, Chief Minister.

Mr GILES: Are you happy to show it to me? I do not have it in front of me.

Mr GUNNER: Any DCM staffer can access these.

Mr GILES: Well, I do not have it in front of me, Leader of the Opposition. If you are happy to hand it to me ...

Ms FYLES: I do not know why the Chief Minister does not have it.

Mr GUNNER: I do not know why I have your documents and you do not have them. I am happy to bring down copies for you to be tabled, but they are available on the DCM Intranet site.

Mr GILES: Just hand it over here and I will answer the question. I will be able to answer exactly what you are reading from.

Mr GUNNER: Chief Minister, progress on the COAG agenda of a national effort to reduce violence against women and children is also labelled 'successful delivery in doubt'. It outlines a number of issues, but in its commentary DCM said that structural issues with multiple agencies responsible for DVF response is at risk. Is the department saying there is a lack of a whole-of-government response plan for DVF? This places further work in achieving COAG goals at risk. Why has your government not sorted out the whole-of-government plan and what are you doing to address those concerns?

Mr GILES: I disagree. In regard to the whole-of-COAG work on domestic violence, let me tell you a story. This was when Tony Abbott was the Prime Minister and had a very keen interest in seeking to reduce domestic violence and was highly motivated. It was the time when Rosie Batty was the Australian of the Year and the area of domestic violence was high on the national agenda. Unfortunately, it has slipped back a little on the national agenda and it should be at the top.

I remember sitting in COAG and hearing some Premiers say they were not keen on supporting a national domestic violence strategy because it would mean it would cost them more in delivering services to victims of domestic violence in their states. I will not identify who they were, but I found some of those conversations about domestic violence at the COAG level some of the most distasteful things I have heard from national leadership in my time in this job and out of it. I jumped in because I thought it was most disrespectful and disgraceful.

The comments that came back from a couple of Premiers was that every time you advertise for women to report domestic violence it costs the state governments money because people want more services. They were looking into not chipping into a national domestic violence strategy from a communications point of view because they could not afford to service women who were reporting that they were the victims of domestic violence. I found that one of the most abhorrent things I have heard in my time as Chief Minister. Fortunately, those Premiers saw the errors of their ways and they have now come into line. But when you have a look ...

Mr GUNNER: That is not answering the question, though.

Mr GILES: You have asked me a question about domestic violence. It is about COAG and I am answering that in a very fulsome answer ...

Mr GUNNER: I asked you a very specific question about your lack of a whole-of-government plan and you are talking about other Premiers.

Mr GILES: If you have a look at what we have done, from a Territory point of view, we now have the most comprehensive domestic violence framework the Territory has ever seen, putting more money than ever before into domestic violence. I have to congratulate three people in this regard, one being minister Elferink who has driven this so hard, minister Price who has worked tirelessly on domestic violence and also the partnership with Senator Nigel Scullion who has put in a lot of money towards our domestic violence strategy ...

Mr WOOD: And the Police Commissioner.

Mr GILES: I have a more fulsome answer coming.

Mr WOOD: You said three. I just added the fourth one.

Mr GUNNER: If you could answer the question, Chief Minister.

Mr GILES: In terms of political leadership, member for Nelson, I am talking in that regard. We have sought to make sure we have a combination of responses that deal with domestic violence ...

Ms FYLES: It was a very direct question. You do not want to answer?

Mr GILES: ... domestic violence which has been largely facilitated in the past through the Department of the Attorney-General. We are now taking more of a leadership role in community services, particularly as it seeks to provide support in youth affairs in the youth justice framework, in combination with the domestic violence strategy. There is a very coordinated approach to domestic violence.

We are seeing a huge reduction in the amount of domestic violence in the Territory, particularly as a result of what I call the TBLs in Katherine, Tennant Creek and Alice Springs ...

Mr GUNNER: Madam Chair, he is not answering the question.

Ms FYLES: Nothing to do with the question.

Madam CHAIR: Chief Minister, you have the right to answer the question in any way you like, but it would be good if you kept to the point. We are in a very strict time frame today with the additional portfolios you are needing to answer questions on.

Mr GILES: I am talking about domestic violence and our funding and the structure. I think that was the question.

Mr GUNNER: The question was that your department has identified structural issues in multiple agencies responsible for DVF response as a risk, and what you are doing to put in place a whole-of-government response plan?

Mr GILES: I will ask John Coleman from the department to answer.

Mr GUNNER: Thanks.

Mr COLEMAN: John Coleman, Chief Executive, Department of Chief Minister. You are referring to a board report that comes - what we call the BOM. That report is showing me what issues need to be addressed across the agency and how I will address those matters. I do not take those matters up to the Chief Minister. It is up to me, as Chief Executive to be resorting ...

Mr GUNNER: I am happy for you to answer it, CEO, about what we are doing to address that concern then.

Mr COLEMAN: Yes. Within our board meetings we identify the issues and they come back. I send them away and they say, 'Okay, how are we going to resolve these matters within our structure?', and we allocate the resources across the board.

Ms FYLES: With all due respect, the Leader of the Opposition has asked a question. Are you able to answer it in terms of what ...

Mr GUNNER: Through the Chief Minister, Mr Coleman, what is happening to address that concern then?

Mr COLEMAN: Across the agency, when risks are identified within the reports you have there - it is my job, with my executive team, to work out where the staff will go. While they may have identified those risks at this point in time, we may not have resolved exactly how to address them.

Mr GUNNER; So, at the moment, the department is working on the structural issues across multiple agencies – sorry, it is in progress.

Mr COLEMAN: Yes.

Mr GUNNER: All right. But until it is resolved, the delivery of the project is in doubt, but we are confident that issue will be resolved?

Mr COLEMAN: Yes. If you look at the table, you will see that where they say they are at risk that is just identifying for me the things I need to look at. It is not a show stopper. It just means that ...

Mr GUNNER: I am looking at the Confidence of Delivery column.

Mr COLEMAN: Yes.

Mr GUNNER: Thank you. Madam Chair.

Madam CHAIR: Any more questions on Strategic Policy Coordination Output 7.1?

Mr GUNNER: Yes, Madam Chair. Can you please provide a progress report on a number of projects: the project to develop, coordinate and implement whole-of-government policy issues, targeting improved social participation; provide strategic policy advice on current and emerging social policy issues at local and national level; and undertake research to inform an evidence-based understanding of social policy and related matters before Cabinet? Where are those at and what are we doing to tackle the challenges that are around staffing arrangements, mix and availability?

Mr GILES: I will just get the answer for you. Was this one of the written questions?

Mr GUNNER: No.

Mr GILES: It was not. Well, I will take it on notice.

Question on Notice No 3.3

Madam CHAIR: Can you repeat that question please.

Ms FYLES: Are you unable to answer that question now?

Mr GILES: Well it was a pretty big question.

Mr GUNNER: Madam Chair, can we please get a progress report on a number of projects. The projects include to develop, coordinate and implement a whole-of-government policy issues targeting improved social participation; provide strategic policy advice on current and emerging social policy issues at the local and national level; undertake research to inform an evidence-based understanding of social policy and related matters before Cabinet; and how we are going tackling the issues putting these projects in doubt around staffing arrangements, mix and availability?

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Absolutely.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.3.

Mr GUNNER: I have a follow-up question which the Chief Minister may also want to take on notice. Considering there are challenges in these areas around staffing arrangements, mix and availability ...

Mr GILES: Well, I do not accept that.

Mr GUNNER: The advice from the department is ...

Mr GILES: No, the department is sitting here, Madam Chair, and the department has different advice. So, we just cannot accept that statement.

Mr GUNNER: That is not what was just said, Chief Minister. The question has been taken on notice ...

Mr GILES: Why do I not ask the CEO of the Department of Chief Minister to address that statement you have just made?

Mr GUNNER: I have not got to my question yet.

Mr GILES: Well, it is a fair point.

Mr GUNNER: You took this question on notice - you could have answered it now.

Madam CHAIR: Finish the question and then you can respond the way you like, Chief Minister and executives.

Mr GUNNER: I have asked a question about three projects and the potential concerns that may exist around staffing arrangements, mix and availability. That question has been taken on notice. My follow-up question is ...

Mr GILES: No, the question was not taken on notice. That was a different question taken on notice.

Mr GUNNER: No, that was the exact question taken on notice.

The follow-up question is: if those are issues, will they be exacerbated by the cut that has come to this section of \$6.9m, down to \$2.9m? If those are issues that have been identified and you have taken \$4m out of the department ...

Mr GILES: I do not accept the premise of the question ...

Mr GUNNER: But you just accepted it on notice.

Mr GILES: ... but I will ask the Chief Executive of DCM, Rachel Bacon, to answer.

Dr BACON: Rachel Bacon, Deputy Chief Executive Officer, DCM. There is a wide range of social policy projects and activities that we currently undertake, and we work particularly closely with a range of other agencies across government on a number of different social policy issues. The document you are referring to, Leader of the Opposition, is a risk management report that we produce, as Mr Coleman has said ...

Mr GUNNER: It is a business plan update.

Mr GILES: A risk management report.

Dr BACON: ... for our business purposes. The issues identified there are, there is always more to do. There are always more useful projects that would be good to do if we had further staff and resources. So one of the risks you are referring to is that on our very long to-do list, we need to prioritise our resources and we cannot do more.

Mr GUNNER: So, the question, through the Chief Minister, is that not having sufficient staff and not having the right mix of staff has been identified. How can we go about fixing that as a problem, if the budget for that line item has been cut?

Mr GILES: That is not right, Leader of the Opposition. In the risk management framework you have, it identifies risk. Part of the response by management and administration is how you balance competing risk with the orders of priorities.

In regard to social policy and inclusion there is a range of areas where we are providing investment - whether that is looking at youth affairs, working with senior Territorians, people with a disability or otherwise - and getting the balance right in managing that risk is always important. I do not accept the premise of the question, but I do ...

Mr GUNNER: You cut \$4m. How do you find sufficient staff?

Madam CHAIR: Let the Chief Minister answer the question.

Mr GILES: I do not accept that. I have explained at the start ...

Ms FYLES: That is your own budget papers.

Mr GUNNER: You do not accept the cut from \$6.9m down to \$2.9m. That is your budget paper, Chief Minister. You cannot not accept that.

Mr GILES: I have explained that there has been a movement of inter-agency work and of administrative line items in admin arrangements. That is part of the budget in itself. You need to have an understanding of how that works. Let me give you a more fulsome answer in regard to budget movements on the Strategic Policy and Coordination Unit output area.

The budget decreased by \$1.7m, from \$7m to \$5.3m. The decrease is attributed to \$2m being transferred to the Department of Local Government and Community Services for a Commonwealth government-funded township leasing program in 2015-16. and \$1.1m being redistributed to the department's Regional Coordination Output and Community Engagement and Support Output Unit in 2015-16, 2016-17 and 2017-18 to deliver youth services in regional centres. These transfers have been partially offset by additional funding of \$1.2m from the Commonwealth government for social and community services pay equity program.

There has not been a cut. There has been a movement of responsibilities and administrative responsibilities which has seen money follow that process.

Mr GUNNER: At the moment the ability to undertake research to inform an evidence-based understanding of social policy issues and initiatives is problematic because there is success in having sufficient staff. You are saying that is not an issue: \$4m has gone out but we are okay?

Mr GILES: No, it is not. Leader of the Opposition, you have proved a point that you are able to download a risk management framework from the Internet and you are talking ...

Ms FYLES: It is a business plan update.

Mr GUNNER: You cannot answer the questions, Chief Minister.

Mr GILES: I have just told you where the money is going. If you do not like it you do not like it, but the fact remains ...

Mr GUNNER: The question is how are you going to fix the problem?

Mr GILES: Hang on. The fact remains that we have put ...

Mr GUNNER: You cannot get evidence-based understanding of social policy.

Mr GILES: I disengage.

Mr GUNNER: Your solution is to disengage. You cannot get evidence-based policy. You say there are no problems.

Mr GILES: No, I do not want sit here and argue with someone who cannot understand the report they are looking at ...

Mr GUNNER: You cannot answer the questions.

Mr GILES: ... or does not like the answers they are being given.

Mr GUNNER: We do not have sufficient staff, what are you doing to fix it?

Mr GILES: I answered the question. If you do not like it, I can appreciate you do not like it ...

Mr GUNNER: Your answer is you just disengage.

Madam CHAIR: Move on to the next question, please.

Mr GILES: I do not want to sit here and be belligerent.

Mr GUNNER: Turning to Aboriginal Land Strategic Policy Unit, I am keen to understand the project identified as the future of ALRA Blue Sky Policy ...

Mr GILES: Are we moving all over the place?

Ms FYLES: No, no, we are still within ...

Mr WOOD: No, that is further down.

Madam SPEAKER: Output 7.1, Strategic Policy Coordination.

Mr GUNNER: We are still in Output 7.1?

Madam CHAIR: This is a policy issue.

Mr GUNNER: This is the Strategic Policy Unit, Gerry.

Mr WOOD: It is also in the Economic Development Major Infrastructure under Aboriginal Land Strategic Policy Unit.

Madam CHAIR: If the Chief Minister is happy to answer this question in this output group, ask the question anyway and see how we go.

Mr GUNNER: Are you undertaking work that looks at possible further technical major and minor amendments to ALRA?

Mr GILES: No.

Mr GUNNER: You are not?

Mr GILES: The *Aboriginal Land Rights (Northern Territory) Act 1976* is a federal act. We cannot change it.

Mr GUNNER: You are working on the Future of ALRA Blue Sky Policy. You are undertaking work are you not, Chief Minister, that is looking at these amendments?

Mr GILES: We are looking at ways we can seek to get more economic development on Aboriginal land with Aboriginal communities and people. But the *Aboriginal Land Rights (Northern Territory) Act 1976* - I am not sure if you are aware, Canberra has some legislation and the Territory has some legislation. The ALRA act is federal legislation.

Mr GUNNER: But you are doing work here about that? What options have you looked at ...

Mr GILES: Let me tell you exactly what we are doing if that will make it clearer.

Mr GUNNER: Yes, happy to discuss that.

Mr GILES: We are looking at ways that we can work within the frame of the *Aboriginal Land Rights (Northern Territory) Act 1976* to work with traditional owners and communities on ways that we can seek to increase economic development and employment opportunities. That is what we are doing.

Mr GUNNER: You have conducted a scoping and planning exercise, and the objective is to find further possible technical major and minor amendments to ALRA and NT legislation to improve Aboriginal land administration in the Northern Territory to promote economic development. I am asking what you have come up with, Chief Minister. You have done the work and I am asking for advice on what you have done.

Other options being explored include options of shifting land council culture by incentivising funding models to prioritise economic development, as well as some strategic stakeholder and mapping, including launch interfaces.

I am wondering what work have you done on possible technical major and minor amendments to ALRA and Northern Territory legislation, and how you intend to shift land council culture.

Mr GILES: I am not trying to change the land council. I will give you an update ...

Mr GUNNER: How will you shift the land council culture? I am asking about that.

Mr GILES: Let me give you an update of the investigation through COAG into the Indigenous land use and administration.

At the COAG meeting on 11 December 2015, COAG considered the report of the investigation into Indigenous land administration and use and agreed to make the report public. COAG agreed that jurisdictions will implement the recommendations of this report, subject to their unique circumstances and the resource constraints.

The ongoing streams of work identified in the report commit the Commonwealth government to work with the NT government and the land councils to implement and report on a range of agreed reforms to facilitate economic development on Aboriginal land for the benefit of all Territorians.

In regard to the Department of the Chief Minister, they are progressing a work plan that includes establishing a joint implementation plan with the Commonwealth to focus on the *Aboriginal Land Rights (Northern Territory) Act 1976*, that being Commonwealth legislation, and the specific recommendations contained in that report. It also involves coordinating the finalisation of outstanding Aboriginal land claims, such as Kenbi, in the Northern Territory.

A strategic engagement is occurring with the Commonwealth and the four NT land councils through the biannual strategic forum as part of the COAG recommendations. The first forum was held in Darwin on 28 April 2016. That is an update of where that is all up to.

Mr GUNNER: Chief Minister, I am seeking your advice on how you are seeking to define possible technical major and minor amendments to ALRA and NT legislation. Can you provide detail on that today?

Mr GILES: I am happy to leave it with the answer that I just gave. There is a process under way about how these changes occur. I note that we have jumped around in output areas. The adviser from that area is not in the room right now, but I have given you an update about where we are heading in regard to that joint approach between the Commonwealth and the land councils.

The whole philosophical direction is about how we improve economic development and employment, and that is to the betterment of all people in the Northern Territory.

Mr GUNNER: Are you considering taking on the role, from the Commonwealth, of Executive Director Township Leasing?

Mr GILES: It is not the Commonwealth's opinion that that should happen. My personal opinion is it should happen. The EDTL, as it is framed in Canberra - not putting into question any personnel in the EDTL. A leasing administrative body based in Canberra is, for geographical purposes, a difficult model to run in the Northern Territory. The less Canberra interferes in the Northern Territory the better.

I note that a lot of the Northern Territory is governed from Canberra, particularly in relation to Indigenous affairs. ALRA is legislation covering 50% of the Territory's land mass. But when it comes to the EDTL, every time a community or the land council wants to do something in regard to EDTL, it involves Canberra which is a bit of a tyranny of distance issue. If the EDTL was based in the Territory, or there was some other form of EDTL where we could work a lot closer and have a good conversation with them, it would work quite well.

The fact remains, if I want to have a chat with an EDTL about the lease on the Tiwi Islands I have to get on a plane and fly to Canberra. I cannot just walk down the street and have a chat. The tyranny of distance in that regard is a challenge. If the EDTL wanted to move to the Northern Territory I would welcome it.

Mr WOOD: Is it possible the federal government could use the Territory government as an agency to do that?

Mr GILES: That is a way to go. I believe there needs to be a bit more thinking outside the square on EDTL. That is what we are trying to do with the Tiwi Islands at the moment on the leasing front, which is quite successful. If that could be done, either as an agency or by the Land Development Corporation we have engaged doing a lot of the work there, or by Lands and Planning - or somebody - it would certainly work.

I do not believe that the EDTL is a necessary requirement in the Northern Territory. There could be a Northern Territory government body that could do it - as I have just mentioned, the LDC. If traditional

owners want to lease some of their land and they get that facilitated through the land council, it should be done with a third party - whether that is an NT government agency or direct to that lessee - without having to go through the EDTL. The EDTL is a layer of bureaucracy that is time consuming and cost worthy in the process that is not necessary. I know it is set up for the right reasons in protections and administrative requirements, but being in Canberra and another layer, it slows everything down. It needs to be more relevant and focused to the Territory with closer contact. Whether it is as an agent, an office, or whatever that may, there is a bold approach that could be taken.

Mr WOOD: I probably need an update. We still have – I was nearly going to say what GBM stands for – those managers from the Commonwealth on communities or have they been ...

Mr GILES: You are asking questions about Commonwealth ...

Mr WOOD: I know. You were talking about leasing, but this is also part of the issue.

Mr GILES: The opposition has asked me federal questions. I am happy – there are still representatives from Canberra who are based in communities in that regard. I will leave it at that. I do not want to get into a broad-scale discussion.

Mr GUNNER: Chief Minister, you have received the PriceWaterhouseCooper report on sacred sites. How much did that report cost and when will you be releasing it?

Mr GILES: The sacred sites report has been highly consultative. It was done by the PriceWaterhouseCoopers Indigenous consulting firm, which is another good story with PWC having an Indigenous arm.

Just bear with me for a second, given that we are not following output areas and are jumping all over the place again. I will just find out what brief that is.

I can tell you a few different things. A general review of the *Northern Territory Aboriginal Sacred Sites Act* has not been conducted in the last 25 years. This means that it predates the enactment of native title legislation and the considerable economic potential and social developments which have been occurring in the Northern Territory.

The review we have still has to go to Cabinet. Maybe it will go to Cabinet after sittings, I think. The review has provided advice on areas in which the act might be strengthened to improve protections for sacred sites; areas in which the act legislation might be strengthened to reduce red tape and provide certainty and improve processes for economic development in the Northern Territory; and ways in which the Aboriginal Areas Protection Authority can become more efficient and balance the need for development with protection of sacred sites. Land councils, including the CLC and NLC, have been engaged extensively in this review.

The final report came to Department of the Chief Minister on 26 April 2016 and contains 39 individual recommendations. It was expected to be completed by early in 2016. However, there were more consultations taken and written submissions received which meant the time frame was extended. Government will now seek to consider that review.

There are only small changes, I am advised, as part of that review. I anticipate that will go to Cabinet in the next few weeks before we can make a determination about progressing it. I say to all the staff in AAPA, thanks very much for the consultation approach, and to those working with PWCIC, thank you.

Based on the consultations that have been undertaken, the review will reflect what the traditional owners and land councils are saying they wanted to see occur.

Mr GUNNER: The question was what is the cost and when will it be released?

Mr GILES: The cost of the review was \$248 326.

Mr GUNNER: And when will it be released?

Mr GILES: As I have just explained, there is a process to go through Cabinet. Once it goes through Cabinet, then we can have a look at it before it is released.

Mr GUNNER: Will it be released before the election?

Mr GILES: I do not know when it will go to Cabinet, so let us wait and see when it goes to Cabinet and then we will seek to release it. There is no reason why it will not be released. It has to follow a process. I know you have not been in Cabinet before, but you have to wait for these processes to occur before you can jump ahead of them. There is a reason they are in place.

Mr GUNNER: My next questions are for Output 7.2.

Madam CHAIR: Are there any other questions in Output 7.1? We will conclude that section then.

Output 7.2 – Economic Development and Major Infrastructure

Madam CHAIR: The committee will now consider Output 7.2, Economic Development and Major Infrastructure.

Mr GUNNER: Thank you, Madam Chair. There seems to have been a quite dramatic restructure of this unit. Can you take us through the restructure?

Mr GILES: Well, there has not been a restructure of the unit.

Mr GUNNER: There seems to be quite big changes made to the unit. Can you take us through the changes?

Mr GILES: Well, there have not been. I am happy to take ...

Mr GUNNER: No changes to the unit?

Mr GILES: Ask me a direct question; I am happy to answer it. I set the unit up because I wanted to see major economic development occur. It has responsibility for major projects and has been overseeing a range of those major projects.

There has been a reduction in the budget for this area this year, partly because we have spent a fair bit of money in the last financial year, partly due to the transaction costs for leases of the port. We spent a fair amount of money in regard to the establishment of the northern gas pipeline, and that required money to be expended on legal, probity and other consultants.

We have seen the cancellation of the major project, the international grammar school. That is now not going ahead, so money being expended on that is not occurring.

INPEX was a major project; it still is. But there were two INPEX major projects, one being the set-up and one being the implementation. The set-up is now cancelled. The Shell Prelude facility was a major project where a lot of money was spent on the start, but now that is continuing. So, we have had an upturn and a downturn.

You will see one of the Country Liberals' commitments, the building of a railway line between Tennant Creek and Mt Isa - and we all know there is only one party in the Territory who can deliver that. You will see a need for more investment in that agency when we get to the point of putting on consultants, probity advisers, environmental advisers and legal practitioners; we will have to take on more expenditure then. We have not anticipated that we will need that money in this financial year, so maybe next financial year there will be an upturn in the amount of money that is needed. Of course, if we bring things forward and if the Country Liberals are elected as government, more money will have to go into that agency. I anticipate if we bring forward things such as the railway line project, money will have to go in to a lot of the frameworks and parameters in regard to seeing that project come to fruition.

Mr GUNNER: That change in the line item there, from \$28m to \$11m, was not the result of a review of the unit or a restructure of the unit?

Mr GILES: Is less money being spent by the unit ...

Mr GUNNER: All right.

Mr GILES:... and a lot of that money is outsourced; it is not on staff. We have had questions about the port transaction. A lot of the port transaction costs go through that unit then are outsourced.

Mr GUNNER: Obviously, Coordinator-General Barnes was part of that unit. He has left. There were no major changes after he left that unit?

Mr GILES: There was. He is no longer there and now we have someone acting in his role.

Mr GUNNER: That was the only major change?

Mr GILES: There was no major change.

Mr GUNNER: You have just touched upon the grammar school; you said that has been cancelled.

Mr GILES: Yes.

Mr GUNNER: All right.

Mr GILES: I can tell you why it was cancelled. It was cancelled because of consultation. We consulted some of the major schools in the Northern Territory - and the Minister for Education will have more to say on this. Several schools advised us that there was capacity for international education, but there has never been proper coordination around international education in the Northern Territory. It is one of our strategies as part of our economic development framework or strategy, with international education being one of the seven key areas.

Originally we were looking at an international grammar school to help fulfil that. I still think there needs to be a greater level of capacity. But one of the challenges with international education is lack of coordination, student accommodation and marketing on an offshore basis, particularly through agents. Education minister Chandler and I are working cooperatively on pulling together a strategy that can put in place the right mechanics to allow this to happen.

Mr GUNNER: So there is faint heartbeat to it; it is not dead, dead?

Mr GILES: Sorry?

Mr GUNNER: So, there is a faint heartbeat?

Mr GILES: No, that is completely wrong. It is a strategy. It is one of the seven elements of our economic development strategy. The international grammar school is not a component. We have a number of schools that will work in regard to the international education frame, including Charles Darwin University. We do not believe we need to build a grammar school to make that happen. We think we have the education facilities, albeit huge demand will see a bigger level of uptake. But it is more the strategy itself that needs refinement.

Mr WOOD: It never quite got that far. You will remember the one at Berrimah Farm that did not quite make it either.

Ms FYLES: Yes. Flash back to the 1980s and 1990s.

Mr GILES: We were looking at putting a grammar school at Berrimah Farm but we talked to people such as Essington and Kormilda, St John's and the like. They all believe they have the capacity, so we have taken that on board through community consultation. We do not want to rush it. We are quite prepared to bring the grammar school on board again if we need to. It needs a coordinated approach. You can have a look around Australia. Every other jurisdiction in Australia has had a long-term international education strategy with huge numbers of students. That has not occurred in the Northern Territory. It has not occurred because there has not been a coordinated approach.

We have been working on a coordinated approach for 18 months to two years. There is still a lot more work to be done before it gets out there. Part of it involves making sure you have the accommodation. I do not think we have the accommodation right yet. Part of it involves the marketing strategy. Part of it involves employing agents overseas. Part of it involves making sure we are engaging the private sector and not just the public sector. There is a whole lot of coordination that needs to go there, but minister Chandler can talk a bit more at length on that.

Madam CHAIR: Can I just ask a question about major projects that seem to have slipped off the radar? You put \$20m on the table for the Aboriginal Cultural Centre. It seems to have slipped off the list.

Mr GILES: No, that is still going. It is in the budget. You will see there is a line item in the budget under Arts and Museums. Minister Higgins can talk about this more. I had the most recent briefing yesterday about it. There is consultation going on with some of the Arts and Museums officials in Alice Springs and Darwin.

The Darwin one has just started. It was a new initiative in the budget this year. To take it back a couple of steps, as part of the railway line between Alice Springs and Darwin there was an agreement that there would be a cultural centre, for want of better terminology, built in Darwin. It was identified that a block of land at Bullocky Point would probably be the site, but nothing progressed on that. In 2003 it was put on hold.

There was also a loose conversation that there would be some sort of agreement for cultural site as the result of the INPEX deal. Nothing was forthcoming in that regard. I am a big supporter of seeing a cultural centre built in the Top End - and I will get to the bottom end of the question - to support the Larrakia, from a cultural preservation, promotion but also a tourism point of view.

In regard to what was announced in last year's budget, those conversations have been going on quite slowly. The Darwin one is more about a Larrakia cultural centre or a Darwin cultural centre for Larrakia people. The Darwin one should be about consultation with Larrakia. The one in Central Australia is about a national cultural centre.

I have said in the past that I believe this will take 10 years to get up and running because it is not just about a cultural centre for the Central Arrernte people, it is about Luritja, Warlpiri - whatever it might be - in regard to Indigenous people around Australia. There are about 300 nations of Aboriginal population in Australia. If we are to have a national cultural centre we need to work with the Commonwealth government, Aboriginal traditional owners, Aboriginal Australians and local traditional owners. We have announced it, but we are starting the conversation with Lhere Artepe and native title holders before we go further.

I have had meetings with AIATSIS, the Australian Institute of Aboriginal and Torres Strait Islander Studies, and with the National Museum of Australia. I have spoken with the federal political counterparts about what this might look like and what I would expect Canberra to put in, in the future. We have also spoken about the philanthropics of how this should occur.

Fortunately, I have been involved in the past with some national Indigenous bodies. This will take a lot of consultation on a national scale to get this built. The facility will be at least a \$300m facility. If we can get it over the line it will need a bipartisan approach and a lot of time. There is a lot of healing that needs to go with Aboriginal people around the country, but we have to start at home. We are starting at home first, trying to keep those conversations going.

Minister Higgins can talk more about it but we have employees directly involved in this consultation. They were in Central Australia recently participating in some of those consultations. It is ongoing.

The Darwin one will certainly happen a lot of sooner if Larrakia agrees. But for the Central Australian one we first have to get on board the Central Arrernte, the wider Central Australia and our federal counterparts, bringing on board the federal minister for the Arts and the federal shadow minister - whatever parties they belong to. It is long-term, but \$1m is there for the consultation this year alone. So, it is happening.

Mr WOOD: Can I just ask ...

Mr GILES: I am happy to engage with you as a local member on some of that stuff. Offline I will tell you how it is all going.

Mr WOOD: I wanted to ask a question on the railway line you mentioned earlier. You also mentioned Cloncurry in your opening statement. What feasibility studies have been done considering there are two railway gauges? I have travelled from Townsville to Mount Isa on the passenger line. It is great if you have a good book. It is a very enjoyable ride, but it is a very slow trip because of the age of the line and the size of the gauge. What studies have you done and what discussions have you had ...

Mr GILES: Did you travel from Townsville to Mount Isa by rail?

Mr WOOD: I have done the trip, yes.

Mr GILES: You could have read the Stella Maris Inquiry on that trip, mate.

One internal inquiry has already been done. We got consultants to do that. I have a paper here. How much detail do you want?

Mr WOOD: What discussions have you had with Queensland? It does not seem to make sense if you join one gauge up with another.

Mr GILES: Let me give you a fulsome answer. I only have half a page so I will read that, then give you a bit more conversation.

On 11 December last year, I signed an MOU with Annastacia Palaszczuk, the Queensland Premier, to foster a closer working relationship on the major cross-border infrastructure, such as the Tennant Creek to Mount Isa rail. We set up a steering committee to progress that agreement.

The steering committee has jointly agreed to commission a strategic options paper that will consider how best to facilitate private sector investment in the Townsville to Darwin transport corridor, in particular Tennant Creek to Mount Isa. The paper will be commissioned jointly by the Commonwealth, Queensland and Northern Territory governments.

The Commonwealth is now putting in up to \$0.5m, with the payment to come from the \$5m previously announced to be available to support north Australian rail study. That is part of our north Australia paper. The Queensland and Territory governments are each contributing \$250 000 towards the cost of the paper.

A coordinated investment approach for the entire corridor will ensure broader public benefits from the project are maximised and efficient capital expenditure decisions to grow northern Australia are made.

The Commonwealth government has also committed up to \$1m for technical assessments of the broader rail corridor. We have already spent \$30 000 on this and have committed up to another \$100 000. Internally, we have engaged a consultant and their first report has come forward. That report came back to me two months ago, roughly speaking. It identified what we need to do to make that rail line happen.

I have said before today that there is only one party that can make this happen, and I firmly believe that. No one believed we would get the pipeline up and running and no one believes we can get the rail up and running, but we will.

You are right talking about the gauge. There are different gauges – it is one of the great failures in the Federation of Australia. The gauge in the Territory is different to Queensland - that is, the width of the rail line for those who do not understand gauges.

Let me go back one point. We are going to a second-stage paper, which we will release publicly in November. The paper has shown that we should not build a line between Tennant Creek and Mount Isa; we should build a railway line between Tennant Creek and Cloncurry. It shows that you get better efficiencies by going to Cloncurry, which is just a bit past Mount Isa.

It shows that the railway line between Mount Isa and Townsville has capacity to take on more cargo. We talk about MTPA, million tons per annum. The rail line between Mount Isa and Townsville now has the capacity to take on another million tons per annum. We are mindful of politics and we know the Townsville port is critical for employment and economic development in Queensland. We know it is the gateway guiding through the Great Barrier Reef, as dangerous as that is for those ships for one of Australia's natural assets. We know that the Queensland government does not want to see trade taken from the Townsville port. They are geopolitical strategies and purposes.

We know there is a million tonnes per annum capacity on that line. So if we want to start a railway line between Cloncurry and Darwin, but through Tennant Creek, we acknowledge we need to see that one million tonnes per annum filled to Townsville. It is only then that you can start working on the other line.

Excuse my numbers being rounded for a moment; I do not have the report in front of me and I am going off recollection. We recognise that to make the line viable from an economic point of view you need to get an additional five million tonnes per annum between Mount Isa and Tennant Creek, which is on top of the one

million tonnes per annum. This means we need to get six million tonnes per annum cargo on that railway line to start to get the economics of the rail working.

Those economics are based on it costing about 6.5c per tonne per kilometre to move that cargo. All of that equates to a cost of somewhere between \$2.1bn and \$2.4bn to firm up the easement, do the geotechs, all legal and consultancy costs, build the rail, build the sleepers and put the rolling stock on including the engines and the carriages - \$2.1bn to \$2.4bn.

We know that from day one you will not have six million tonnes per annum – one million going that way and five million going that way. So a rail project between Tennant Creek and Cloncurry needs to be a lost lead, that is, someone needs to put the money in and lose money for 10 to 15 years, or however long it takes to become viable. We know on that pathway there are opportunities such as the Wonarah Phosphate contract along the Barkly Highway, cargo opportunities and a whole lot of different things. We know someone will have to lose money up front and make it on the back end.

For that reason, a rail project of that magnitude will probably be like the Darwin to Alice rail line which has a 99-year lease over that land under the corridor. It will probably be a similar thing, a 99-year project. It will have to be someone prepared to put a lot of money up front and take a loss for a long period of time. But the time is right now to make it happen.

There is currently an oversupply of rail line, rail steel and rail rolling stock in the world. If ever you will build a rail project, with a downturn right now in rail being built on a world-wide basis, now is the time to do it.

Our report in November will give us the right answer. If we are prepared to seek investment from around Australia and the world, we will get this started within the next four years.

Madam CHAIR: Are there any other question on Output 7.2?

Mr GUNNER: Chief Minister, last year you proposed to upgrade Richardson Park. There were a couple of small problems. There was a big community backlash and you made the decision to put that into the CBD. How is that tracking? I understand there is no Crown land available in the CBD for that project?

Mr GILES: In part this a question for me later in the Sports portfolio, but I am happy to take it now. It is also in part a question for the Lands and Planning minister ...

Mr GUNNER: You are coordinating it, are you not?

Ms FYLES: A major project?

Mr GILES: Well no, that is not right. I will explain. Lands and Planning has gone for an expression of interest on Richardson Park. How that is progressing is a question for the Minister for Lands and Planning.

In regard to Richardson Park being coordinated by my agency, we have put that on hold and stopped that process. You say there was a large backlash. There were many people who did not want to see Richardson Park go forward in a redeveloped stage. There were many who did, but we made the decision to not do that. Now we have gone out to market to ask what we should do with Richardson Park. There are many people who want to put a high-rise on it. I am not a big supporter of a high-rise on Richardson Park site. It is a community asset that should be used as a community asset, so we will see what comes back through that EOI process. But the Minister for Lands and Planning can provide ...

Mr GUNNER: I was asking you about the national standard rectangular sporting facility, rather than Richardson Park. The national standard rectangular sporting facility cannot go in the CBD, I understand, because there is no Crown land available. What is the status of that and the work your department is doing on it?

Mr GILES: That is still under consideration by government and we will have more to say on that at a later date.

Mr GUNNER: At the moment it is something you are working on. You do not know ...

Mr GILES: It is something we are working on.

Mr GUNNER: But, there is no Crown land available in the CBD?

Mr GILES: It would be wrong for me to announce policy in an Estimates Committee.

Mr GUNNER: This is a question about the operations of your department. You are working on this. At the moment there is no suitable Crown land available in the CBD, so you ...

Mr WOOD: Three hotels at the airport. Marrara is a good place to put it.

Mr GUNNER: Marrara? Marrara is back on the table, Chief Minister?

Mr GILES: I will give you an answer. Lands and Planning has gone out for expressions of interest on Richardson Park about what its future should be. There is \$2m set aside in the budget within the Sports portfolio to seek to upgrade Richardson Park and clean the seats, get the grass growing again and all those sorts of things, if that is what comes out of the EOI process. We will make some further decisions later on. As I said, that is a matter for the Minister for Lands and Planning.

Mr GUNNER: But the status of the national standard rectangular sporting facility at the moment is?

Mr GILES: Yes, that is on hold.

Mr GUNNER: On hold, all right. The common user ship lift facility, Chief Minister. Are you expecting potential cost to government to increase beyond the \$100m you have proposed?

Mr GILES: No. We will obviously be spending money on staff facilitating the process, so that is within the administrative costs of the agency. We will be spending money on legal, probity and environmental advisers and we will be assisting with environmental impact studies and so forth. You would expect administrative costs and consultancy costs to get the right advice on this process, but not above any – like I have said, up to \$100m of investment and I do not see it going anything above that. If anything I see it becoming lower.

Mr GUNNER: Going below the \$100m?

Mr GILES: In some form of what you might consider a Dutch auction.

Mr GUNNER: All right. You are expecting the three binding bids on 3 July. How much time will it take you, Chief Minister, to go through those binding bids and make a decision? What is the time line on this?

Mr GILES: There is a process going forward now. I am not too keen to talk too much about this, given the high levels of probity and commercial-in-confidence. My preference would be to not answer any direct process questions about this.

Mr GUNNER: Even time line?

Mr GILES: I am happy for you to refer to any public statement I have made, but given we are talking about a project worth \$0.5bn and up to \$100m of government money, I do not want to speak. I have to be very careful about what I say given probity and commercial-in-confidence. If you have direct questions, I am happy for you to put them in writing and I will be able to get them legalised before I send a response back. If it is a generic question, I will try to answer it. I just have to be careful because of probity purposes.

Mr GUNNER: At the moment, you would feel the time line question would require to be asked and explained in writing, so that you can get legal opinion on the time lines reflecting around it?

Mr GILES: Yes. You can go off anything I have already said publicly. I have a brief here from which I will read few things. These are things that I have said publicly: 4500 jobs should come from the ship lift; up to \$100m on offer from the port proceeds towards this; specifically designed to provide a new industry for the Northern Territory and support the manufacturing industry; supporting the Border Force boats, the Customs vessels and also Naval vessels: the blue hulls, the grey hulls, potentially the red hulls – the red hulls are serviced in Singapore generally - and also some white hulled vessels. Part of the process will be determining how much capacity the ship lift will have.

The responses to the expression of interest phase have now been assessed and I announced on 14 March 2016 that we have invited a short list of proponents to proceed to the request for proposal phase. Five shortlisted proponents were invited to proceed to the detailed request for proposal phase, those being BSE Maritime with Civmec, GHD and Initiative Capital; Darwin Marine Centre comprising Capella Capital and

Lendlease; East Arm Marine Consortium comprising Thales, McConnell Dowell, Sitzler and Jacobs; Pearl Marine Engineering with KBR, SMEC, Bhagwan Marine and Macquarie Capital; and UGL with Norship Marine.

As I said, we anticipate binding bids to be submitted in July. Some limited engineering studies have been undertaken at a potential site in East Arm. Environmental assessments will need to be undertaken before early works can commence. These early works would include land reclamation, dredging and essential services, industrial sheds and the common user ship lift. If a potential East Arm site is used - and I say if - the open market process will determine the market appetite best location for the facility.

Whether or not we announce the successful candidate on a particular day we will wait and see.

Mr GUNNER: Perhaps a question then to time line, as a way to answering without providing any concerns for you, Chief Minister, would be if you look at it ...

Mr GILES: Concerns for the Territory.

Mr GUNNER: If you looked at something comparable, say the port, how long would it take you to consider the bids when it came to the port sale? I think you might have answered that earlier.

Mr GILES: Well, there was no such thing as a port sale. We leased the port for 99 years.

Mr GUNNER: Sale of the lease. How long did you take you to consider the bids, Chief Minister?

Mr GILES: I might ask Anne Tan. Anne, how long did that take? From start to finish it took four months. It is important to note that this is not just a case of submitting a bid, then an independent panel assesses it. We work with the proponents throughout the whole process so we know what is coming as part of the bid. There is a thorough process in that regard. We should have a good idea of what is coming before the bids are received.

Mr GUNNER: A comparable example would be from the date the bids are in about four months to work through it?

Mr GILES: No, that is not right. You have just asked what the port process was, but this is a different process.

Mr GUNNER: So is that comparable?

Mr GILES: No, it is not.

Mr GUNNER: At the moment, you do not have an idea of how long, once bids are in, it will take you to go through the bids?

Mr GILES: I anticipate that we will be able to make an announcement in the next month or so, but beyond bids there will be a lot of work done before the shovel first hits the ground.

Mr GUNNER: My concern is about making sure we do – and that is why I am seeking advice, Chief Minister – properly examine those bids and are not rushing through the process.

Mr GILES: That is not happening. We are working with proponents right now through the process, but I will not say any more than that because of probity.

Mr GUNNER: Can you clarify something about the Palmerston hospital, Chief Minister? Is your Acting Coordinator-General still the lead coordinator of the project?

Mr GILES: Yes.

Mr GUNNER: Did DCM commission an audit of the Palmerston Regional Hospital in the second quarter of this financial year which coincided with the Palmerston hole saga?

Mr GILES: I will ask Anne Tan to come to the desk, who is the lead proponent on economic development. She may be able to answer some questions more fulsomely.

Madam CHAIR: How about we break now for lunch and we will come back to the Palmerston Regional Hospital at 1 pm.

The committee suspended

Madam CHAIR: Good afternoon everyone. We will continue on with Output 7.2, Economic Development and Major Infrastructure. Are there any questions?

Mr GUNNER: There was about Palmerston hospital. Chief Minister, I am happy to go straight to you. I thought you were going to rely on ...

Mr GILES: They are not here, you are right.

Mr GUNNER: Okay, so DCM commissioned an audit of the Palmerston Regional Hospital in the second quarter of this financial year, which coincided around that Palmerston hole saga. What was the reason for the audit?

Mr GILES: The reason was to make sure everything was on track.

Mr GUNNER: Considering there was already a probity order in place, how do those two audits work? What did the audit do, and what was the result of the audit?

Mr GILES: Anne Tan, head of Economic Development and Major Projects.

Ms TAN: There was an audit the Auditor-General instigated that was undertaken out of the Auditor-General's office. It was not something the steering committee for the Palmerston Regional Hospital had any direct involvement with.

Mr GUNNER: Okay. So DCM did not do an audit? Okay. There was an Auditor-General's audit and there is the probity audit?

Ms TAN: There was a probity auditor appointed for the process to appoint the managing contractor for construction of the Palmerston Regional Hospital.

Mr GUNNER: Who takes responsibility for the project meeting the milestones under the national partnership agreement? When those milestones are not met, or have not been met yet, who takes responsibility for that - is it here with the Coordinator-General or ...

Mr GILES: I will answer that. All national partnership agreements, even though they go through individual agencies, are coordinated out of the strategic policy area of DCM.

Mr GUNNER: Chief Minister, you are the one who is responsible for whether those projects meet their milestones or not?

Mr GILES: Well, no. In regard to the national partnership agreement they are under the auspices of the strategic policy area of the Department of the Chief Minister. The administration of the project is being coordinated by the Office of Major Projects, but the implementation is going through DoI which is doing the contract management.

Mr GUNNER: What is your department then doing about the fact that the department is not meeting its milestones on the national partnership agreement?

Mr GILES: I do not think that is quite right. Anne?

Ms TAN: The milestones that were set were based on a project which was, in scope, slightly different to the project we now have. The milestones and benchmarks are currently being negotiated with the Commonwealth government. That negotiation is expected to be concluded shortly.

Mr GUNNER: To change the milestones?

Ms TAN: Correct.

Mr GUNNER: All right. So, having trouble meeting them, we are going to move them?

Ms TAN: No, there was no issue with meeting those milestones. In the current national partnership agreement, the Northern Territory government has drawn down the payments that it was, I suppose, benchmarked to draw down. There was some ambiguity around the wording for the milestones in the future and that ambiguity is being clarified at this point through the revised national partnership agreement.

Mr GUNNER: When are we aiming for the hospital to open its doors?

Mr GILES: I will answer that one. The announcement that has been made is September 2018. We anticipate that it will be earlier but we will keep it at September 2018 allowing for climatic conditions.

Mr GUNNER: Is it a staged commissioning? Will it open all at once, or will it open and parts of it will keep opening after that?

Mr GILES: It is anticipated that it will be an opening.

Mr GUNNER: A staged opening?

Mr GILES: An opening.

Mr GUNNER: It will open and all services will be available on that day?

Mr GILES: All things going well.

Mr GUNNER: And that is September 2018?

Mr GILES: Which is a long time before Labor would have ever built a hospital. You remember they promised it for eleven-and-a-half years and all we got was a fence and a sign.

Mr GUNNER: That is not quite true. You are making stuff up. The funding was not secured ...

Mr GILES: Well, that is fact. I will give you the photo of the fence.

Mr GUNNER: But that was on a 2001 election promise, Chief Minister. You cannot just make stuff up.

Mr GILES: To get a hospital 25% in, in three-and-a-half years of government is not a bad achievement ...

Mr WOOD interjecting.

Mr GILES: Well, it is not a bad achievement, Gerry. It is a fair assessment ...

Mr WOOD: No, no, but even ...

Mr GILES: It is in your area ...

Mr WOOD: I know, yes.

Mr GILES: ... and the rural area as well.

Mr WOOD: We are working on changing the name.

Mr GILES: It is a tick in three-and-a-half years to get this to fruition is ...

Mr WOOD: If you want my comment or not, it should be called the John Hargreaves Hospital.

Mr GILES: I am happy to take that on board. That will be a very important consideration ...

Mr WOOD: He was a very famous doctor in the Northern Territory.

Mr GILES: ... later in the design and build of the hospital and commissioning.

Madam CHAIR: Questions on Output 7.2?

Mr WOOD: Can I ask a range of questions?

Madam CHAIR: Yes.

Mr WOOD: We have gone all over the place. Going back to Aboriginal issues, is there still an Aboriginal Lands Strategic Policy Unit?

Mr GILES: That is what we have been referring to.

Mr WOOD: That is right. I did not know whether ...

Mr GILES: It used to be headed up by Alastair Shields. He is now the CEO of Land Resource Management but still has overall purview of that area.

Mr WOOD: I asked minister Tollner a similar question to this. I notice it is in your annual report at page 38. It says:

It is to work across government to formalise a government policy in connection with the payment of rent for government leases on Aboriginal land.

People know my opinion. I feel that when government provides government infrastructure - especially hospitals, schools and police stations - it should be a peppercorn rental and leased land. I gather that last year the government paid out somewhere around \$2.6m ...

Mr GILES: Was it \$2.6m or \$2.8m?

Mr WOOD: Somewhere in the vicinity. I am interested to know what the government's policy is in relation to this and are they looking trying to change that so that money can be used for infrastructure rather than going into rent payments?

Mr GILES: The policy at the moment is continuing the way we inherited it in 2012, that being where leases are undertaken - whether it is for government infrastructure or otherwise - we pay a lease payment to one of the land councils which is distributed to the traditional owners. That is the policy we inherited and we have continued with that policy.

Mr WOOD: Where is the legislation that backs up that right? It is one thing to have peppercorn rental and one thing to have a lease. It is good that leases are being developed. But there is another issue about the philosophy behind what is being done and where the backing is for charging rent on the government land for government services.

Mr GILES: It is not a legislated policy, but it is a policy that recognises that it is somebody else's land. You and I had this chat two estimates ago. As a direct comparative example, if we wanted to build a new school in the rural area of Darwin on privately-owned land, government would have to acquire or rent that land. It is no different, we are still providing a government service by way of education. We are still taking that land for whatever position that may be - in this hypothetical example, a school for delivery of government services. The philosophical undertones are what the difference is between private land here and private land in remote areas. I appreciate the principle of, 'Hang on, we are trying to provide a service here,' and that is a principle I understand. But that is not the same principle applied in urban areas.

Mr WOOD: I have thought about that, and the only case that has ever been given to me is Mitchell Street precinct, where the Department of Education is. All our schools are on Crown land.

Mr GILES: They are, but ...

Mr WOOD: All our hospitals are on Crown land.

Mr GILES: ... they on Crown land from a period of time. If you need to build a new school in the CBD of Darwin it would be very hard to build one on Crown land. You would have to rent office space or buy a block.

Mr WOOD: Yes, and you would purchase it.

Mr GILES: That is right. This is a position of philosophy by you and policy. I fully appreciate it and understand the argument, 'If we build you a school, why are you charging us rent?' It is the same ...

Mr WOOD: Some communities ask for a police station.

Mr GILES: That is right.

Mr WOOD: There are a lot more police stations out there than in my area. There is one.

Mr GILES: That is right. If I wanted to build a new police station at Nightcliff and there was no government land available, I would have to buy a block of land and it would cost me more than the leasing arrangements in a remote community.

Mr WOOD: I understand that, but ...

Mr GILES: We both understand each other's point, but for the purpose of estimates we just get into a debate on policy.

Mr WOOD: All right, but you have it in your annual report, which is why I raised it. Are you looking at that issue?

Mr GILES: We are always trying to pay the least amount of money as possible for all services, so on all leases we want to pay the least amount but on just terms for the value of the lease.

Mr WOOD: Yes, I understand that, but just terms means also providing a facility which has wages, the cost of infrastructure, the cost of running it, etcetera.

What role do you play in the development of Ord Stage 3?

Mr GILES: It has been classified as a major project, so we have an overarching major project role to try to provide a one-stop shop for project proponents and for the project as a whole. But there is a range of other stakeholders in this: AAPA, as the sacred sites authority, plays a role; Land Resource Management in the cattle component; the issue around the Land Development Corporation, which is what I might loosely refer to as the owner of the land; and the Lands and Planning department. There is a range of people involved.

The major project is recognition that this could be a huge economic earner for the Territory. It could create many jobs, something Labor is opposed to. We made it a major project to try to provide one pivotal point of contact. Within the Office of Major Projects in the Department of the Chief Minister, we want one person to be in charge of responses for Ord who can then disseminate that across other government agencies.

Where we have Palmerston hospital, one person does that. There is someone for the port, for the railway line, for the gas pipeline, for Shell Prelude, for Project Sea Dragon - without going through all 15 projects. The role is to be a one-stop shop. If you are doing a \$500m or a \$1bn project you do not have to ring up 50 different officers across agencies. It gives you a point of contact so they can do their dissemination work for you. It is a way of guiding through the many processes we have.

Mr WOOD: Who has to work through the issue of native title? Is that through that one person or is there ...

Mr GILES: It depends on what the issue is. I do not want to confuse things, but originally we were – because it is a government asset – looking to negotiate with the native title holders on both the NT and WA side ...

Mr WOOD: When you say a government asset, isn't most of it Legune Station?

Mr GILES: It is not Legune Station, it is Keep River Plains – is it not? No, it is Mistake Creek, sorry. Recognising that is a form of government asset, but then negotiating with the TOs who straddle the side of Queensland and NT, working with ...

Mr WOOD: Western Australia.

Mr GILES: Sorry, WA and NT. That is what we were doing, but Cabinet made a decision about six months or more ago that instead of us doing the facilitation, put the land on the market and let the project

proponent who successfully purchases that lease to then provide those negotiations themselves. In regard to native title they would take that discussion. Whether that is through negotiating an ILUA, Indigenous Land Use Agreement, or sacred site protection and land usage without causing a stir to or invasion of sacred sites, that would be the proponent's responsibility.

Mr WOOD: But there are two developments at Ord River Stage 3. There is the prawn farm and Stage 3 being an agricultural development continuation of Ord Stage 2.

Mr GILES: The prawn farm is actually on Legune Station. Ord River Stage 3, which is on the NT side of the border – sorry, it is Spirit Hills Station, not Keep. They are two different things. If you have a look at the \$1.5bn Project Sea Dragon with the company Seafarms on Legune Station, their connectivity into that geographical area will be around a road. We need to spend a little more than \$60m to build a road which will go from - and I am speaking geographical roughness - the WA border into Legune. It will help service Ord Stage 3 and Legune Station and will enable the prawn products to get from WA into the NT and from where they have the grow-out area in Darwin down to Legune as well.

But to answer your question about how one point of contact interacts with native title, the proponent would do that work, but talk to us when we need to have some government discussions on native title, and try to provide some connections with Joe at the NLC, or whoever that might be.

Mr WOOD: All right. There has been a lot of discussion about the Tiwi forestry enterprise. We have all seen pictures of a ship coming in and taking away woodchip. Could you say who is running it and is it sustainable without government assistance? In the long term, is this sustainable?

Mr GILES: It is fully sustainable. One of the challenges has been getting the working capital and the cash flow right for this business. They formed that long-term, off-take agreement with Mitsui which is working quite well. They are fortunate in that they have 30 000 ha of plantation coming to maturity - not all at the same time but in close proximity. So, the cyclical nature of their plantation is quite good. It is a working bankable model now.

I am not a supporter of giving big, capital up-front money to organisations to get running. You need to get going on the smell of an oily rag. The Tiwis have had many challenges but they are up and running. This will be sustainable into the future.

Some of their challenges have been around land tenure and how to get their development cost up front. They have agreed, as we all know, to a long-term lease. We gave them the \$1m payment up front. That \$1m has not started to be paid back yet. We have not called on that payment to be made as yet. We will do that at a later point in time. We want them to get up and running. When we look at the number of jobs that are available on the Tiwis around the plantation and the further ancillary industries, it will turn out to be a fantastic opportunity.

You asked earlier this morning about Indigenous employment through procurement components and how we make sure there is a time line. I have been working with the Tiwis since before I entered NT parliament, since 2007, on how to seal the road between Pickertaramoor and Pirlangimpi. Pickertaramoor is pretty important because that is where the school is. At the moment, particularly in the Wet Season, the kids cannot get to and from school because of the condition of the road. But that road is also important because it goes to Port Melville at the port. That road means there will be all-weather access for the heavy vehicles transferring woodchips from the plantation to the stockpile yard to get on to the ship, and they could work on an all-year basis. We are putting about \$33m towards the project. There is \$27m in this year. It will improve access for school kids, industry and job growth and it will open up the Tiwi Islands.

When all of these things come in, and with that works project, we expect DoI to get Tiwi working on it and follow that bouncing ball of pathways. This is our economic agenda and approach. What we are trying to do with the leasing of an extra 10 000 ha of land on the Tiwis would mean a joint venture opportunity - or maybe the Tiwis could do it on their own depending on financial capacity – to start planting another 10 000 ha worth of timber which can grow the industry itself. The model they are moving towards follows the great vision of people like Cyril Rioli, in wanting to get economic development. It has worked quite well.

It is not easy; I am not going to say it is easy. I have put a lot of time, effort and money into it - a lot of personal skin into the game. John Coleman is one of our community champions who has particular interest on the Tiwis and he has worked his bones out. I will table a copy of the new prospectus.

Mr WOOD: Who owns the lease?

Mr GILES: This is all part of that EDTL conversation we had earlier, Gerry – sorry, member for Nelson, I should say. We negotiated our way through the lease. The federal minister has to sign off on it. It has to negotiate its way through EDTL - and this is where it came back to my personal preference.

It would be great if the LDC could sign a broader lease, then sublease it out, rather than having to fly to Canberra all the time to get that done. This is one my pet hates with the bureaucracy in Aboriginal affairs. It is duplicative, time consuming and financially consuming. At the moment right now, the lease has not been signed off. If it was a matter for LDC, which is one of my portfolio areas. If they were a coordinating body or any other coordinating body for head leases, we would be getting on with economic development in Aboriginal communities a whole lot quicker.

I will table the new Tiwi prospectus. I have it here somewhere.

Mr WOOD: Okay, just keep things moving quickly.

Mr GILES: Here you go. Do you have a second? Here is the new, abridged version and the new private sector investment opportunity prospectus. Instead of tabling it, I might just hand it to the member for Nelson so he can have a look at it, if that is all right? Then table it after that, Gerry, if that is cool?

Mr WOOD: All right, yes. I will go on to another point. In your annual report, page 35, it talks about 'government INPEX social impact management plan and INPEX project oversight with the Department of Business'. What is that about? Sorry, I should have read the whole thing out. What is the whole-of-government social impact management plan?

Mr GILES: What page is this, 35?

Mr WOOD: Page 35 of your annual report.

Mr GILES: I am trying to find where you are reading that from. Oh, 'coordinate the whole-of-government INPEX social management plan'. It is sort of what it says. The Department of Business has a responsibility for coordinating the components within the social impact management plan. We get a report – how often do we get a report?

Mr COLEMAN: Every quarter.

Mr GILES: Every quarter. Every three months we get a report on how that is going. Business takes the lead in much of the fundamentals of that report, but it comes through as a coordinating point from us. It is a little like major project status in terms of DCM is the head contact for INPEX. They talk to us and then we coordinate it through.

Mr WOOD: So it is not a budget item?

Mr GILES: No, it is not a financial budget item. It is more that the implementation of INPEX is a major project and we are the first point of contact. Normally, I expect anyone from INPEX to give Anne Tan a call if there is an issue to deal with on a whole-of-government approach.

Before the major construction elements of INPEX - I would say two years ago or a bit more - we used to talk to INPEX every second day at my level, at Anne's level, at John's level. But given its implementation and its rolling nature it is less time consuming.

Mr WOOD: Okay. Thank you.

Madam CHAIR: Any more question on Output 7.2? That concludes consideration of Output 7.2.

Output 7.3 – Northern Australia Development Office

Madam CHAIR: Output 7.3, Northern Australia Development Office. Are there any questions?

Mr GUNNER: Chief Minister, can you provide a list of the grants that have been awarded from the Northern Development Office?

Mr GILES: Just let me find my brief, Leader of the Opposition. Does this mean that we are now out of your area, Anne?

Ms TAN: Yes.

Mr GILES: You should be right to be excused.

No questions on government success in driving down the cost of living; I am surprised. It would have been good to talk about low fuel prices or low house prices.

Mr WOOD: We could have asked what happened about legislation.

Madam CHAIR: Perhaps if your government members were present today, Chief Minister, they could have asked you questions on those.

Mr GILES: The government members know how successful we have been, Madam Chair.

Madam CHAIR: This is for the public's benefit.

Mr WOOD: What happened to legislation?

Mr GILES: Member for Nelson, in regard to particular grants from the North Australia Development Office ...

Mr WOOD: The Opposition Leader asked that question.

Mr GILES: Sorry. The following grants have been approved this financial year:

- \$8636 has been provided to the Centre for Appropriate Technology in Alice Springs to support the travel of five Indigenous employees to attend the launch of the book accompanying Australia's exhibition at the 2016 Venice Architecture Biennial, where a chair they fabricated will be displayed
- \$50 000 has been presented to the Bawinanga Aboriginal Corporation in Maningrida to support business development and help them through some of the financial troubles that they are having
- \$25 000 has been granted to the Northern Land Council for doing consultations on the opportunity around mustering buffaloes. Many people would be aware that we helped set up the live buffalo industry; not an easy industry to manage and coordinate, but we are now working with the NLC through that \$25 000 grant to see what opportunities there are for buffalo mustering in communities, particularly in Arnhem Land.
- There is \$11 489 to the Wurrumiyanga Museum for air conditioners in the museum. There is a lot of traditional art, historical elements in the museum at Wurrumiyanga on the Tiwi Islands. That will include us seeking to set up through another avenue a sports museum on the Tiwi Islands where they can celebrate the much-heralded AFL players.
- There is \$25 000 to support the Tiwi Land Council islands pontoon project. We are trying to build pontoons on the Tiwi Islands to help with the landing of the ferries. We ultimately want to see a jetty service so people do not have to trans-ship on the Tiwi Islands.
- We have presented \$25 000 to the Barkly Regional Arts organisation to upgrade event production resources for use at the Desert Harmony Festivals, supporting festivals in the Territory.
- We have also presented \$10 000 to the Central Australia Territory Craft to assist with the holding of the 2015 Wearable Arts Awards.

Mr GUNNER: Thank you, Chief Minister. How is that grant program determined? What is the grant application process?

Mr GILES: I will have to take that on notice and get back to you.

Question on Notice No 3.4

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

Mr GUNNER: How is the grant program determined and what is the grant application process?

Madam CHAIR: What is the grant called?

Mr GUNNER: What the Chief Minister has just read out, the North Australia Development office. I do not know the name of the grant, is it North Australia Development office grants? I do not know.

Mr GILES: We will just leave it at that. We will just have a look at it.

Madam CHAIR: Okay, so you accept the question, Chief Minister?

Mr GILES: That is out of the Regional Economic Development Fund you are asking?

Madam CHAIR: Okay. The question asked by the member for Fannie Bay of the minister has been allocated the number 3.4.

Madam CHAIR: Questions?

Mr WOOD: Just one. The money allocated in this year's budget is down about \$250 000 from what was budgeted in the previous year. Is there any reason for the reduction in the funding? I could not see any notation to say why.

Mr GILES: There was some one-off marketing funding that was being spent. There will be less money for marketing. We spent a bit of money on promoting the north Australia policy and the North Australia Development concept and NADO. That marketing budget spent more last year than will be spent next year.

Mr WOOD: Okay thanks.

Madam CHAIR: Any more questions? That concludes consideration of Output 7.3.

Output 7.4 – Regional Coordination

Madam CHAIR: The committee will now consider Output 7.4, Regional Coordination. Are there any questions?

That concludes consideration of Output 7.4.

Output 7.5 – Community Engagement and Support

Madam CHAIR: The committee will now consider Output 7.5, Community Engagement and Support. Are there any questions?

Ms FYLES: Madam Chair, just to clarify, is this where youth affairs is?

Mr GILES: We have passed over it.

Madam CHAIR: I note that although the Chief Minister is responsible for Community Engagement and Support as a whole, Multicultural Affairs, Senior and Youth Territorians are a sub-set of Community Engagement and Support. While questions relating to Multicultural Affairs and Senior Territorians will be answered by minister Styles on 21 June, the Chief Minister will now take questions relating to Young Territorians.

Mr GILES: Is this Output 7.4 or 7.5?

Madam CHAIR: Output 7.5, we have gone through 7.3, 7.4 and now we are up to 7.5.

Mr GILES: For clarity, Output 7.4 includes regional updates, including Central Australia, Barkly, Big Rivers, East Arnhem, Wadeye, Alice Springs, regional youth services and Tropical Cyclones Lam and Nathan?

Madam CHAIR: Correct.

Mr GILES: No questions in there.

Madam CHAIR: Member for Casuarina, you have questions for Output 7.5?

Ms MOSS: Thank you, Madam Chair. Chief Minister, you spoke in the opening statement about the \$4.2m in youth grants that was announced in February 2015. Have those grants been fully allocated?

Mr GILES: No.

Ms MOSS: Can you outline for me how much of that amount is allocated and how it has been allocated?

Mr GILES: In February 2015 we announced \$4.2m over four years, that is, 2014 to 2018 financial years to be coordinated through the Regional Coordination Committees of Alice Springs, Katherine, Nhulunbuy, Tennant Creek and Darwin/Palmerston to facilitate early intervention and prevention issues for young people.

It is important to reflect on why we have done that. It is because we got a lot of feedback from local stakeholders and non-government organisations who said they wanted to have a say in how the money was being distributed rather than only government having a say. So, we went to those regional committees to take significant advice in that regard.

The commitment to regional youth services also supports education activities and case management, and more of an improved coordination around youth services, which is being delivered by agencies and organisations. The reason I was asking what output area you are asking this question about is because it is all about regional coordination and not as much youth services, which is why I am talking from a regional perspective.

We have held consultative forums with those non-government organisations, ensuring we have local solutions developed to meet those needs. Each region and committee is at a different stage of funding being received from government. We have developed some medium- to longer-term initiatives. In some areas trial programs have been funded to ensure we have the most effective use of those funds in each of those regions.

In some regional areas there has been a late start-up in some of those initiatives, so we have had to do some carry forward of those dollars. I am sure the member for Araluen is aware that we also provided an additional \$951 000 for youth services in Alice Springs for late night outreach, which is in partnership between Alice Springs Town Council and Central Australian Aboriginal Congress.

I will get to the individual breakups on some of these, especially around Barkly. Of the 2015-16 outcomes from that funding, there were 6251 occurrences of young people in Alice Springs being transported home or to a safe place, and 90 young people in Alice Springs being referred to an alternative service or case management service provider. On average about 34 young people per day attend the Barkly youth centre after-hours activities, which have been trialled between December 2015 and January 2016. I will come back to that point.

In Darwin and Palmerston one of the things we funded was a young parenting program, which saw 220 referrals to health and other service providers. More than 60 one-on-one support services have been provided under that program and we have seen a high number of re-enrolments at school and enrolments in certificate programs.

I draw your attention to the Barkly because no doubt there will be a question about it. In the Barkly we have allocated \$525 000 for the four-year period. We have seen expenditure of \$41 000 through the trial with the Barkly Regional Council. We have been working with the Barkly Regional Council to see whether or not we can sign that final agreement so we can roll the program out fully. A little over a month ago, I am advised, we presented the final negotiated contract to the Barkly Regional Council. It has been to and fro for a fair while about how we provide them with the funding to have the full rollout of that program. At this stage, the contract has not been signed and returned to government. As soon as it is, we will get that money out to the Barkly Regional Council. We think the Barkly area has been going quite well. That \$41 000 has presented a range of solutions for young people. While not all young people are off the street in Tennant Creek there has been a huge improvement with the rollout of that trial.

Ms MOSS: Thank you, Chief Minister. How much of that \$4.2m remains unallocated at this stage?

Mr GILES: I will go region by region for you. Barkly is the biggest under-allocated place. What has been committed? There is \$525 000 provided for Barkly and \$41 000 committed. Katherine has \$525 000 provided and all \$525 000 committed. That money has gone to the Katherine YMCA which has funding provided with a focus on after-hour activities, which is enhancing 24-hour phone line and case management services for young people in Katherine.

In East Arnhem we provided \$175 000, and \$125 000 has been committed. We are working with Anglicare NT, the Nhulunbuy Corporation, the East Arnhem Regional Council and an organisation called Moonfish Productions in Nhulunbuy which are working on building stronger connections in the Gove region, particularly between the three areas of Ski Beach, Yirrkala and Gove.

We have gone over the commitment in Alice Springs, partly because of the extra \$900 000-plus. There was originally provided \$1.175m, but with the extra \$900 000 we have gone over that by a long way. We engage people such as the town council, Congress, Relationships Australia, Tangentyere, the Gap Youth Centre, the Alice Springs Youth and Community Centre, Red Dust Role Models program and so forth.

In Darwin \$1.4m is available and we fully committed that to date. That went to Anglicare NT and YWCA in Darwin for a range of programs which I have already discussed. Of that, there is about \$288 000 roughly still to be allocated. I use that figure not taking into account the \$900 000 for Alice Springs. I would not quote the \$200 000, but there is money available - certainly \$380 000-odd for the Barkly.

Ms MOSS: I might go for a second to National Youth Week. I was hoping I could get the numbers from you of how many young people attended events this year, and how many events were held across the Northern Territory?

Mr GILES: I have a thing here on National Youth Week for you. I will just flick to that quickly. It is pretty disappointing to see National Youth Week not continuing anymore. It is an opportunity for us to not only engage with young Australians, or young Territorians in our instance, but to provide some guidance, leadership and support services for young people who need it, particularly in after-hours or out-of-school engagement.

Your question was about National Youth Week. We provided \$45 000 in grant funding for National Youth Week, combined with \$25 000 from the Commonwealth government which will now not be providing that into the future because National Youth Week has been scrapped. How we move it forward, maybe it will become Territory Youth Week, I am not sure. It is something for consideration, as we are very supportive of that.

We saw 42 National Youth Week grant applications from across the Territory - a few quirky ones, but very good. There were 70 National Youth Week events held in the Northern Territory and the official closing of National Youth Week coincided with our Northern Territory Young Achiever Awards on 16 April, which was also quite good. We put in \$12 500 for that ...

Ms MOSS: Sorry, Chief Minister, can I just confirm, did you say 42?

Mr GILES: Yes, 42 National Youth Week grant applications. Before you ask me the next question, there was one in the Barkly region, eight in Central Australia, nine in the Darwin/Palmerston regional area, 12 in what you would probably call East and West Arnhem and the Top End remote, nine in Roper Gulf and three in the Victoria/Daly/Katherine area. I have a list of organisations here and what they receive them. I am happy to table that, but I would not mind naming a couple here that I find to be quite good.

Ms MOSS: Were there a number of young people who attended the events?

Mr GILES: I do not have a number of young people who attended the events on hand. There is no one here who can provide me that advice. If you want me to take that on notice I can take it on notice, but the important thing is ...

Ms MOSS: Yes, please.

Mr GILES: ... that there were 42 individual grants provided, a range of activities engaging youth around the board.

Ms MOSS: Absolutely, Chief Minister, I agree with that. National Youth Week is an important event on the calendar. I am interested that events held over the year seem to be going down quite significantly. In

2012-13 there were over 150 events, the year after there were over 100, in the last year it was 80 and now it is 42. I am interested ...

Mr GILES: Well, no, that is not right. They are grant applications. There is a difference between a grant application and ...

Ms MOSS: No, I am talking about National Youth Week events that have been held across the Northern Territory.

Mr GILES: Member for Casuarin, that is not the answer I gave you. The answer ...

Ms MOSS: But, that is the question I asked, Chief Minister.

Mr GILES: Yes, but I gave you the answer - there were 70 National Youth Week events.

Ms MOSS: All right. I asked for confirmation of that number.

Mr GILES: There were 42 grant applications and 70 events.

Ms MOSS: All right; 70 events. In any case that is still a year-on-year decrease of National Youth Week events across the Northern Territory.

Mr GILES: That is one of the reasons why the federal government has taken its position, because participation in Youth Week events across the nation has been going down. It is not as a result of government willingness. We have the grant program, we are still facilitating National Youth Week events, but the interest in it has dwindled. It is not saying it is gone, because obviously we still have 42 applications for grants and 70-odd events, but there are fewer people wanting to hold those events. Whether or not dynamics are changing in the community, or whatever that may be, they are doing down nationwide.

Ms MOSS: Is there any work being done in the Office of Youth Affairs to have a look at the reason behind that, the effectiveness of that program, the money that is being spent, talking to the sector about the reasons why that might be?

Mr GILES: A lot of work has gone into supporting National Youth Week. The staff who work in the social policy area that coordinates youth affairs in the Department of Chief Minister spend a lot of time making sure we align and facilitate programs to support youth - whether that is supporting youth in need or supporting youth activities or youth leadership.

In regard to how that works with the National Youth Week, we work closely with Canberra on a range of issues, whether it is youth or otherwise. It is a trend that is not just unique to the Northern Territory, it has gone Australia-wide. While I am supportive of National Youth Week continuing, that might start to underpin some of the reasoning of why there has been a change to National Youth Week. Whether it is changing technologies or social or community values or interests, I could not really tell you. By our take-up, and as you have just noted, the decline in numbers of events is something that is seeing a change.

Ms MOSS: I want to go to the Youth Participation Framework. It is not the first time I have raised it. It is a document that was consulted on and planned for in 2011; I believe it was released in late 2014. It was released late which pushed the time line back significantly on reporting to the youth framework.

The original document noted that there would be a published scorecard in April last year on the key actions. That has not been published. I understand that has changed to a mid-term report that was going to the Minister for Young Territorians. I was informed that would be expected in May. That has not happened. I note the business plan update now predicts that it will be delayed until June 2016.

What are the reasons for the delays on reporting against the framework? The work on that framework has been done for many years. It is supposed to be directing government priorities around young people. I am wondering when we will see the measurement against the key actions.

Mr GILES: Because we have been doing a lot in the area of youth servicing such as changing policies and legislative frameworks around things such as the *Education Act*, putting reforms in place in the education system, taking strategic initiatives around better servicing or improving the service levels in childcare and long day care centres, all of these areas fill in the range of initiatives we are providing for youth.

It has meant that we have a more challenging environment of reporting against. A couple of notes I have here includes not only the new child and family centres, of which there are five up and running and about to be a sixth in Larapinta, but the early intervention youth boot camps. All of these are now coming into the measurement framework for the youth services.

You are right, the framework was supposed to be reported by the end of May. It will now be done mid-June. The reason for that it is more complex in ...

Ms MOSS: We are in mid-June.

Mr GILES: Yes, so it is due any day. The reason is the work that is being done is more complex and we are doing a lot more initiatives, so now we have to evaluate a lot more initiatives too in that framework.

Ms MOSS: So we can expect that mid-June? It was supposed to be reviewed this year because it runs out in 2017 so it would be part of planning for the next iteration of the Youth Participation Framework, whatever that looks like. When is it expected that the Youth Participation Framework will now be reviewed?

Mr GILES: It comes into review when that report will be released, and it is not far away. As soon as it is released there will be a lot of community feedback and then we will be able to move to that formal review. A general review just by anecdotal feedback will start almost immediately, as soon as the report is received. We all need to take some of those things on board.

Moving to the next stage of the review is something that will start at the back end of the year. It is not something that is progressed with a particular time line. It is something we should all be well supportive and well aware of.

Ms MOSS: Is there a formal plan around how consultation will occur for the review? I understand from the last briefing that I had that there has not been formal consultation with young people around this framework since 2011. I understand there are mechanisms like the Youth Round Table that exist to provide feedback on policy initiatives. I am interested in whether there is an actual plan for formal consultation around that review.

Mr GILES: The review is part of the framework. When we table that you will see that. The consultation component will form part of that review.

Ms MOSS: Chief Minister, you talked about some of the difficulties of evaluating that framework. I can understand that things like the *Education Act* is a huge body of work. Has the ...

Mr GILES: All those staff in the Education department and the schools have done a tremendous job on that *Education Act*, and that is all part of the ...

Ms MOSS: Absolutely. I am interested in whether there has been any formal consultation with young people around things like changing the *Education Act*, for example, which has been highlighted as something that is incredibly important to the Youth Participation Framework. I am interested in how the government is going about formally consulting with young people about this and initiatives that are very important to them.

Mr GILES: Member for Casuarina, you would be aware that the *Education Act* has already passed parliament. As part of that legislation passing parliament the Minister for Education ran a very thorough consultation process on the *Education Act*. Not only did he run a consultation process which was thorough, he extended it to give people more time to be consulted. All stakeholders were consulted, including young people, students, parents, teachers and other stakeholders in the paradigm.

Ms MOSS: That was through the same consultation process?

Mr GILES: You asked about the *Education Act*. That is what happened within the *Education Act*. That is how we formed the position of changing a couple of elements within the first paradigm of the *Education Act*, to a point where we are now operating within it. If you want any more detailed answers about the *Education Act* I suggest you ask minister Chandler when he fronts estimates. But that is part of the framework and feedback.

Ms MOSS: It is just a general question. I used the *Education Act* as an example, but we have the *Bail Amendment Act* which is something that is focused on young people as well.

Mr GILES: Does Labor support the *Bail Amendment Act*?

Ms MOSS: I am wondering what consultations are occurring with youth services and young people specifically, not as part of general consultations where you put things out to the community so people can put feedback in. What specific consultation is occurring with young people about these initiatives?

Mr GILES: A range of different things is occurring. When new legislation, or any other item, comes before Cabinet as a matter of interest there is a communication strategy as part of the Cabinet submission, which looks at how we will communicate potential changes with the community.

In the first stage, consultation in many different forms comes forward to the point where we produce a bill. Producing a bill takes up to 18 months before it comes to Cabinet. In Cabinet you go through the Cabinet submission and there is a communication strategy ...

Ms MOSS: Is there any specific consultation happening with young people? We know the process but ...

Mr GILES: I am explaining it ...

Ms MOSS: We know the process ...

Mr GILES: I do not know if everyone does know the process. There is a process with writing letters to stakeholders - I do not have the submission in front of me, but based on all other Cabinet submissions this would have followed similar processes – and talking to youth organisations and stakeholders such as those involved in the legal fraternity, councils and a range of people. There is a big consultation and communication process.

Ms MOSS: How many young people are currently on the Chief Minister's Round Table of Young Territorians and what policy initiatives has the government consulted the Round Table on this year?

Mr GILES: The Chief Minister's Round Table of Young Territorians is focused on young Territorians aged between the years of 15 and 25. I would not name who is on it, but there are 14 members on the Youth Round Table and their ages range from a couple who are 15, a few are 16, 19, 20, 21, 23 and 24. They represent Darwin, the rural area, Palmerston, Nhulunbuy, Tennant Creek and Alice Springs.

Ms MOSS: The makeup of the Youth Round Table is normally 16 members. Is that a natural drop-off of members, which happens from time to time, or is there another reason there are fewer young people on the Youth Round Table this year?

Mr GILES: There is no specific requirement for there to be any number. It is a workable number and if it came to the point where we needed to put 20 on, I would put 20 on. If it needed to come back to 10, I would put 10 on. A range of applications come through from the people who have been successful. But if we had a higher level of interest in participation and a higher standard we would put more people on. There is nothing particular about the numbers.

Ms MOSS: On what policy initiative has the government consulted with the Youth Round Table?

Mr GILES: That is not how the Youth Round Table works.

Ms MOSS: Chief Minister, I was on the Youth Round Table for two years. I was the Chair in 2010. It is an important part of how it works.

Mr GILES: As you would know then, member for Casuarina, each member of the Youth Round Table has an opportunity to investigate a project they are interested in doing ...

Ms MOSS: That is part of it.

Mr GILES: That is right. Interestingly, the range of things which have come out of the Chief Minister's Youth Round Table in the last few years have been from a number of different aspects.

What I found most interesting is projects and people's interests come from the key area of social and emotional wellbeing. I know there is a high degree of commentary and projects that support youth mental illness around bullying, a fair bit around drugs, and conversation about ice. In the last couple of years ice has become more prevalent in conversation.

If I put it under one umbrella I would call it social and emotional wellbeing, body image problems, self-harm and drugs. When I have an opportunity to engage they are the things that are raised. I have not had a chance to be at the Chief Minister's Youth Round Table since August last year because of competing priorities, but hopefully I will get a chance to catch up again soon. Each year it seems to be about social and emotional wellbeing, as drugs affect people's mental or emotional condition and the like.

Ms MOSS: Is it fair to say the government has not engaged with the Youth Round Table in specific policy initiatives?

Mr GILES: Not at all. I have just discussed that.

Ms MOSS: Community-based projects make up an arm of the Youth Round Table. It is one component of what the Youth Round Table does. They perform an advisory role to government, so I am interested in what policy initiatives government has for ...

Mr GILES: I was giving you their feedback of what we asked the consultation to have a look at. I would rather get their feedback than us direct them. We have asked them to look at education, bullying, mental health and support, alcohol and other drugs and youth homelessness. We have asked them to provide us guidance from a policy point of view. What I said before, much of the feedback we are receiving relates to similar things, but social and emotional wellbeing is coming through loud and clear.

Ms MOSS: Okay, thank you, Chief Minister. Sorry, did you have a question on that, Gerry?

Mr WOOD: Not on youth, but on that section.

Ms MOSS: I still have plenty of questions, so go for it.

Mr GILES: Is that Output 7.5?

Mr WOOD: Output 7.5. In your annual report from last year you mentioned \$1.25m for Festivals NT ...

Mr GILES: Can I ask a point of clarification. Have we finished youth now?

Madam CHAIR: Youth was a part of Community Engagement and Support, Output 7.5.

Mr WOOD: If you have more youth questions, I will delay mine. I thought you had finished the youth.

Ms MOSS: Sorry, Gerry, I thought you had ...

Madam CHAIR: I remind everyone we have three hours and five minutes to cover five-and-a-half portfolios. So, keep in mind we might not get to Sport the way we are going.

Mr GILES: If you have a question, ask me now and I will give you the answer.

Madam CHAIR: For Sport?

Mr GILES: Yes.

Madam CHAIR: That is very generous. Member for Nelson.

Mr GILES: No, no, you, Madam Chair. You raised it ...

Madam CHAIR: I do not have one.

Mr GILES: Okay then. To be fair, I am not being smart here, Madam Chair, but it is good to go through output by output rather than me jumping everywhere trying to find my papers.

Madam CHAIR: Definitely, keep going the way we are going. By all means ask questions you have, but we are under the pump.

Mr GILES: Can we get to Tourism? I would love to get to Tourism today.

Mr WOOD: I do not control the beginning of these questions.

Madam CHAIR: No, you do not.

Mr WOOD: No.

Mr GILES: He has not even asked a question on youth yet.

Madam CHAIR: Member for Nelson, we are sitting on the edge of our chair waiting for a question.

Mr WOOD: No, the member had not finished her questions.

Mr GILES: Gerry, do you not care about youth?

Mr WOOD: I am youthful.

Ms MOSS: I will just ask one more on this and then we can go for it.

Mr GILES: You are youthful. Is there not something about youth in the rural area?

Mr WOOD: I keep my age, just my looks have ...

Madam CHAIR: They are everywhere - youth! Member for Casuarina.

Ms MOSS: Okay thank you. I will keep to this one. Given that you have raised youth mental illness and social and emotional wellbeing, it is something that has come up on Youth Round Table for many years. It is one of the top concerns they have. The former Minister for Youth Territorians had written a letter to me about the Youth Participation Framework and the establishment of the headspace youth early psychosis program being an achievement for the Territory, which I completely agree with. It is an important early intervention and prevention service. Nationally, that is receiving a significant cut of about 75% to its funding, and movement of the funding to a flexible funding pool.

I am interested in what advocacies happened under the Minister for Young Territorians in making sure that there is security around youth-specific mental health funding and services in the Territory?

Mr GILES: The key point to note is that we have a Minister for Youth Affairs and a minister who is working on mental health.

Ms MOSS: I will be putting it to him as well.

Mr GILES: Sorry?

Ms MOSS: I will be asking him as well.

Mr GILES: I am answering your question. It is important to show that we have a significant level of interest there. It is also important to note the leadership that I and the Country Liberals Cabinet have taken in wanting to sign the NDIS and roll it out. We have sought to provide Australia with some learnings from a remote part as the rollout continues. That is a high level of indication of our interest.

The other area that is going to drive us going forward is our desire - particularly mine from a personal view - to start to further address social and emotional wellbeing in many of our young Territorians, particularly young women. The issues about body image, self-harming and drug use, particularly as it relates to social and emotional wellbeing, is an unreported characteristic in our society and we need to do more about it. It is something I will be putting more emphasis on going into the future.

Ms MOSS: I have just one more, sorry, Gerry.

Mr WOOD: That is all right.

Mr GILES: An extra one.

Ms MOSS: Under the business plan update, I noted that it said:

Please note, there are very limited strategic policy and resources available and successful delivery in doubt for undertaking research to inform evidence-based understanding of social policy issues and providing strategic advice on current and emerging social policy issues.

I am interested in whether the loss of the manager position at the Office of Youth Affairs might have impacted on the ability to provide such advice and what your view is on that, given that there are such pressing issues facing young people in the Territory.

Mr GILES: The issue around youth affairs, particularly - and I am going to go back to social and emotional wellbeing - has been something that has, I would not say been swept under the carpet, but has never been focused on. These issues around youth affairs are what we have inherited on 25 August 2012 and we keep trying ...

Ms MOSS: I do not know; there has been consultation happening for the youth framework that was not released for three more years.

Mr GILES: ... to improve the level of services and there is a lot more that needs to be done.

Ms MOSS: Absolutely.

Mr GILES: The focus on mental health was never there when Labor was in government and you know that.

Ms MOSS: That is not true.

Mr GILES: The focus on disability services was not there.

Ms MOSS: Not true.

Mr GILES: The focus on chronic alcoholism was not there.

Ms MOSS: Not true either.

Mr GILES: So, there is a reform process that is going ahead. You should not be politicising youth mental health. I do not think it is an area in which that should be occurring.

Ms MOSS: I did not, that was not a question about youth mental health, Chief Minister ...

Mr GILES: I am giving you a focus of where we are headed and that is something that is going ...

Ms MOSS: ... that was a question about the loss of a position from the Office of Youth Affairs.

Mr GILES: Member for Casuarina, I am answering a question for you. If you do not like the answer, I am sorry.

Madam CHAIR: Can you let the Chief Minister answer please?

Mr GILES: I will just leave it there, Madam Chair.

Madam CHAIR: Any more questions for Output 7.5?

Mr WOOD: Yes, I am in 7.5. I must admit I belong to AFANT, the anti-Facebook association of the Northern Territory; because when you talk about mental health, to some extent social media has a lot to play in that. I have seen it in some of our schools. There needs to be some work done in that area. But my other questions do not relate to that so much ...

Mr GILES: The big thing it comes back to is, particularly young girls who have body image problems and self-harming and have been bullied.

Mr WOOD: Well, some of that bullying has been done through social media.

Mr GILES: That is right. I am not disagreeing with you; I am on the same page.

Mr WOOD: I am not sure how this fits into the budget today, but last year's budget had a social policy unit highlight of \$1.448m grant to Festivals NT. You know we have had problems with the Darwin Festival ...

Mr GILES: Well I have not, but I understand what you are saying.

Mr WOOD: No, I did not say you personally, but there have been problems ...

Mr GILES: I have given them more money.

Mr WOOD: Yes, but is this related to the Darwin Festival or is this a grant for other festivals?

Mr GILES: You are talking about Budget Paper No 3 from last year's financial accounts?

Mr WOOD: Yes, so that would have been spent this year, I presume?

Mr GILES: I do not have Budget Paper No 3 from last year, but I would guess that this is money being transferred from DCM into Festivals NT. The Department of Chief Minister runs grant programs and a lot of those grants were going on an annual basis to a festival. It might have been to the Glenti, the Italian Festival or to Territory Day - those sorts of things. I wanted to set up Festivals NT so we had a ...

Mr WOOD: So it is a unit of the government, not a private thing?

Mr GILES: Festivals NT sits under the NT Major Events board. I can give you the explanation of that, but I do not want to be criticised for talking too long - but there is a reason for doing it.

Mr WOOD: All right. Quickly ...

Mr GILES: I will tell you the reason for doing it. From a tourism perspective, event-based tourism is substantially important. Where DCM was giving out grants for an event, the event was not being coordinated in a holistic fashion from a major event and a tourism perspective. So, while the event, such as Glenti on the weekend, still goes ahead, we now can typecast that event into more of a festival nature and from a tourism perspective.

We now have implemented a front door for events in the Northern Territory, which is a panel chaired by the Chief Executive of Department of Chief Minister and includes the Chief Executives of Major Events, Andrew Hopper, Tourism, and Arts and Museums. They now oversee a front-door approach to events to make sure we have the best bang for our buck, coordinated across government. This was transfer of some of the money - if I have your question right - from DCM to Festivals.

Mr WOOD: A quick one. You have \$12.6m for community events. Is that fireworks money?

Mr GILES: Unless I am tapped on the shoulder, that includes fireworks money, V8s, Red CentreNATS fireworks money, money for the Beer Can Regatta – I think that comes out of there- and maybe Henley-on-Todd.

It might seem a bit confusing, but there are a few different funding streams. Some things are funded out of Tourism, some are funded out of Major Events. Generally, the Major Events funding is things that are big events, even if they might be small in nature. Other areas that might come out of DCM are generally one-offs or tourism-specific things are from Tourism. You keep asking questions and I will find my major events ...

Mr WOOD: I do not have any more questions on that section.

Madam CHAIR: We need to move on. That is good. Do you want to take it on notice?

Mr WOOD: I can take it on notice, is that all right?

Madam CHAIR: Okay, just restate the question.

Mr GILES: Major events is not even under DCM, it is under a different category.

Mr WOOD: Well this came out of your ...

Mr GILES: Anyway, we will move on. The Chair wants to move on. If your only question...

Madam CHAIR: No, it is okay, do you want to take it on notice?

Mr WOOD: It has come out of page 31 of your budget paper.

Mr GILES: So you want to know who ...

Question on Notice No 3.5

Madam CHAIR: Restate the question please.

Mr WOOD: Simply, you have \$12.6m for community events in Budget Paper No 3, page 31. What amount of that money was set aside for fireworks?

Madam CHAIR: Do you accept the question?

Mr GILES: Yes. Can I get a clarification?

Madam CHAIR: Yes.

Mr GILES: Do you mind if I give it as a Territory Day event or do you want it as fireworks?

Mr WOOD: Well the question I was asked was how much money is the government spending on fireworks – a general question.

Mr GILES: All right, I will do it now to try to find the fireworks.

Madam CHAIR: The question asked by the member for Nelson of the minister has been allocated number 3.5.

Madam CHAIR: That concludes consideration of Output 7.5 and Output Group 7.0.

OUTPUT GROUP 8.0 – GOVERNMENT BUSINESS SUPPORT Output 8.1 – Support to Ministers and Leader of the Opposition

Madam CHAIR: The committee will now proceed to Output Group 8.0, Government Business Support, Output 8.1, Support to Ministers and Leader of the Opposition. Leader of the Opposition, you have a question?

Mr GILES: You missed Freds Pass Show, Gerry.

Mr WOOD: It is not supposed to be in the budget, it was granted before the budget was produced. Sorry.

Mr GUNNER: Chief Minister, can you provide the costs of advertising and communication in 2015-16 in the agency by name and description of advertising campaign run by your agencies and authorities, the costs associated with each campaign and provide the details and number and level of staff who were responsible for communication and advertising in your agency?

Mr GILES: Is this one of the written questions?

Mr GUNNER: Yes.

Mr GILES: I have an answer for those written questions.

The Department of the Chief Minister's advertising and communications expenditure including marketing and promotions from 1 July 2015 to 31 March 2016 was \$2.382m. This excluded tender advertising and

recruitment advertising. Advertising in the 2015-16 financial year was \$1.01m, marketing \$1.303m and gifts was \$69 000. That is totalling \$2.382m. In the 2014-15 financial year it was \$3.247m. In the 2013-14 financial year it was \$2.861m.

Mr GUNNER: Can you provide a name and description of advertising campaigns run by your agencies and authorities?

Mr GILES: Yes, I will do those right now. The On Track campaign, where we showed that government was on track in delivering our promises and achieving all things that are good, as I am sure you would agree, member for Fannie Bay, was \$413 207. There is some great advertising work in the On Track campaign; if you have not seen it I am happy to get you a copy. Developing the North, Phase 1, was \$393 085. Marketing information for the Palmerston Regional Hospital was \$125 897. The ice campaign, which is continuing as I said in previous answers, was \$119 966. In regard to the Seniors Month we spent \$66 834. For the show circuit last year, 2015, it was \$62 028. The campaign called Developing the Top End and Developing the Centre - I do not remember that campaign - was \$54 115. Marketing our desire to get a luxury hotel built in Darwin was \$48 088. Marketing on the Developing the North Australia White Paper for an awareness point of view was \$46 365. The Framing the Future campaign was \$45 028 - that was about the four pillars to support Framing the Future. The Indigenous Economic Development Forum, which was run by the North Australia Development Office, was \$38 583 [on 4 July the minister advised that the number stated at the hearing was incorrect and the correct figure is \$34 583]. The Boosting Our Economy package advertising campaign about the \$100m to stimulate the economy was \$18 504. There was \$17 366 on the Mount Isa to Tennant Creek railway proposal that we spoke about before – I have not seen that marketing either, so I am not sure what that was.

Mr GUNNER: You can find the details on the number and levels of staff who are responsible for communications?

Mr GILES: Sorry, yes. We have positions from one AO3, three AO4, six AO5, eight AO6, four AO7, five [on 4 July the minister advised that the number stated at the hearing was incorrect and the correct figure is seven] SAO1, two ECO1, and one ECO2, totalling 30 positions.

Mr GUNNER: What is the estimated total expenditure to be incurred by CMB in 2015-16 and what is the budgeted expenditure for 2016-17?

Mr GILES: Interestingly enough, when you look at marketing, government marketing advertising expenditure has gone from a high of \$23.99m in the last year of the Labor government down to \$17m in the the last financial year - and that was in the 2014-15 financial year – down to \$9.4m in the current financial year. So we have gone from \$25m in 2009-10 down to \$9.368m right now.

Mr GUNNER: So what is the estimated total expenditure being incurred by CMB in 2015-16 and what is the budgeted expenditure for 2016-17?

Mr GILES: Well, the estimated expenditure – I can only give you the expenditure to the 31 March, which is the actual, which is \$9.368m.

Mr GUNNER: What is budgeted for 2016-17?

Mr GILES: Sorry, I am giving you the across government figures, not the CMB figures. I am giving you the whole-of-government figures, I should apologise. For CMB, the final estimate this year is \$8.542m.

Mr GUNNER: What is budgeted for CMB in 2016-17?

Mr GILES: That is \$6.027m that we are cutting the budget.

Mr GUNNER: That \$8.54m is to 31 March, is that correct?

Mr GILES: No, that is the estimate for the whole financial year.

Mr GUNNER: Okay. What is the itemised breakup of costs for CMB in 2015-16?

Mr GILES: How do you want it broken up? Salary or ...

Mr GUNNER: How do you breakup the costs for CMB? Do you have a breakup of costs?

Mr GILES: Salary would be one cost. You have office costs, costs on computers and costs on consultants going out to print management and designers.

Mr GUNNER: You spent \$8.54m in 2015-16. You would have a breakup of those costs.

Mr GILES: Let me see what I can find for you. I can tell you the advertising and marketing costs. CMB – these are figures I have already read out – was \$2.382m for advertising, marketing and gifts. How much are we spending on staff and computers and office space? I will take it on notice.

Question on Notice No 3.6

Madam CHAIR: Restate the question please, member for Fannie Bay.

Mr GUNNER: What is the itemised breakup of costs for CMB in 2015-16?

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Yes.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.6.

Mr GUNNER: How many FTE staff were employed in the CMB as at 31 March 2016, and at 30 June?

Mr GILES: I just answered that question.

Mr GUNNER: Oh yes, 30 positions. What was the number as at 30 June 2015?

Mr GILES: Is that the same answer?

Mr GUNNER: Is it 30 positions both years?

Mr GILES: It was 31. Sorry, it is 30. It was 31, it has come back one position.

Mr GUNNER: What was the total cost of focus group, opinion polls or surveys conducted by or on behalf of CMB in 2015-16?

Mr GILES: The total cost was \$122 998.

Mr GUNNER: What was the purpose and cost of each focus group, opinion poll or survey and who undertook the work?

Mr GILES: I do not have it per program, but I can tell you it included things such as the ice campaign, Budget 2015-16, the On Track campaign, Developing the North, Framing the Future, Sober Bob which is on behalf of the Department of Transport stopping people drink-driving, and the shale oil and gas campaign. I cannot tell you the dollar figure for each one, but they ...

Mr GUNNER: Will you take it on notice then, Chief Minister?

Mr GILES: Yes, I am happy to take it on notice.

Question on Notice No 3.7

Mr GUNNER: What was the purpose and cost of each focus group, opinion poll or survey and who undertook the work? Will you table all that research?

Mr GILES: I said I will take it on notice.

Mr GUNNER: Will you also table the research?

Mr GILES: I will take that on notice too.

Mr GUNNER: Do you want to add that to the previous question, or do you want that as a separate question?

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.7.

Mr GUNNER: I want to make sure that you added to that question 'Will you table all the research undertaken?'

Mr GILES: I will take that on notice too.

Madam CHAIR: And you accept the question? Yes.

Mr GUNNER: That is me for that output, thank you.

Madam CHAIR: Are there any other questions for Output 8.1? That concludes consideration of Output 8.1.

Output 8.2 – Government Services and Support to the Administrator

Madam CHAIR: The committee will now consider Output 8.2, Government Services and Support to the Administrator. Are there any questions?

Mr GUNNER: Not for me, thanks.

Mr GILES: Oh, poor Administrator.

Madam CHAIR: That concludes consideration of Output 8.2 and Output Group 8.0.

OUTPUT GROUP 9.0 – CORPORATE AND GOVERNANCE **Output 9.1 – Corporate and Governance**

Madam CHAIR: The committee will now proceed to Output Group 9.0, Corporate and Governance, Output 9.1, Corporate and Governance. Are there any questions?

Mr WOOD: I have a couple. Minister, I mentioned travel before. I gather now government has only one travel agency for all the departments to use. My concern is I have heard that the fees this company now charges are quite high. Many of those fees have not been included in the budget for some of these departments. For instance, I have been told that if you ring the company, instead of going through the website, you will incur a \$33 charge. I have heard that for every invoice on a statement, the department is charged \$27.50 per invoice. I do not have any more details but I understand that to be the case. Has the government looked at whether, by having a monopoly - in other words one company providing the service - you now have basically locked into the fees the company wishes to charge you?

Mr GILES: Yes, we have. As part of the tender process we had a look at all the fee structures of all the people who were coming forward. We benchmarked those against costs that we have been receiving in the past. A good example, off the top of my head, member for Nelson, was that some of the travel providers we were using in the past were charging \$200 for changing a transaction - just to make a phone call to get a change in flight structure. Not everybody was like that, but there were some. There is a range of different things that came forward.

I will give a more fulsome answer, but your questions should go to DCIS which will be able to answer this more because DCIS has control of this. DCIS has the whole-of-government contract. I will preserve commercial-in-confidence in what I say, but I had the opportunity of going through each proposal and seeing the cost structure. I know that the agency which has been picked, which is QBT, is under agreement on its cost and fee structure. It was the best-performing provider that came forward, benchmarked against anybody. I was impressed with the proposal it put forward. I was impressed with the cost savings government is making. The minister for DCIS, Deputy Chief Minister Peter Styles, will be able to give you more on this. I will give him a heads up that will ask him tomorrow. We are saving millions of

dollars under this most recent agreement - even more than the other one that had 90% of travel going through two corporate structures.

I will let minister Styles know that you want to ask some questions. There most certainly is agreement about how much per transaction, but the cost of that is much less than it was in the past.

I will ask David Ryan, Chief Financial Officer, if he might like to answer a little more from a DCM point of view.

Mr RYAN: As part of the whole-of-government contract that DCIS have put in place, QBT is also working with NTG across the board to make sure we have the minimal cost process in place as well. So we will be improving our processes and their reporting, and a lot of the costs you mentioned will be minimised or come away.

Mr WOOD: The impression I have is that people were not expecting those charges, so they had not budgeted for them, and that was the concern.

Mr GILES: I will answer that from a whole-of-government. That is not correct. There was a cost for anyone who made a change in the past, now there is still a cost in that change. I will catch a plane from Darwin back home to Alice Springs this weekend. In the past it cost money to make that change and it will cost money now. But the difference now is that we have a signed-off process fee structure. We know what it will cost and it is saving us money. But I will get others to answer that more fulsomely in DCIS.

Mr WOOD: The other one is the new website. Is that your area?

Mr GILES: Yes, it is. I am not sure – we have probably gone over the website.

Mr WOOD: I thought it might have been corporate.

Mr GILES: It is under government services, but that is all right.

Mr WOOD: I am one who has found it very frustrating and not easy to use. In fact I prefer to go straight to a department and go bingo, rather than go through a new process which seems to be a little longwinded, and also has lots of nice little government things there to cheer you up on the way. Before if I wanted to go straight ...

Mr GILES: Is that why you are smiling?

Mr WOOD: Yes, but it seems to me it is more a little about government advertising rather than I want to go straight to a department ...

Mr GILES: I take umbrage at that because I know there has been a stack of staff working in that area, writing that website. There is no ...

Mr WOOD: I am not having a go at the staff - that is a bit hard on me.

Mr GILES: No, no, no.

Mr WOOD: If you cannot comment on your website and then accuse me of having a go at the staff - that is a bit rough.

Mr GILES: Well, you have just said you think there is advertising on it. It is not. It is factual information being put into easy-to-read forms. I cannot tell you the exact terminology, but all the proof points for search engines that rely on Google and others are now set up so that when people want to research something - whether it is Motor Vehicle Registry - they put that into Google, the identifying points come up within the Transport section of that new website. It is much better refined. You might like to pick up the phone and ring someone, that is good. Not everyone likes doing that.

Our research shows that 68% of all Territorians want to access information from government off social media platforms or off smart phones and tablets, and that number is increasing. The reason we have upgraded this website is because we want to make it more accessible. It is not just about writing the words and changing the language, it is also about getting the touch points in there for search engines to make sure people can go straight to that website. People do not want to go – and I am off topic here –,

'www.nt.gov.au', they actually want, 'Where is my website?' So they put it into Google to find the website directly.

Mr WOOD: I just go to department of whatever.

Mr GILES: Yes, but it was all convoluted.

Mr WOOD: That is what I used to do.

Mr GILES: There were still signs showing that Clare Martin was the Chief Minister, or Shane Stone, or talking about Marshall Perron in some of those websites. We had to upgrade and update it, and it had to become more user-friendly ...

Mr WOOD: I am not saying it should not be upgraded and I might be the only one, but I have found it ...

Mr GILES: Well, I did not like your point saying it is about advertising. It is not, it is about freer, easier access to information and recognising that more and more Territorians - not everybody, but more and more Territorians - are accessing information through technological bases, particularly through social media and platforms such as Google to access the data points, not going through the other mechanism.

Mr WOOD: Well, I am a Google man.

Mr GILES: You should come around and we will Google together.

Mr WOOD: Okay.

Mr GILES: But, I want to congratulate everybody who helped work on that website.

Mr WOOD: Can you just tell the staff that I am not having a go at them, I am just telling you ...

Mr GILES: No, I am congratulating everyone who worked on that, and all of CMB have done a tremendous job.

Mr WOOD: Okay. Thank you, Madam Chair.

Madam CHAIR: That concludes consideration of Output 9.1.

Output 9.2 – Shared Services Provided

Madam CHAIR: The committee will now consider Output 9.2, Shared Services Provided. Are there any questions?

Mr WOOD: I am done.

Madam CHAIR: That concludes consideration of Output 9.2.

Non-Output Specific Budget Related Questions

Madam CHAIR: Are there any non-output specific budget related questions? No.

OUTPUT GROUP 12.0 – OFFICE OF PARLIAMENTARY COUNCIL

Madam CHAIR: The committee will now consider Output 12.0, Office of Parliamentary Council. Are there any questions regarding the Office of Parliamentary Counsel?

That concludes consideration of Output Group 12.0.

Madam CHAIR: The committee will now consider the Northern Territory Police, Fire and Emergency Services. Thank you, Chief Minister and your executives from the Department of the Chief Minister for joining us today.

Mr GILES: Madam Chair, I thank the four members who have been helping me today, John Coleman, Rachel Bacon, David Ryan and Anne Tan from the Major Projects area. I thank everyone in the

Department of Chief Minister including the NADO office and across government agencies who have spent a lot of time preparing for estimates today. It is a long process and I know there are certain areas we did not cover. I would have liked to have talked about other things including the Royal Commission into child sexual abuse and a range of other areas within the purview of this portfolio. I thank all those staff for their time and effort. It is a tremendous effort and a lot of hard work, so thank you.

Madam CHAIR: Thank you, Chief Minister. We will have a short break. We will come back at 2.35 pm.

The committee suspended

NT POLICE, FIRE AND EMERGENCY SERVICES

Madam CHAIR: Good afternoon, everyone. I welcome you, Chief Minister, as Minister for Police, Fire and Emergency Services, and I invite you to introduce the officials accompanying you.

Mr GILES: Thank you, Madam Chair. I welcome Commissioner and Chief Executive Officer Reece Kershaw, and Northern Territory Police, Fire and Emergency Services Senior Executive team seated with me and behind us, particularly Michael Willis, who is sitting to my right.

The Northern Territory government is committed to ensuring we have a safe and resilient community in the Northern Territory. The Northern Territory Police, Fire and Emergency Services is essential in achieving community safety outcomes and delivers day in and day out in the face of ongoing challenges.

We all hear the negative commentary in the media, but we do not often reflect on the great work our Police, Fire and Emergency Services do every single day to protect our community.

Despite an increase in population, the Northern Territory Police Force has managed to achieve a reduction in crime across the Northern Territory. Since the election on 25 August 2012, victim-based offences have reduced. Figures from 1 September 2014 to 31 August 2015, the most recent reporting period, when compared to the same 12 months prior to the election, September 2011 to August 2012, show a reduction in victim-based crime of 6.14%, a great achievement for the Northern Territory community.

We continue to lead the nation in our responsiveness to calls for assistance. In the current financial year to date, the Northern Territory Joint Emergency Services Communications Centre, the JESCC, responded to 94.16% of 000 calls within 10 seconds, and 85.76% of police assistance line calls within 20 seconds. This is well in excess of the target grades of service. Despite the Northern Territory call centre dealing with a significant number of calls on a per-capita basis compared to other jurisdictions, our police respond to over 21 000 domestic violence-related incidents each year alone.

Our community continues to recognise the great work of the police which is reflected in the results of the national survey of community satisfaction with policing. Satisfaction with police and the community perceptions of professionalism and honesty of our police has continued to trend upwards for the past 18 months. Indeed, our community rates our police as more honest than the national average, which is a great reflection on the force the Commissioner of Police is leading and the values-led culture which he is driving.

The Northern Territory Police, Fire and Emergency Services has delivered a great number of community resilience and education awareness programs this year. The number of fire volunteers is also up on last year.

Demonstrating our commitment to the development of those in our region, the Northern Territory government signed an agreement with the Timor-Leste government in February this year to formalise the relationship between the Northern Territory Fire and Rescue Service and the Timorese Fire Service.

The Northern Territory Emergency Service has contributed to the development of the Territory Emergency Management Council Strategic Plan 2016-19 which is aligned to the principles of the national strategy for disaster resilience. The Northern Territory Emergency Service has also now established the Emergency Management Training Unit, funded by the Country Liberals government, to identify emergency management training needs of the Northern Territory government agencies and deliver training to build capability across our government departments.

The Northern Territory Emergency Service has also increased the number of members of the public participating in community education awareness and prevention programs by almost 140%, compared to last year's figures. This is helping to ensure that we have a resilient and a safe community.

I recap on the key initiatives the government has helped deliver over the past year. We have seen enhancements to close-circuit television including additional cameras in Palmerston and monitoring staff, which is a key tool for police in monitoring hot spots and identifying antisocial behaviour. We have put in place enhancements to police tactical equipment in light of the increased national threat environment, including load-bearing vests for all frontline members and specialist equipment such as rifles for the TRG. We have new police stations in Yuendumu and Alpara and upgrades to police stations in Pirlangimpi and Oenpelli. We are delivering 120 new police officers, or additional police officers, which has already been achieved with a final 30 to complete this initiative who are training in college as we speak. We are investing in critical systems such as a police real-time online management system replacement scoping.

This 2016-17 budget goes even further to deliver crucial support for our frontline services with the following commitments already announced which include: \$1.53m for an additional six police officers in Wadeye, increasing total police numbers to 14; \$4.1m to expand infrastructure and the police presence on Groote Eylandt including an Aboriginal Community Police Officer, Aboriginal liaison officer, community engagement officer and a dog operation unit with two dogs and the handlers to provide services across Groote; ensuring our police have the necessary equipment to operate in the current national threat environment including \$2m for the rollout of body-worn cameras to frontline officers; \$0.5m for the implementation of the current facial recognition trial as business as usual; and investing \$12.6m over three years to upgrade the ultra-high frequency radio equipment and infrastructure to 400 MH spectrum and technology across government; securing essential emergency services radio communications in the future; continuation of a second year of funding, which is an additional \$6.25m, for the emerging management training unit, which is providing coordinated and contemporary emergency management training across government and response personnel in the Territory; continuation of funding for the final year of the three-year \$3.2m upgrade program for the Northern Territory fire alarm systems transmission, emission critical real time fire alarm monitoring system developed by the Northern Territory Fire and Rescue Service, protecting our buildings and critical infrastructure across the Territory; supporting our fire officers with \$1.9m to replace the existing 37 m high-rise Bronto firefighting equipment; and finally to support frontline employees in their workplaces in an ageing built asset environment, the 2016-17 budget invests an additional \$1.55m for repairs and maintenance, bringing the total Northern Territory Police, Fire and Emergency Services asset replacement budget to \$9.92m, which is an essential investment for the maintenance of our equipment and brings the added benefit of stimulating economic activity in the construction industry.

The government recognises the importance of our frontline personnel and the role they play in ensuring that we have a safe community. The past year has seen a significant enhancement of the range of wellbeing and support services for the Northern Territory Police, Fire and Emergency Services staff. The Commissioner of Police, and the CEO of Fire and Emergency Services, has introduced peer support officers, health and wellbeing officers and more. The government has committed \$2m to the establishment of a multipurpose health and wellbeing centre on the grounds of the Peter McCaulay Centre, to support the Northern Territory Police, Fire and Emergency Services members. The Northern Territory Police Force and Fire and Emergency Services do great work every day and it is an agency that really values its people.

The Commissioner of Police and CEO of Fire and Emergency Services has led the nation with his focus on diversity and inclusion, being the first Australian commissioner to publicly announce a 50:50 gender target between men and women, which is initially focused on the recruitment courses coming into the college.

The latest course, which commenced on the 30 May, was a great achievement, with 43% of recruits commencing training being female, which is an increase of over 60% on the average number of females in recruitment courses. This diversity and inclusion focus will expand across the whole agency, including now applying to internal promotion panels and resulting in all policies and practices being reviewed to ensure the removal of any barriers to diversity and equality across the Northern Territory Police, Fire and Emergency Services.

The 2016-17 financial year will see a change in the structure of the Northern Territory Police, Fire and Emergency Services as a streamlined structure is implemented to maximise capability development and reduce duplication across the services. This will commence with the implementation of a revised and amalgamated fire, rescue and emergency services structure under the Commissioner of Police, and CEO of Fire and Emergency Services, which is currently subject to recruitment activity.

A revised police structure is also currently being finalised, which will ensure the structure is fit for purpose for the outcomes expected of the service today, including alignment with the new emergency management boundaries recently endorsed by the Territory Emergency Management Council. The structure changes will give a Northern Territory Police, Fire and Emergency Services the flexibility it needs to deliver responsive services to the community.

Overall, the Northern Territory Police, Fire and Emergency Services has consistently delivered on its expected community safety outcomes throughout the year, providing innovative and responsive services.

I am pleased to take questions from the committee on behalf of the Northern Territory Police, Fire and Emergency Services.

Madam CHAIR: Are there any questions on the minister's statement? Opposition Leader?

Mr GUNNER: My questions will be to the whole-of-agency in the first question.

Madam CHAIR: Okay, so no questions on the statement.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation (2016-2017) Bill as they relate to the Northern Territory Police, Fire and Emergency Services.

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

Mr GUNNER: Chief Minister, the budget papers have the estimate for 2015-16 at \$409m and the budget for 2016-17 at \$399m. The variations explains that the main explanation for the decrease relates, in 2016-17, to the cessation of Commonwealth funding for immigration policing. Those are the 94 police officers that Chief Minister Paul Henderson secured. That is a \$10m cut to the police budget and it goes directly to those 94 police which were negotiated for by Paul Henderson. The CLP made an election promise of 120 police over and above those 94. Why in this budget have you broken that election promise?

Mr GILES: I do not want to get in an argument with you, Leader of the Opposition. Quite clearly you are trying to play political football with police numbers. We should respect the police who work in the police force and the police service.

Going to the point of the agreement between the federal government and the Northern Territory Police Force and service, particularly around border protection and immigration, the Northern Territory government was paid money to provide policing services to the tune of 94 police officers that supported the immigration detention centre at Wickham Point. It recognised that a former federal government failed border protection policy saw a significant intake in immigration refugees who were housed at the immigration detention centre, and it was identified that we needed an increased level of policing presence.

Yes, that agreement was signed when Paul Henderson was the Chief Minister. Since we have had a change of Coalition government and a reduction in detainees coming into the immigration centre. The federal government deems it is not as necessary having 94 police to patrol the detention centre that does not have anybody in it. For that reason the agreement has ceased.

I need to remind you that, as to the election commitment, there were 120 additional police committed by the then opposition Country Liberals. That was on the basis that there were 1090 police officers. We wanted to get it to 1210 or above by the term of government. We said of that 120 that 20 would be directly employed in Alice Springs and the remainder of the 100 would go across the Northern Territory. As I have just outlined ...

Mr GUNNER: Which was over and above the 94.

Mr GILES: Hang on a second. I gave you respect, you give it back.

Within my opening statement I announced that the 120 has been met, including 30 or 35 recruits who are going through training right now at the college. That will get much higher than the 1210, although they will

graduate around December, towards the end of the year. No doubt there will be natural attrition between now and then, but which would leave us about the 120.

You may wish to play games with police, I will not. We were funded to provide a service for the detention centre and that is what the 94 police were. We need to remember that of the 1090 establishment when we came to government - that was the Labor Party establishment. We have sought to increase it. We have put the money in to increase it and we value the police service. I do not think the police should be a political football, either in the estimates process or in the purview of an election campaign.

Mr GUNNER: It is not a political football; it was a straight-up promise by the CLP for 120 over and above the 94. There is a \$10m cessation cut to the police budget reflecting that and you have not matched the 94, Chief Minister. It is pretty straight up.

Mr GILES: Well, I am not going to sit here for the next three hours and argue with you about your misleading statements. I will say we promised an additional 120 over establishment. The 94 were there for the detention centre. The federal government now does not want the police for the detention centre because the detention centre is not full because federal Labor is not in. That is what it comes back to. You can play games with it, but I respect the police. I am not playing games and I am not going to take questions for the next three hours on this.

Mr GUNNER: It is not games, Chief Minister. To quote from your former Police Minister who you replaced:

The government has made a commitment that should funding from the federal government ever cease ...

Which we are seeing in these budget books:

... we will keep those numbers the same. We will back that. That means not only do we get the additional 120 police, we get all the police officers funded by the federal government.

Clearly in the budget that has not been the case and you have made a decision to go in a different direction and not match that funding around 94 positions and do the 120 over and above that ...

Mr GILES: Let me reframe the question in a different way. Do you recognise that there are now more police than when you lost government?

Mr GUNNER: You made a promise ...

Mr GILES: No, no, answer that question.

Mr GUNNER: ... to deliver 120 police over and above the 94 and in this budget you have broken that promise.

Mr GILES: Madam Chair, this argument will go on for the next three hours.

Madam CHAIR: We are not here to debate anything.

Mr GILES: I agree.

Madam CHAIR: The panel ask the questions and our guests answer the questions. Do you have another question?

Mr GUNNER: Yes, on the same line of questioning, Madam Chair. We normally do this in whole-of-agency. Can you please provide a breakdown of staffing numbers based on the table as provided in the annual report by Commissioner, Deputy Commissioner, Assistant Commissioner, Commander, Superintendent, Senior Sergeant, Sergeant, Remote Sergeant and Constable?

Mr GILES: I will ask Michael if he can provide me with some information on that. Was this a written question?

Mr GUNNER: I am not sure if it was a written question, but we ask it every year. It is exactly the same numbers as in the annual report. The police keep these numbers, they report on them every year.

Mr GILES: We will take that on notice.

Mr GUNNER: It is in the annual report. I ask this every year. It is ...

Mr GILES: We have staffing numbers but not by command.

Mr GUNNER: It is page 79 in the annual report. That is how it is reported on every year. We ask this question every year.

Mr GILES: We do not have the specific command numbers right now so I am happy to take it on notice.

Question on Notice No 3.8

Madam CHAIR: Can you restate the question please, member for Fannie Bay.

Mr GUNNER: Can the Chief Minister provide the numbers of staff based on classification as per how they are reported in the annual report. I am assuming that will be to 31 March 2016.

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Yes, I do.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.8.

Mr GUNNER: Chief Minister, last year the commissioner indicated retention, especially amongst constables, had been improved significantly. Can you take me through retention for this year as an issue for Police and Fire and Emergency Services?

Mr GILES: I am sorry, I was reading at the same time. Did you say separations?

Mr GUNNER: That will be my follow-up question. Last year the commissioner indicated that retention, especially amongst constables, had improved significantly. Can you take me through retentions for this year, the retention issue for Police and Fire Services. What is the rate of loss or separation for both of these services?

Mr GILES: We have had the best year so far, Leader of the Opposition. In the last year of the former government we were at 49 in total separations, which was 4.2% separating. This is constable and above. Is that all right?

Mr GUNNER: Yes.

Mr GILES: In 2012 there were constable recruits, 49, which is 4.2%; in 2013-14 there were 82 separations, which is 6.62%; in 2014-15 there were 57 separations, which is 4.62%; and in 2015-16 there were 37 separations, which is 3%, if that answers your question.

Mr GUNNER: Thank you, Chief Minister. For recruitment, some years it can take longer to get the number of people suitable to start a recruit course. How did you go over the last year, and looking ahead, with getting numbers for recruit courses and the time taken to get the number of people you need to kick off a recruit course? How is that travelling?

Mr GILES: Things are going well. There are 30 people on the recruit squad right now, which graduates on 7 December this year. They are the recruits that get us over the 120 mark and fulfil our election promise. The recruitment squad before had 33 people going through the training and that squad graduated on 11 May this year. We are getting good numbers in the accelerated recruitment program squad of 26 people, which was in August last year.

Things are going quite well. We have run a couple of auxiliary and ACPO recruitment courses as well. Auxiliaries and ACPOs are often the hardest to fulfil.

Mr GUNNER: Is it taking longer than normal or is it faster than normal to get the number of people you need to kick off that recruitment course?

Mr GILES: Will you answer that, Reece?

Commissioner KERSHAW: Reece Kershaw, Commissioner of Police. We have just amended some of our marketing to include a far more targeted approach to regional Australia, but also targeting female applicants. Our last recruitment course that is mentioned here, which is due to graduate in December, had a record number of female applicants. Overall we had over 405 applicants, which was a record within the last five years at least, so something is working.

Mr GUNNER: Excellent. Chief Minister, last year the commissioner and the former minister provided me the complete breakdown of staffing in each unit for Police, Fire and Emergency Services. I am not sure if you have the same structure, commissioner, but I am interested in an update on that.

Mr GILES: Why do we not talk to page 11?

Commissioner KERSHAW: I believe we have the update.

Mr GUNNER: It was a very long answer last time. There were 110 units.

Mr GILES: Are we going to read them all out again?

Mr GUNNER: You can table it. Is that the same structure?

Commissioner KERSHAW: Yes.

Mr GILES: Each individual unit. Is this confidential or sensitive?

Mr GUNNER: It was provided last estimates.

Mr GILES: We will table that.

Mr GUNNER: Thank you, Chief Minister. Are we okay to go to temporary beat locations at this spot of whole-of-agency?

Mr GILES: We should go through outputs areas, if that is all right.

Mr GUNNER: What output would you take that, then? We asked it at this point last time but I am happy to go to a specific output if you prefer it.

Mr WOOD: It is in that area.

Mr GUNNER: Whole-of-agency? Where we are?

Mr WOOD: Yes.

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

Mr GUNNER: We are at whole-of-agency, are we not?

Madam CHAIR: No, We have not gone past the statement yet. The committee will now proceed to consider the estimates of proposed expenditure contained – we have, actually. Sorry, my apologies.

Mr GILES: Ask your TBL question.

Mr GUNNER: I want to understand how many police are used for the temporary beat locations. My understanding, commissioner, is it is a five-week roster for Alice Springs, for example, that uses about 48 officers for the temporary beat locations at bottle shops. Can we have some advice about how many police are needed and how the roster works? In that example, it is 48 police over a five-week roster. Is that correct? Could I have the information if that is not correct?

Mr GILES: I will ask Deputy Police Commissioner Jamie Chalker. While the deputy commissioner is getting ready, in regard to Alice Springs there are 13 licensed premises, three of which largely self-regulate. In Tennant Creek there are five takeaway licences, two of which are clubs. In Katherine there are six takeaway licensed premises, two of which are clubs. In Alice Springs, 10 fall under the umbrella of POSIs or point of sale interventions or TBLs, three in Tennant Creek and six in Katherine. I ask Jamie if he can talk to the rostering.

Deputy Commissioner CHALKER: The simple answer is there no definitive number of how many officers are dedicated to it. There is an exchange that occurs, dependant on the type of jobs that are in demand in the reactive environment we operate under. Each location has its own limitations in respect to the number of point of sale outlets, but also the hours of trade. So, not all are consistent; in fact, they are all quite disparate.

Mr GUNNER: It though it would be different in each of Alice Springs, Tennant Creek and Katherine. I was wondering, when you go to arrange your roster, etcetera - I am using Alice Springs as an example before moving on to the others. In order to arrange your POSIs or TBLs, is it a five-week roster, a three-week roster? How do you work out how many police you need to cover those TBLs for that period of time?

Deputy Commissioner CHALKER: The priority of the roster is to try to ensure 100% presence at every hour of trade of the licensed premises. That is first and foremost our most proactive means, because we have a direct correlation of when we are there 100% of the time there is a significant reduction in particularly trauma-related offending. There is also a marked improvement in the amenity of the town and a huge reduction in antisocial behaviour that occurs as well. The focus is always covering off on those hours of trade.

Where our limitations apply are within the determination that operates for the number of hours, days, evenings and night shifts that our people can be rostered on. Hence, the reason we cannot have a definitive single number of people dedicated. It has to cross over to a multitude of different people's roles. Not all will be rostered to do a full, say, seven hours at point of sale, if that is the period of trade. They might interact so some will be covering there for a couple of hours and some may be there longer, shorter, depending on the shift crossover that the hours of trade run over. Moreover, there are different hours of trade that occur between the seven-day trading period, so, Monday to Friday - relatively consistent, Saturdays and Sundays - as you are aware - are either longer trading hours or only bottle shops can trade on a Sunday. Again, there is no one size fits all as it comes to our application; the roster is used to try to provide the maximum coverage to have that proactive strategy in place.

Mr GUNNER: Would you consider a multiple roster to achieve the maximum 100%?

Deputy Commissioner CHALKER: Correct.

Mr GUNNER: So, what would be the multiple roster then as a benchmark? How many police over ...

Deputy Commissioner CHALKER: Again, it is that coverage of what the hours of trade are. You might show on a roster, for example, that there are 48 over a five-week period, but in truth, at any time, there are only 13 in Alice Springs that are at a point of sale position.

Mr GUNNER: Yes, so 13 at a time, but it might be 48 over five weeks. Is that a reasonable example?

Deputy Commissioner CHALKER: Depending on what other jobs might come; they might be called away from those and we then supplement or backfill them. You could blow that up to in excess of 60 or 70 or equally, we could have it refined to 30, depending on what is occurring in the operating time.

Mr GUNNER: Would that make it extremely difficult then to cost a POSI or a TBL if you are not sure, even over a five-week period, what police you would use when, what to backfill, overtime ...

Deputy Commissioner CHALKER: Exactly. We do not separate it, because the truth of it is it is rolled into part of the duties that our officers do. So our relevant line supervisors, who are the ones on shift 24/7, still have the autonomy to move the resources where they are most needed, depending on the demand environment that is provided to us.

Mr GUNNER: So, through the Chief Minister, it would be very difficult to identify a specific cost for the TBLs or POSIs because of that.

Mr GILES: I will answer this. It is not just the cost on the police force, it is the cost to the community. If you were to have a look at the emergency department in Alice Springs and see the changes since the temporary beat locations came in under the Country Liberals ...

Mr GUNNER: They started under Labor, Chief Minister; that has been established at previous estimates.

Mr GILES: ... the difference between the amount of trauma that was going through the emergency department ...

Mr GUNNER: That was started under Labor.

Mr GILES: Just let me finish ...

Mr GUNNER: I was just correcting that factual error.

Mr GILES: ... the amount of elective surgeries which are now occurring in the hospital and the reduction in cranial surgeries where people were having cranial injuries fixed or rectified. It is a complete change in the dynamics of the cost to the community. I do not think looking at the police costing in isolation - and again I do not think the temporary beat locations should be overtly politicised. It is a hard job by police - no one doubts that - particularly in some of the climatic conditions in regional parts of the Territory. It is either freezing cold or boiling hot and standing there for that shift is quite difficult. I appreciate that more or just as much as anyone else in the community. I thank the police for everything they do. But the reduction on cost to the community is significant and that should all be taken into account.

Mr WOOD: Can I just raise a question on that?

Mr GUNNER: On TBLs, yes.

Mr WOOD: I do not think it is so much politicised. The Police Association said they do not believe it is their job and the Hotels Association - if you want to keep the police on those sites - should be paying a proportion of the cost for doing that. I do not think this should be just coming out of taxpayers' funds. I appreciate it has had a great difference in those areas; I am not knocking that at all. The basic question is who should pay for this. That is the question I believe should be debated.

Mr GILES: I can tell you Gerry, not having police there, the taxpayer and the community pays.

Mr WOOD: I am not saying that. See, I knew you would turn that around. I did not say that ...

Madam CHAIR: Is there a question, member for Nelson?

Mr WOOD: Yes, my question is why does the hotels industry, the liquor industry, not pay for some of this?

Mr GILES: And why does the sugar industry not pay for obesity surgery?

Mr WOOD: I knew you would come up with this, but you just told us the benefits of having this. The Hotels Association sells liquor, they are partly responsible for the problems we have in our community. They should pay a proportion of the cost of having our police - who should be out doing other things as well - 24 hours a day in every licensed premises south of Darwin.

Mr GILES: I hear you, member for Nelson, but until you live in one of these communities and see the difference ...

Mr WOOD: I did not say that. I am not saying it is not doing a good job. I am asking you, why does the liquor industry not pay a proportion of the cost?

Mr GILES: As a person who lived in Alice Springs throughout the Labor government ...

Mr WOOD: Now you are politicising something that ...

Mr GILES: No, I am just telling you.

Mr WOOD: But you are. I am not asking you that. I am asking you why the liquor industry is not paying.

Mr GILES: I am happy to answer you. I am telling you that as a person who had to live through the trauma of all of that alcohol-associated violence in Central Australia, I would much rather have the situation we are in now. You point about whether or not we should be having a beer tax to pay for police - or whatever that framework is - is a conversation for another day. On the temporary beat locations or the point of sale interventions, police should be given a good pat on the back for the great job they are doing in Katherine, Tennant Creek, Alice Springs and Nhulunbuy. It is fantastic.

Mr WOOD: I cannot agree with you more. That was not the issue that I was trying to raise. The Police Association - not just me - said they do not believe this is the job of the police. You can perhaps take this argument up with the police. All I am saying is if you want to continue with the police, then some of the costs of that should be taken on by the industry that causes this in the first place. To me, that seems to be a cop out, pardon the pun.

Mr GILES: I will take that as a point of interest. I am happy to have a chat with you any day about whether people who produce fatty foods should be paying for heart surgery or the people who have high sugar food should be paying for other elements within our community. We should move on to question ...

Madam CHAIR: We have less than two hours to get through four-and-half portfolios, so can we keep it going?

Mr GUNNER: I still have questions.

Madam CHAIR: Whole-of-government questions, thank you.

Mr GUNNER: How often do police attend TBLs on their own?

Mr GILES: From a rostering point of view?

Mr GUNNER: Sometimes they are solitary. I am just wondering how many?

Commissioner KERSHAW: One of the other things, addressing the rostering issue, is we are currently working on two new projects around electronic rostering which will give us greater visibility on costings and the like and our workforce optimisation tool, which will be used by our Commanders on a daily basis as the most efficient way to roster our people.

As the Deputy said, we have to work within the constraints of our consent agreements, so one of the things the Commander of the day has to make operational decisions about is where those resources should be allocated. This will give us a whole-of-Territory viewpoint and much greater flexibility with the way we deploy our resources.

Mr GUNNER: I appreciate that commissioner. Between Alice Springs, Tennant Creek and Katherine, how often would a police officer be required to attend a TBL on their own?

Commissioner KERSHAW: That would be going back to the takeaway outlets, as the Deputy indicated, so they would be rostered on. For example, if you went to Tennant Creek you would see the officer standing in the driveway performing their duties.

Mr GUNNER: The numbers were given by the Chief Minister before about how many in each of those places - Alice Springs, Tennant Creek and Katherine - and how many takeaway outlets there were. I imagine for those takeaway outlets you would have a pretty common occurrence of either two police officers or one. How many of those outlets are one police officer versus two?

Commissioner KERSHAW: That can change depending on the nature of the resources available. It is the decisions of the Commander, the Superintendent or whoever it is making these decisions on the day to allocate those resources. If you go to Katherine on some occasions there might be two police officers standing there and there might be one at another establishment. It depends on our intelligence, our information and so on. There is no set template except to cover those particular establishments.

Mr GUNNER: So it might be best to describe it as not being uncommon, or common that there is two or one. One is not an uncommon number?

Commissioner KERSHAW: That is right.

Mr GUNNER: If you are at a TBL on your own, do you always have a car, or is a vehicle only sometimes with you?

Commissioner KERSHAW: Again it depends on the nature of that roster and who is on duty at that time and the decisions of the Operational Commander of the day for that resource allocation.

Mr GUNNER: So there may be times that solitary officers will have no vehicle?

Commissioner KERSHAW: We do not have a policy around that; it is like going to a domestic. On some occasions you get two vehicles, some occasions you get one.

Mr GUNNER: How many police have been assaulted while on TBLs?

Commissioner KERSHAW: To answer that correctly we have had two occasions – or one occasion. However, that assault did not occur at the takeaway outlet; that was as a result of the officer attending an incident nearby. That would be the correct way to say it. I am only aware of one, but there may be a second that was involving an ambulance where one of our officers jumped into the back of an ambulance and unfortunately was assaulted. Overall in the Territory we have about 270 police officers who are assaulted per year - not at takeaway outlets but in the general course of their duties.

Mr GUNNER: It is a disappointing number to hear.

Commissioner KERSHAW: It is a disappointing number. I have made that statement before that we are not punching bags and we get spat on every day and hit with metal pipes.

Mr GUNNER: This is following on the line of questioning – not TBLs, it is more the solitary police or police patrolling. Do police often undertake patrols across the Territory on their own?

Commissioner KERSHAW: It depends on the nature of the duty they perform, as you know. You would have no doubt spoken to some bush cops who might be thinking, 'I am going to attend this incident', because even though they are by themselves they morally feel obliged to. We are looking at it and have spoken with Tasmania, South Australia and WA police about their single officer patrol policies and what they are looking at as far as officer safety, because that is a concern.

But there are also some practicalities around the job we do. I can walk down the street today by myself in uniform and have to respond. We will not stop responding if the public needs our assistance.

Mr GUNNER: As you would probably be aware, commissioner, this issue has come up from the Police Association, not necessarily as a criticism but as an area of concern to consider about solitary police. One of the other ones is bush stations, where you are not rostered alone necessarily, you usually have people with you, but as a result of rostered leave, sick leave or someone being required to come into an urban centre you are left on your own at that station. Do you know how often you would be required to be at a remote station on your own?

Commissioner KERSHAW: That is hard to evaluate. Again, it depends on the Superintendent or the Commander of the day, whoever is making decisions about that community, and what resources we have. It is important to recognise that we are able to respond and support those officers very quickly.

We had a recent example where an officer made a decision to attend a certain serious incident. That officer felt obliged to by the way they approach their policing, I guess as a professionally trained tactical operator. They were comfortable with the approach and they had a successful outcome.

That is versus if you do not attend, we would be criticised. It can happen even in Darwin. We have traffic officers often working by themselves. We are looking at officer safety and making sure we are doing everything we can to concentrate on making our officers safe and looked after appropriately. But the complexities, the distance and the issues we face in the Territory are quite unique. It is not one size fits all when it comes to making sure you have two or three officers available for every job.

Mr GUNNER: Is this something going forward that requires oversight and management, or is it something we may need to look at a policy for? For example, if a police officer is on his own for X number of days do we need to allocate someone? Is that right, or is it just something we need to oversee and manage?

Commissioner KERSHAW: We are looking at a policy right now. It is quite difficult and I will be up front about that. It is quite a challenge. We are keen on how Tasmania does its single officer patrol policy. I do not think it has been fully endorsed yet, but they have probably progressed further than anyone else. When you compare Tasmanian policing to Territory it is very different, so we have to adapt it to our environment. They have their policy around, I think, a 20-minute response to support a single officer, but we will probably not be in that position. It is something we are looking at given the nature and the threat to policing in general.

Mr GUNNER: Thank you, commissioner. I have a question I asked last year which we put on notice. For 2015-16 how many general duties vans are on the road per shift, including the three shifts broken down into the greater Darwin region, and then broken down again into Casuarina, Darwin, Palmerston, Katherine, Tennant Creek and Alice Springs? I am happy to take the mean number by month.

Mr GILES: We will take it on notice.

Commissioner KERSHAW: We will have to, because it changes every 24 hours, as you know.

Mr GUNNER: It went on notice last time.

Question on Notice No 3.9

Madam CHAIR: Member for Fannie Bay, could you restate the question, please.

Mr GUNNER: For 2015-16 how many general duties vans are on the road per shift, and three shifts broken down into the greater Darwin region, and then broken down again into Casuarina, Darwin, Palmerston, Katherine, Tennant Creek and Alice Springs? I am happy to take the mean number by month.

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Yes.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.9.

Madam CHAIR: Are there any other questions on whole-of-government?

Mr GUNNER: Again, this was taken on notice last time, commissioner. How many shifts were Territory Response Group officers and Water Police officers required to work in the JESCC in 2015-16?

Mr GILES: I will take that on notice too.

Question on Notice No 3.10

Madam CHAIR: Could you restate the question please, member for Fannie Bay.

Mr GUNNER: How many shifts were Territory Response Group officers and Water Police officers required to work in the JESCC in 2015-16?

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Yes.

Madam CHAIR: The question asked by the member for Fannie Bay of the minister has been allocated number 3.10.

Mr GILES: I will make the point that some of those officers were working at the JESCC when the JESCC was not working quite as well. That was at the time when the response rate to 131 444 number was down

at 50% and 000 responses was down at about 60%. Now they are sitting at 94% and 90% for 000 and 131 444. It is a completely different JESCC than it was four years ago. It is a fantastic facility with real-time monitoring, integrated services and an ability for Police, Fire and Emergency Services to respond straightaway. It is a completely different model.

Mr GUNNER: Thank you, Chief Minister and commissioner. I will ask my other questions through written questions or other means over coming days. I thank you very much for coming along today. I appreciate it.

Mr GILES: No more questions for Police?

Mr GUNNER: As you may notice, Chief Minister, you have many other portfolios and we have gone for a long time ...

Madam CHAIR: One hour and 45 minutes to go.

Mr GUNNER: ... I will ask my questions through other means. Other members may have questions, but thank you very much.

Madam CHAIR: I might just throw it open if that is the case. We will not go through the output groups. So member for Nelson?

Mr GILES: Unless the question is too hard and we will go back to output groups.

Mr WOOD: You always answer my questions, Chief Minister.

Last night I was eating outside Salvatores. To walk from here to Salvatores and back again, I must admit, was at times quite scary. The number of people – and unfortunately they were Indigenous – who were drunk or just lying on the ground in parks and in the mall was, to me, really sad. I say that because I saw some humanity last night that made me feel this is no good. We have a place where we can help those people, and that is the alcohol mandatory rehabilitation centre, and that is one reason I supported it. But we seem to be short on people going there.

Is there a reason, either from a police or the Alcohol Tribunal point of view, there are so many people who obviously need help but are not getting the help that is required?

Mr GILES: There is a range of different answers. One is about AMT. I said a few words about AMT about a month, six weeks or two months ago. I did some investigation and found out that the AMT numbers were not high, they were not being taken up. I was not happy about that and I have identified that there have been some blockages in the tribunal.

Since that point - and this does not get to your incident after Salvatores last night - the numbers have gone up in AMT. Some of the other issues there are in Darwin at the moment, which is not widely reflected as much as in other parts of the Territory, is there are more people in town living rough. I put that down to two reasons, but not the only reasons.

One is that the Return to Country program has not been working since February. That goes through Larrakia Nation Aboriginal Corporation. They have been going through the same financial troubles other organisations around have been going through such as Darwin Festival, the Darwin Turf Club and the Food Bank. They are all going through situations of lack of money and management issues. That program has not been working, so a lot of people have not been able to get home who would normally get home. We gave Larrakia Nation money to run a Return to Country program, and because it is not running some of those people physically cannot get home. The way the program was run, we gave hundreds of thousands of dollars to Larrakia Nation, people were using that facility, and they were part subsidised by us and part they had to pay their own. They stopped paying their own, which made Larrakia Nation go broke in that program unit.

We have been wanting to restart Return to Country straightaway. I have had a number of deadlines and am prepared to put more money into an organisation to run it. The administration of these organisations has not been able to take it up, Larrakia Nation in particular. I gave another deadline as of yesterday to say to Larrakia Nation, 'If you do not have this organisation up and running to trade out of special administration, I will give the money to someone else so we can restart it.' But we are stuck a bit at the

moment between Larrakia Nation and another organisation - I have one in mind which we have not done the deal with yet. But until we can do that we cannot do Return to Country and that is holding us back.

The other thing is that there has been a marked increase in people who have come from Western Australia to Darwin. The most recent data I have had for the Top End, which came to me from Larrakia Nation, suggested they have gone from servicing 1800 people to 2500, which is an additional 700 people. I do not have the full analytics of that data. I cannot tell you where everyone is living, but we know anecdotally there are a lot more people in the long grass, a lot more people who are drinking more and causing antisocial behaviour because of their living conditions or situation.

I wrote to the Premier of Western Australia several months ago now, asking him to do something to start taking some of his people back. I have no problem with people having the freedom to move anywhere with in Australia they like, but some of his people are being dislocated from Western Australia and finding themselves on the street in Darwin - some of whom may or may not have been people you bumped into last night. That is another issue which can be solved by Return to Country.

The other issue is the third component. I said there were two issues, but the other is what the Darwin City council and some of their rangers are doing in this regard too. I do not have an answer for that. That is not a barb, that is asking what the Darwin City council is doing about this. It is not just a federal government issue - which runs Larrakia Nation - a Territory government issue – which helps fund Larrakia Nation - it is also a city council issue. I know in other parts of the Territory the councils get out and do some work in this area too. I am not sure what Darwin City council is doing.

Most certainly I want to see more people going to AMT. AMT is designed to help people get off the grog for three months and help them with their cognitive ability to make decisions and clearer judgment about alcohol consumption or alcohol use and misuse. As soon as we can get a Return to Country program we will see a difference, but at the moment I do not have a vehicle to do it.

Mr WOOD: But, one of the reasons we have AMT is to also help people not only get off the grog, but perhaps have an opportunity to be checked out medically. The importance of doing that was mentioned at a previous Estimates Committee. The other thing is to get people off the street.

I was talking to someone downstairs last night - a lady member here - who has to be escorted to her vehicle. I felt frightened last night, but not only frightened, I saw people who I know must be hanging on to their lives by the thread. They have smashed-up faces. You know the faces you see when people are alcoholic and have been involved in fighting. I thought to myself, 'Are you people trying to play clapping sticks?' Here is this beautiful building and over there is a group of people who are living so poorly and need help. To me, it just did not seem to happen. I ...

Mr GILES: A lot of those questions are beyond AMT or any of those initiatives.

Mr WOOD: That is right, but is there not a role for the police there? Can police take people to the sobering-up shelter? There are three sobering-up shelters.

Mr GILES: Police do that. Police have a range of responses whether that is protective custody, sobering-up shelters, taking people home to their family and friends. There is a range of responses there. I will give you one of the issues about AMT. Do you remember when we first did AMT and it was a charge if somebody absconded from AMT? You will remember the left went nuts about how we should charge people. I can tell you right now that there are abscondee from AMT who have never been to AMT because they have absconded straightaway. They have actually never gone and are out in community now, doing whatever they are doing - whether they are drinking or otherwise - but we are not giving those people help.

I was at CAAAPU in Central Australia two weeks ago and I was advised of three abscondee who have never turned up. We do not want people being imprisoned in AMT, we want people going in on a mandatory basis. But when we put that in the outcry was enormous. We were trying to provide a solution to the community in getting drunks off the street. We were also trying to provide reprieve for individuals who have abuse and misuse issues, but we were criticised to the nth degree.

So we have stepped back from that absconding charge or point, so now we do not have police running around dropping people back every five minutes and people are not seeing that as a crime. My preference is that we go back to the model that it is mandatory and you are not getting out.

Mr WOOD: I probably agree. What I hope those people ...

Mr GILES: I have to say, moving into the election I will certainly be saying that we go back to the old way. I know Labor will not like it, but I believe that is what we should be doing because there are people – this was designed to help people and clean up our streets and what AMT is doing now is not fulfilling direct commitment at the start. It is helping some people, but if people decide they want to break out and not go back, they just break out and do not go back and I do not think that is working.

Mr WOOD: I will just ask one more question then, and that is it. Thank you, Chief Minister, for that comment. There is more debate on this. I felt really sad last night.

You have 55 community safety committees, and I know there is one in my area at Knuckey Lagoon ...

Mr GILES: Sorry, before you continue I can give you a couple of answers on that AMT. There were 6306 occasions where the trigger for AMT was met, 1740 occasions where the trigger was met and a person was recorded as being referred to an assessment centre. That means there were 4566 occasions where a person meeting the trigger was not transferred to an assessment centre and one of the exclusion reasons have been recorded. That is part of the challenge we have, getting them into the AMT, getting them through the process of the tribunal, and when they get there, not allowing them to abscond.

Mr WOOD: Of course there are options and that is part of the reason you have to go with the least restrictive option, if I am right. Whether that is working is a ...

Mr GILES: We all tread softly, softly around this. I make no bones about the fact that the Country Liberals want to clean up the streets and help people at the same time. That was what it was designed to do. We put that in place, we have taken a fraction of a step back and what we have seen is people absconding and people not going through the process. We need to take that step forward again to get them back through the process.

Mr WOOD: Quickly, just back to that question, community safety committees. They have been established, and as I said there is one in my electorate at Knuckey Lagoon. Is there any proof that those committees have made a difference?

Mr GILES: I will ask for some support in answering that question, or I can take it on notice. Commissioner?

Commissioner KERSHAW: What we have found is it is community specific, in particular how much participation we have of the community leaders - whether that be the elders or people who are influential in that community. Some of our most successful community safety committees are where you have that high participation of the community working in conjunction with the police officers. We have examples in numerous communities where they work. One of the things we always encourage is to have the community be a part of helping us tackle some of the complex issues, and also identifying them to us by pointing out areas where police could be involved and help out in areas, whether it be troubled youth or whatever the issue is.

Madam CHAIR: Are there any more questions at all for Police, Fire and Emergency Services?

That concludes consideration of output groups relating to the Northern Territory Police, Fire and Emergency Services. On behalf of the committee, I thank the witnesses who provided assistance. Thank you very much.

Mr GILES: Madam Chair, I also say thank you very much to the commissioner, Michael and Jamie and all the other staff, particularly all of those who work in all the agencies of Police, Fire and Emergency Services. More than ever Police, Fire and Emergency Services is at the heart of our Northern Territory community and does a tremendous job. Every officer sworn or otherwise should be applauded and thanked for all the hard work they do in making our community safer in all forms.

Madam CHAIR: Thank you, Chief Minister.

The committee suspended.

TOURISM NT

Madam CHAIR: The committee will now consider outputs relating to Tourism NT.

Chief Minister, I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding Tourism NT.

Mr GILES: Thank you, Madam Chair, and I wish to make a lengthy opening statement in my capacity as Minister for Tourism ...

Madam CHAIR: It will be five minutes, actually.

Mr GILES: I acknowledge Tony Mayell, Chief Executive of Tourism NT, and the deputy, Angela Collard. Normally tourism does not get a question so I have written a few notes into my opening statement today.

I start by congratulating all those who work in the tourism agency, the tourism representative bodies, particularly Tourism Top End and Tourism Central Australia, and those in the industry, whether they be business owners, product owners or their employees. They provide tremendous tourism product and represent the Northern Territory extremely well.

We recognise that tourism is a key driver of the Territory economy and that the Territory economy is strategically tilted towards the tourism industry as the INPEX project currently moves from construction to operational phase.

We are working to stimulate the economy through seven areas of our economic development strategy, and tourism is one of them. Tourism NT's primary task is to stimulate more holiday visitors to the Territory, and I am pleased to say that a combined number of people from interstate and overseas coming to the Territory for a holiday has improved by significant levels since the Country Liberals came to government.

In the last 20 years the tourism industry has not faced these prospects of opportunism that we are seeing right now. We have returned the industry to a position of strength and growth after a decade of neglect and denial by the former government. We have been doing this by increasing significant levels of investment, including \$24m in tourism marketing and strategic produce initiatives over the past three budgets to reverse the 10-year decline in visitor numbers.

We also committed a further year of the additional \$8m of funding in the 2016-17 budget, and I am happy to advise that \$8m in funding will continue throughout the forward estimates. In total, this gets the additional investment in tourism to \$32m over four budget cycles. Our increased investment is paying off.

In the 12 months to March 2016 total tourism spend in the Northern Territory has hit a record result. We said when we came to government that we wanted a \$2.2bn visitor economy by 2020. Today we have already hit the \$2bn mark – \$2.06bn in 2016. According to the latest statistics, in the 12 months to March 2016 the total number of domestic and international visitors to the Territory has increased 28% to 1.7 million people – a 28% increase in the last year alone. That is our highest figure in the last decade.

The combined result, domestic and international, has outperformed every other jurisdiction in percentage change. As mentioned, we had a 28% increase while our closest jurisdiction was the ACT with a 13% increase, and WA with 12% growth.

Of these visitors coming to the Territory, 800 000 were holidaymakers, which is a growth of 17% on the previous 12 months. As well as spending more, total visitor nights increased to the Northern Territory for the year ending March 2016 by 14%, or 13 million nights. And the good news does not stop there.

When we look at the regional breakdown of combined domestic and international visitation to the Territory, all of our regions experienced growth in holidaymakers according to the latest statistics. The Top End is up 18% to 491 000 holidaymakers; the greater Darwin region is up 8.4% to 353 000; Kakadu/Arnhem is up 29% to 131 000; Kakadu/Daly is up 25% to 153 000; Central Australia is up 14% to 435 000; Barkly is up 30% off a small base to 68 000; Alice Springs is up 12% to 269 000; and Uluru is up 12% to 302 000 holidaymakers.

It is important now to break this down into domestic versus international. Let us look at the domestic front, because international is defined by a range of characteristics, particularly overseas economies and security

arrangements, which is why we are seeing countries such as Germany and Italy on the decline, but we are seeing domestic tourism in the Northern Territory increase.

I can advise that as of today, according to the latest national visitor survey results for the year ending March 2016, total domestic visitors - this takes out the internationals - to the NT has increased by a whopping 37% to 1.4 million visitors. This is proof that our marketing campaign of Do the NT is working. It is proof that our business event strategies are working and that we are getting the cut through to those consumers. Interstate visitors were up by 21% and Territory travellers were up by 34%.

I will not go through every single word of my statement because I know that you are trying to push back as much as possible, but will talk about a few other areas. I have cut through a few pages here and moved to international.

The Northern Territory is seeing rises in popularity with holidaymakers from the United States, with America now our number one ranked overseas market, the first time ever the US has overtaken as the number one market. The United Kingdom is up 14% to 40 000 holiday visitors, and increases in international holiday visitors to Central Australia, with Uluru up 5.4% and Alice Springs up 3.2%.

We know that working holidaymakers have been a recent issue targeted by me and Tourism NT, particularly around the backpacker tax. Because of that we are specifically budgeting \$1m just on backpackers and the youth targeted campaigns in 2016-17.

From an international point of view, we have also launched our ongoing Add on Darwin campaign to target holidaymakers and backpackers from European markets - that being the UK, France, Germany and Italy - who are frequenting Bali and encouraging them to add on the NT, particularly Darwin, for a few days. We have campaigns such Backpack the Outback, which saw promotions in Melbourne, Byron Bay and Sydney promoting opportunities with key travel distributors.

I have spoken at length about our program in regard to targeting China and the need to focus on airline links, product development, market strategies and event-based tourism. We are all penetrating those areas with a high degree of success which show in our results.

If we look at some of our programs over the last three years: \$500 000 a few years ago for the Tourism Infrastructure Development Fund - \$4.75m in the 2015-16 financial year and now \$5m in the 2016-17 financial year - which is in high demand as a program. Money has gone into new product development and redevelopment, some into accommodation, some into tourism experiences and some into access such as through website development. We have seen an increase in confidence in the tourism market and in visitation nights and visitor spend in the Territory, particularly if you look at the domestic areas of investment.

Regarding the Tourism Infrastructure Development Fund, I have travelled the length and the breadth of the Northern Territory over the past 12 months and seen the positive outcomes this program is delivering for tourism businesses and remote communities. It is creating new jobs, promoting tourism with increased revenue and is giving our tourism operators confidence to compete on the world stage.

I have been to the Tiwi Islands where we have seen a new bridge will soon be constructed, linking the local arts centre to the ferry. I have been to Ramingining to see the state-of-the-art new safari tents that have led tour group Outback Spirit to put on a new 12-day Arnhem Land wilderness adventure tour in the region. I have been to Marrakai and tasted the mango beer which is now brewed on site at the Purple Mango Cafe. I have been to Batchelor and walked through the new developments at the Butterfly Farm. I have been to the Finniss River to see where the new resort can be built, and of course, to the kangaroo sanctuary in Alice Springs and to Ooraminna to see Jan Hayes' developments. I have travelled to Uluru to see our investments in the camel tours which are occurring there.

All of these project developments are helping attract more visitors to the Northern Territory, and they would not have happened without this level of assistance and investment from the Northern Territory government - when it comes to that type of infrastructure.

If we look to innovation, we are also partnering with the private sector to deliver new large infrastructure projects that will have widespread benefits for the whole of the Territory, and many of these projects are highly innovative. We are putting the Territory on the map as a leader in high-tech tourism attractions and the new Bombing of Darwin experience at Stokes Hill Wharf, which will open at the end of July, will be one such piece of tourism infrastructure.

The Royal Flying Doctor Service is investing over \$4m in the new facility, after we, the Country Liberals government, put out an expression of interest for an iconic new tourist attraction. When completed, the new attraction will offer cutting-edge, virtual reality and holographic technology telling the story of the Bombing of Darwin, as well as of the Royal Flying Doctor Service history in the Northern Territory. It will position the Northern Territory as a leader in military tourism in Australia and attract global attention.

Earlier this month, I also launched two Australian-first hologram tourism displays - one at the Alice Springs Telegraph Station and one at Lyons Cottage in Darwin on the Esplanade - telling the story of the Territory's involvement in the historic Overland Telegraph Line that connected Australia and the Northern Territory to London and the rest of the world. The technology is used as an Australian first, and once again raises the bar of tourism offerings for visitors when they come to the Northern Territory.

In my opening statement it would be remiss of me not to speak about the \$1m Fish Campaign, because it is not just high-tech tourism attractions in which we are leading the way. Our \$1m Fish competition, held here for the first time last year, was a huge success that turned the other states and tourism bodies green with envy. So much so, that Tourism Australia is now seeking to replicate that, or plagiarise it.

In the \$1m Fish campaign - where 75 fish worth \$10 000 were caught, tagged and put back into Territory water ways, and one additional one was worth \$1m – 43 000 people registered for the competition from 63 different countries, including 25 860 from interstate, and importantly, 14 760 Territorians. This was 33% higher than our forecast target and we hope to see this grow further. We have announced it will be on again this year and into the future. This year, there will be 100 \$10 000 fish, worth in total prize pool \$1m, and one \$1m fish which means there are now 101 opportunities to win \$10 000, or in one case more ...

Madam CHAIR: Chief Minister, that is over 10 minutes now.

Mr GILES: Is it? Right, I will just finish on the cruise ship industry. Our cruise industry continues to go from strength to strength. It was our busiest year on record, with 45 cruise ship visits last year bringing 60 000 passengers to Darwin. The future looks bright, particularly with the port lease going to Landbridge, which has announced it will double the berthing sizes which will make Darwin the largest CBD cruise ship terminal in the country - the only terminal able to take two of the biggest ships in the world, which can potentially bring up to 12 000 visitors into Darwin at any one point. It will be a fantastic investment and the cruise ship industry will add value to the tourism industry.

Madam Chair, I am very keen to take questions. Tourism is one of the most successful areas of industry in the Northern Territory, very well progressed and coming back again to highs it used to be in the CLP days of the 1990s, overriding decades of failure by Labor.

I particularly thank Tourism NT and everyone in the industry for the great work they have done and the tenacity to go through the hard years and start to ride this upward curve.

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

Ms WALKER: Thanks, Madam Speaker. I will make a comment in relation to the Chief Minister's nearly 15-minute statement, 10 minutes longer than you ordered, Madam Chair.

Mr GILES: I cut it early.

Ms WALKER: Chief Minister, in relation to your comments around this decade of neglect under Labor, we are very prepared to provide bipartisan support for the tourism sector, but your constant misrepresentations of the facts associated with tourism are churlish at best. I refer you to the Treasury Budget Book titled *Northern Territory Economy*, in particular page 114 and a chart on that page. I know you are fond of talking about Labor's performance, but this chart proves that even at the height of the GST and the Australian dollar being on parity with the US, we still had more international visitors than in the Territory than we do today. I have to ask how this fits your theory, Chief Minister, that somehow there was a decade of neglect when your own statistics show, on page 114 on that chart, that under a Labor government in 2006, international visitors peaked. The chart on page 117 reflects a similar story.

Mr GILES: What are you talking about, the annual report or the budget paper?

Ms WALKER: I am talking about the budget book *Northern Territory Economy*.

Mr GILES: I thought you were talking about the annual report.

Ms WALKER: No, page 114.

Mr GILES: Remember the good old days when we had the program called Share our Story and domestic and international visitor numbers went backwards. At the time, there was a Tourism minister under the then Labor government, the member for Arnhem, who was the Tourism minister who had never been overseas. We saw nothing but declines. That is pretty funny ...

Ms WALKER: That is incorrect. She did travel overseas. That is incorrect and she was happy to report on her overseas visit.

Mr GILES: ... but it is not so funny in that our tourism industry suffered; it was neglected. Domestic tourism numbers and international numbers went backward ...

Ms WALKER: It is incumbent upon you to be truthful in providing evidence to this committee, so to say that the previous minister did not travel overseas is inaccurate, and you know it, Chief Minister.

Mr GILES: Member for Nhulunbuy, we have tried to hold cordial conversations in here all day where we did not interrupt each other ...

Ms WALKER: It is a question about truth and being truthful, Chief Minister.

Mr GILES: There you go. Anyone in the industry knows that things have turned around. If you saw today's figures that have been released by the National Visitation, Survey which I spoke about in my statement, you will see domestic visitors are up 36%. No one comes close ...

Ms WALKER: National visitors are down 15%.

Mr GILES: Hang on, you want to keep interrupting. We know how you perform in parliament and you can play that game in estimates ...

Ms WALKER: Well you took up 15 minutes of statement when you were allowed five minutes.

Mr GILES: I am sitting here right now answering your question ...

Ms WALKER: You need to be truthful answering questions.

Mr GILES: There was a 36% increase in domestic visitors to the Northern Territory in the last 12 months. That is a fantastic achievement in anyone's books and it comes down to the hard work and tenacious efforts of Tourism NT and everyone involved in the tourism industry. They should be congratulated. Nobody should rest on their laurels because now we need to face the challenges of uncertainty of Labor's creation and make sure we continue to put confidence back into the industry. They know the Country Liberals will continue to put more money into marketing, product development, airline access and getting visitors to come back to the Northern Territory.

Ms WALKER: Thanks, Chief Minister.

Madam CHAIR: Are there any more questions on the statement?

Ms WALKER: I would like to respond to a comment from the Chief Minister who said that the previous Minister for Tourism under Labor never travelled overseas. That is entirely inaccurate. The then member for Arnhem, Malarndirri McCarthy, travelled overseas extensively including to China and Germany to drive markets up. It is simply incorrect, Chief Minister. We never had to send a Tourism minister to the backbench for misbehaviour whilst acting as the Tourism minister overseas.

Madam CHAIR: Is there a question in that, member for Nhulunbuy?

Mr GILES: Very good point. Given the long lead times of bookings – the most recent Tourism minister in the former Labor government made a venture to Germany, and our German tourist numbers went down since.

Matt Conlan visited Japan and our tourism numbers are up. Things are going quite well, member for Nhulunbuy.

Ms WALKER: He lost his job and it cost taxpayers \$5000 on a corporate credit card.

Mr WOOD interjecting.

Mr GILES: Well, we are getting a swing in those Japanese numbers, member for Nelson.

Madam CHAIR: Are there any other questions on the statement? We will go into output groups. Are there any other questions for the Tourism minister?

Ms WALKER: There are really only two output groups. I will have questions on Corporate and Governance. I assume that is where I would ask about travel audits? Correct? Okay.

Madam CHAIR: I have a question on the statement about your funding to stimulate tourism enterprises and businesses in the NT. I am happy to take this on notice, but I would like a list of all the businesses you have funded over the last 12 months or since 1 July to date ...

Mr GILES: Grants?

Madam CHAIR: Grants you have given businesses.

Mr GILES: I think it is about 100, but I will take it on notice.

Question on Notice No 3.11

Madam CHAIR: I request a list of businesses that received tourism grants.

Mr GILES: Tourism Infrastructure Development Grants – federal ones or Territory ones?

Madam CHAIR: Territory ones. So you accept the question?

Mr GILES: Yes.

Madam CHAIR: That question will be No 3.11.

Madam CHAIR: The question I have relates to the philosophy and ethics of providing grants to certain businesses and not others. I am interested to know how you determine which businesses receive which grants. One of the constant criticisms I get in Alice Springs is, 'Why does this tourism business get \$100 000 and I run a car mechanical businesses, a panel beating business or dig gardens, and I do not get anything?' How do you justify this as a government? It is perceived as unfair and people would like an explanation for it.

Mr GILES: I can answer that, but I will hand over to CE Tony Mayell to provide more commentary. We do this because we knew that visitor numbers were so low. Member for Araluen, you are based in Alice Springs so you would have seen over a long period vacancy rates or occupancy rates of hotels down. Places such as Rex's reptile centre, the wildlife park, the Telegraph Station and those sorts of things were low in numbers.

To quote a former Tourism minister, one thing we need to do in the tourism industry is make sure we always have new rides and are redeveloping. It is very hard to give your tourism product a lick of paint – in regard to upgrades – if you have low tourism numbers and the future does not look bright. The future did not look bright a few years ago. We were at a \$1.3bn economy four years ago and we have just hit \$2bn today, so it has been a significant turnaround.

We needed a change in rides. Some of that is about access in equity, some of it is refreshing the product. A good example of access in equity is Stanley Chasm, where we have provided money to the Aboriginal organisation running Stanley Chasm. It has a pathway from the cafeteria all the way to the chasm. It was washed away and they could not afford to fix it. If we did not fix it there would have been less access. We provided another grant, which has upgraded it to a point where we should be able to get four-wheel drive wheelchairs – dirt wheelchairs, I am not sure of the terminology – up to the chasm. This means we now have a new market for people with a disability to get there.

It is about access and equity. You cannot trade it off and sell it, but it is about having the product to open the market up. We put money into mountain bike trails – it is about making sure we have new product offerings for tourism. At one point we are investing in infrastructure and the other point we are doing the marketing, like the Do the NT campaign, from a domestic point of view. That is the purpose of why we do it.

How do we do it? There is a policy set in place it. There is an independent panel that provides recommendations and there is a criteria people need to meet. I will ask Tony to explain a little of the rules around it.

Mr MAYELL: Thank you, Chief Minister, and thank you, panel. Yes, we are pretty confident the program is handled as well as it can be. We look at each application on the basis of its genuine value in building tourism. The focus is very much on those businesses that are directly involved in tourism, particularly those in areas where we think there has been a drop-off in dispersal. One of the big issues the Northern Territory faces is what in tourism terms we call regional dispersal. A lot of that is being driven by the fact that our product has become a little tired. So, we provide a priority focus on those products that are able to build a product offering, not just individually, but in a collective sense to put places like Alice Springs, even Tennant Creek and Nhulunbuy, back on the tourism map and make people look at them and think of them in terms of, 'I can get good quality infrastructure and experiences in those places as well'.

The processes are pretty stringent. We go through it by way of getting a submission in. We provide a lot of assistance to operators who ring and ask, 'How do I start this process?' We have a little unit that works very closely with industry to help them through that part of the process. Then there is a bit of science to it as well. What research is telling us people are looking for, for starters, is loaded into it. Again, it is around traffic trends where people are moving – is it a self-drive market, purely an experience or an attraction, or a combination venue that is served by an aviation enterprise so there is no self-drive? It is quite scientific. By the number of people who have applied for it, it has been a great success.

We come back with quite a deal of recommendations and send it through to the Chief Minister for endorsement. Generally speaking, that is how it works through the process.

We also talk to people after the event about why their application was not successful. But we do not have enough money to do as much as we would like ...

Mr GILES: Oversubscribed.

Mr MAYELL: Heavily oversubscribed.

Madam CHAIR: In a small town like Alice Springs where people are looking at each other's back yards and checking out each other's business, how do you rationalise giving \$100 000 to my business, but not the business up the road that is not a tourism business? Retail and construction are doing it tough - the whole town is doing it tough in Alice Springs. You have a selected number of tourism vendors that are getting our money - public money, my money, your money, taxpayers' money - to stimulate their business over and above my business or your business that does not fit into that bracket. It is not perceived as fair. I am giving you the opportunity to tell the people of Alice Springs and people throughout the Territory why it is fair.

Mr GILES: The reason is you cannot subsidise a hat business to sell hats, but you can put a subsidy into the tourism industry - whether marketing or product development - to attract more people to town so they then can buy a hat at the hat store. That is the idea of the industry itself. We want tourists coming to Alice Springs to spend money.

One of the reasons we put a subsidy in towards the Red CentreNATS as an event is because we know that motor sports is a big industry. We know the people who support motor sports spend a lot of money, as opposed to Davis Cup which is a great event, but not a lot of money is being spent on the sport itself. An extra 13 000 people went through the Red CentreNATS gates, with many from interstate and we have a return on investment figure. People are going through town spending more money.

We need to get people into town spending money. One is population based, but that is not the argument today; today is about tourism. We need to get as many tourists as possible coming to Alice Springs spending the money. It is about putting the money into the product.

It is a very tough decision by the panel when doing their assessment, and it is a tough decision when it comes to me about how we make sure this is adding value to product, not just propping up business, because there is a fine line between those two things and that is a tough decision we need to make.

We put money into the recent hologram exhibit at the Telegraph Station. Sure, a hologram at the top of the telegraph line in Darwin and in Alice Springs adds value to the Telegraph Station, but it is a visitor experience that will start attracting more people to town. It is like putting \$10m into Nitmiluk Gorge. The TOs out there are happy with that, there are other TOs who are saying, 'Why did we not get a \$10m skywalk?' Well, it is not to say that we will not invest into that in the future. But that becomes a tourism product as an attraction that brings people to town. If you are Woolworths in Katherine, or are the retailer of the country goods store in the main street, the Akubra hat store or whatever that may be, we want to bring more people to Katherine so they spend more money in the retail sector. That is what it is about. So to try to answer your question, we need to bring more people into Alice from tourism, to spend more money in the local stores in Alice.

Madam CHAIR: Is it means tested?

Mr GILES: There is a whole policy criteria we are happy to give to you on a written question; we do not have the policy here.

Madam CHAIR: So, I could be the richest person in Alice Springs and apply for \$100 000 and I could get it?

Mr GILES: There is a policy and criteria, and a set of procedures you have to go through to apply for it. In the most recent round we have said, 'Do you want to provide a 50:50 contribution?' as much as possible.

We have said we want to get people involved. We have roughly set aside about \$1m for Chinese involvement, trying to get people to be China-ready for when Chinese tourists come to the Territory. Plainly speaking, Chinese tourists have not come to the Territory. We get somewhere between 8000 to 13 000 a year, where Australia gets one million. We think we are about to turn the corner on that and we do not think we are ready as an industry, so we have said, 'If you have product and you want to get it to become China-ready we are prepared to put money in'. That has been the specific focus of the 2016-17 \$5m budget.

There are a few we have approved recently. I cannot remember off the top of my head; I would have to get you a list. Some are about website design and some people are looking at how they change their menu in their restaurants. It come back to what I think your point is about. Surely, if you are a restaurant in a hotel you should change your restaurant on your own. What has the government to do with spending taxpayers' dollars on it? That is right, except for the fact that if we do not do it to stimulate it will not change.

We know that different cultures want different things. If we are starting to attract Chinese tourists, what they might want for breakfast is not eggs and bacon and fruit salad, it is a whole lot of other things - whether that is congee and fish and so forth. We are trying to stimulate development of product and the market to be more responsive, to attract people, meet their needs and have more products out there.

Madam CHAIR: I do not accept what you just said. In any business you have to keep changing your product and modifying it to your customers. I do not think that is a particularly good reason why you would give public money to a tourism vendor. Anyway, that is all the questions I have.

Are there any other questions for tourism at all?

Ms WALKER: I have several, Madam Speaker.

Madam CHAIR: Can we just leave it open, rather than go through the output groups?

Mr GILES: Yes, we said that before.

Madam CHAIR: There are only two output groups.

Ms WALKER: Chief Minister, in the overall international visitor numbers we show losses in a broad number of markets, but as you said in your opening statement, there are gains in markets such as New Zealand, Japan, Britain and the United States. Going by the research data here provided through Tourism

Research Australia, there are declining markets in Germany, Italy, Switzerland and Canada. Overall according to Tourism Research Australia - and this document from the Australian government's Austrade - it highlights that the Northern Territory is the only jurisdiction where international visitor numbers and spend are down, 15%. They are down 3% in WA, but their visitor spend is up. What do we understand about why there have been significant drops?

Mr GILES: What did you say? What do we ...

Ms WALKER: What do we understand, through your research through your agency, about how we account for these significant drops?

Mr GILES: I am not sure what document you are reading. If you could pass that one, that would be good. I know the other document you have shows that Japan, US, UK and New Zealand are all up - and New Zealand is a pretty good market for the Northern Territory - but the traditional markets of mainland Europe being Germany, Italy, France are all down. Without going to empirical evidence, I can tell you a lot of the ...

Ms WALKER: Canada is down dramatically.

Mr GILES: All I can do is tell you some of the evidence, and that is that countries such as Ireland – many would know in the Top End that Irish tourists have been predominant in the Top End for a number of years. The Irish economy has now recovered and there are many people who are not travelling abroad from Ireland to the Northern Territory. Visitor numbers of Irish tourist coming to Australia are down anywhere between 50% and 70%. That is a national issue.

In regard to Germany in particular, but other markets such as Italy, the economic and security issues in some of those countries is a particular concern regarding their visitation and travel. But the major issue on top of all of that is the access and equity regime for flights to the Northern Territory. The US product is coming through Sydney and Melbourne. Most of our internationals come through Sydney or Melbourne as a gateway. Most of the US travellers are coming from that direction as well.

UK visitors tend to take more time in their holiday to be able to come to the Northern Territory, whereas if you are a tourist from China you might only get one week's holiday a year. To be able to fly from out of Beijing to Melbourne, back up to Darwin and then return, you are spending six days on a flight for a one-day holiday. That presents as a challenge for us from a flight point of view.

As a direct result of Qantas leaving Singapore and going to Dubai, we have lost our connection with One World where we used to get flights from London, Singapore to Darwin. That has created enormous pain for the Territory from an international visitor point of view. Not so much for the bottom end, but for the Top End it is significantly hurting us because there is no connection between Dubai and Darwin, where there used to be from Singapore to Darwin. That is hurting us so badly.

The other issue then becomes the levels of connection. Putting Bali aside for a moment – and we have our Bali add on campaign – have a look at SilkAir to Darwin. SilkAir is owned by Singapore and is partnered with Virgin and the Virgin Alliance. For a long time the interline arrangements were not working out so you could not catch a plane from London to Singapore to Darwin to Alice Springs on one ticket. You had to change at Singapore - coming out of Customs, coming back in was a major problem. Philippine Airlines does not have a lot of connectivity in its traditional markets. Malaysian Airlines does not work as well with Qantas as we would like, even though they are both in the One World group. Their interline booking arrangement is a significant problem for the Northern Territory.

At the moment, we are left with the Virgin Alliance through Singapore with SilkAir and any add-on opportunities we can do through Bali. Of course, we have Jetstar to Singapore, Jetstar and AirAsia to Bali, but the interline arrangements and partnerships are not there.

Getting back to the point, we have had a major shortfall since Qantas pulled out of any legs that go through Singapore, connecting us. We did have an opportunity with Malaysian Airlines. Malaysia had direct air links to Amsterdam, Frankfurt and Paris coming out of Kuala Lumpur. Since the two tragic Malaysian Airlines events they have cancelled their links to Amsterdam, Frankfurt and Paris, which now means – and these are the exact markets that we are talking about where there has been declines – that was the only connectivity we had directly, mainly in Europe, to get to the Northern Territory. All three of those links have gone, so there is no way now for anyone – without going on an around-the-world ticket – to get directly

from Germany, Italy, the Netherlands and France into the Northern Territory through a One World connection.

We are slowly fixing the interline arrangements with Virgin, SilkAir and Singapore Airlines. We are now doing backend marketing with Singapore Airlines and Virgin back to those home-based countries. But Australia and the Northern Territory has traditionally been a One World connection which we do not have, and that is a major problem.

It is one of the reasons why I am doing a lot of communicating with Virgin Australia. I know Virgin wants to expand into the Northern Territory and get increased levels of access and interline arrangements. It is not saying that we are turning our back on Qantas. We have amazing Qantas staff and Qantas connections in the Territory and around Australia. Qantas internationally has turned its back on the Northern Territory and that is to the detriment of international visitors coming here.

As I said, it is very difficult for holidaymakers. They fly over Darwin to Sydney or Melbourne and come all the way back. It is a costly, but more importantly a timely experience, so we need to continue to work on access opportunities.

Ms WALKER: Thanks, minister, for that detailed answer. A question about the importance of festivals and major sporting events in the Northern Territory. Of course, the V8s are coming up this weekend and we know how much money that brings into the economy.

You would be aware that Labor intends to bring back the Arafura Games. When I addressed Tourism Top End a week or so ago that announcement was warmly welcomed. Part of our reasoning in bringing it back is that it is an important tourism marketing tool. Has your agency done any assessment of the loss the Territory has suffered in tourism from the cancellation of the games? Has any work been done on what the reintroduction of the games would do for tourism and hospitality in the Northern Territory economy?

Mr GILES: From a tourism point of view, no, there has not been a lot of analysis because there was not a lot of add-on value. I want to speak plainly, but without speaking in a derogatory sense. Many of the people who came for the Arafura Games were not big spenders.

When you measure tourism, you measure it in visitor numbers – the throughput of people at the airport – and things as occupancy rate and room rate expenditure or revenue per passenger.

I am generalising here and speaking from an individual basis. From an accommodation point of view a lot of people resided in shared accommodation and billeted, so the hotels were not receiving the added benefit of getting revenue through their accommodation. The restaurants were not seeing the patronage come through restaurants, and in hospitality people were not drinking or going to the entertainment venues. I am not saying that people were not getting drunk in a negative sense.

But look at the V8s as an investment. The V8s cost us just over \$1m per year - I cannot tell you the exact figure – for a licence fee. We then put it on with Major Events. People who turn up stay in hotels and there is a drive market, entertainment precinct and people going out to tourism events.

Many people who came to the Arafura Games were not going on day trips to Kakadu or Litchfield. They were not getting helicopter rides or taking dinner cruises. They were billeted at homes with families, eating at home and not at restaurants. It was not adding a value for return on investment from a tourism point of view. So, from that perspective we would not support it.

We support a lot of Asian engagement cultural exchange. We are setting up new offices overseas. We have one in Jakarta, we have opened one in Singapore and we want to see that continue with expansion. Minister Styles can talk a lot more about that.

But, in some ways, you can see something that looks like a good idea but does not get the benefit at the back end. Arafura Games was not getting the benefit at the back end.

Sure, there were a couple of sporting opportunities for local people to be involved in, but the return on investment was not there. A lot of times for the Arafura Games, peak bodies were struggling to run the events, which is one of the other concerns with it.

Ms WALKER: Thank you, Chief Minister.

Mr WOOD: I will cut back on my questions. I notice my local caravan park is nearly chock-a-block, so obviously there are a good number of people ...

Mr GILES: Which one is your local one, Gerry?

Mr WOOD: Big4, Howard Springs. A lot of people travel on the highway at the moment. I am interested to know, from a tourist perspective, how Tourism NT works with Parks and Wildlife in promoting our parks? Naturally, many of those parks are only accessible by road. Also, one of my favourite areas that gets left behind is our World War II heritage. The last airstrip that was done up about 15 years ago – that was Strauss – yet we have so many other places all the way along the highway that seem to be now becoming a little derelict. I take Tony's point of view that you sometimes have to give them a new lease of life. That is an area about which I want to hear from the minister regarding the work being done to promote those venues.

Mr GILES: There are a few questions there. In regard to caravans, one thing that annoys me is how much people want to talk the Territory down. You have just told me about the Big4 being full. I can go out to Frank Morandini's place to see how many people are there, or see how many are in Tennant Creek right now at the caravan park along Pekoe Road or the Big4, and the Wintersun or the Stuart Caravan Park on Larapinta Drive in Alice Springs. These places are full.

I heard the member for Araluen talk about the construction industry in Alice Springs. Well, they are flying people in to do work at the moment. We need to talk the place up. The drive market is something I have been quite excited about, which is coming back. The petrol prices and the cost of living are down low and the drive market is coming back in abundance. We should be supporting that.

Parks are for people and we should be opening up parks and putting more money into their infrastructure. I am not here to parade the Country Liberals government's successes, but I remember presenting to a Tourism Central Australia meeting early 2015, I think, Tony. I asked if you could make one investment what is the most important investment you could make? They said seal the inner Mereenie Loop Road. So, we put \$25m into that and that is being done right now. In the Top End, get the Litchfield Park Road sealed. I know there are some in Batchelor who are saying they do not want them going in the back way, but that is getting done right now ...

Mr WOOD: It will help the Berry Springs wildlife park.

Mr GILES: ... so we are investing in parks.

Kakadu is a problem. Kakadu is a great product but Parks Australia is not doing its job efficiently enough, in my opinion, in opening the place up, putting in more infrastructure, building more roads, more parking spaces, more undercover areas, or creating access to waterfalls. They are the things we should be doing, as well as opening up opportunities around Indigenous employment and traditional owner engagement. They are missed opportunities that should be occurring right now.

I am a supporter of parks. Parks are for people.

Last year we went for an expression of interest process for our parks by saying, 'Here are all the parks in the Territory. Come forward with ideas about what you can do to open up business in the parks.' Off the top of my head - and Bess Price is the best to answer this - there were about 90 submissions. Some have been approved, there are a lot still going through. Some are taking time because of the joint management arrangement of parks, and we have to get through joint management. But that will open up a lot more product in those parks ...

Mr WOOD: How do you work together?

Mr GILES: We work together quite well. Tony and the CEO of Parks and Wildlife, Andrew Bridges, work together on a frequent basis. Tony could probably answer more to that. But I want to get on to the World War II stuff ...

Mr WOOD: Because I reckon this is great opportunity ...

Mr GILES: Why not get through the parks stuff and I will come back to World War II?

Mr MAYELL: Thanks, Chief. We have a regular catch-up with parks and they have invested more recently in a tourism visitor delivery unit. We are working very closely with them in making sure that access is right. We understand from them exactly where the gaps are in some of that infrastructure we have talked about. Roads are an obvious one, but even around car parking in Litchfield. We are interested in the interpretive values of parks as well. It is important that rather than people just looking at something, there is something there so they can understand what they are looking at - some of the story behind it.

The other work we are doing right now for which we have a high priority, is getting the parks' website more tourism-oriented than it is at the moment. There is much work that needs to be done there, and we have two teams of people working very closely on that project. That will provide a direct linkage onto our site so when people look up the tourism site they will be led off into a park's site and vice versa. There is a lot of collaboration happening there.

Mr GILES: In regard to what I might call military history, for want of a better term ...

Mr WOOD: It is mainly World War II.

Mr GILES: Yes. Since being in this job, I have become pretty disgusted in the way we preserve, protect and promote the military history in the Northern Territory. If you drive across the Northern Territory, there are sites everywhere: Cox Peninsula, down the plains, in the waterways, up the estuaries. It is terrible that we have not preserved and protected it. In the 1980s and 1990s we spent a lot of time, effort and money preserving air strips ...

Mr WOOD: There are some good books out.

Mr GILES: Yes, all of that. Funding has been stopped and it has been allowed to deteriorate. I remember going to Milingimbi the very first time and seeing those three downed aeroplanes. I cannot remember exactly what type of planes they were, I was only out there two weeks ago. I asked what happened and they told me of the bombings that occurred there, that they were a refuelling base with the Air Force base there on a cross runway strip and that people died there. There were four RAAF pilots who died in one plane at the end of the runway. These have never been protected. A couple of weeks ago I was over there and gave some money for putting them on display better and to try to rehabilitate the site and use it as a tourism site, because they get tourists through Milingimbi.

Defence tourism is important because it allows you to invest money in those military history pieces - whether that is downed planes, Catalina, airstrips, or hospitals or the like. But if you invest in it from a tourism perspective, you preserve the story and educate Territorians, particularly kids, and Australians.

I was horrified two weeks ago - and this is not a political point, this is a real point - when I heard Bill Shorten say he did not know that there were more bombs in Darwin than Pearl Harbour. All of Australia should know that and we need to put more money into that.

Last year's budget - just on a final note and I do not have the exact figure, Gary Higgins the Minister will have this - we put about \$5m towards refurbishing military or Defence items - signage, runways, planes and the like. We have spent the last 12 months getting the framework right for putting that money out there. He will be able to tell you exactly when that program starts - or Hugo the CEO - that is designed to get money to rehabilitating some of these sites and promoting it. Not only should we be rehabilitating or refurbishing these pieces of Territory history, we should then get a marketing campaign around it, because there are military people everywhere.

It is the same in Central Australia, where I fought long and hard to get the airport graveyard. We have now got the graveyard, bone yard and things are happening there. We should be using that as a site to promote aviation history, get air shows and all that sort of stuff coming in ...

Mr WOOD: Daly Waters was the main airstrip for planes going from there to Darwin to England.

Mr GILES: Absolutely. Have you been out there and had a look?

Mr WOOD: I have been out there lots of times.

Mr GILES: What the National Heritage Trust has done out there is fantastic. But since they put the lick of paint out there nothing has happened.

Mr WOOD: The grass has grown.

Mr GILES: The tree that has been knocked down - you know the story of the tree out there at Daly Waters - completely not looked after and it is a piece of the Territory's history.

Mr WOOD: Just quickly, one question out of left field. We have that new water tower at Zuccoli, as minister Tollner would say, so what are the chances of using it for tourism? It is one of the highest spots in the Darwin region. As in, either an observatory on the top, so people can view the sunsets, look over Darwin and Palmerston, or even having a restaurant - it is right on the Stuart Highway, on the corner of Lambrick Avenue ...

Mr GILES: The most important thing, Gerry, is big, bold ideas they make the difference. At the moment, I am talking to people about having jet boating, jet skis and water cables at the waterfront. If you can work out a way to do that now, I do not know if that water tower has an internal chamber so we could put an elevator in there; it is probably past the post.

Mr WOOD: It could still go up the side. But the point is that there is no place in Darwin ...

Mr GILES: Bungy jumping, you could do anything, adventure tourism.

Mr WOOD: ... where you can view the harbour or the city, unless you have access to a private building. There is no public facility to view.

Mr GILES: It is probably a bit late. I will have a look for you ...

Mr WOOD: I raised it with Dave last year when they were talking about putting it up. You could still go up the side.

Mr GILES: I will have a look at it. Adventure tourism – things outside the square - is the right way to go.

Madam CHAIR: Member for Nhulunbuy, you have a question?

Ms WALKER: Thank you, Madam Chair.

Mr GILES: Just before you do, member for Nhulunbuy, in July we are launching a \$400 000 military heritage campaign as part of tourism.

Ms WALKER: Minister, I should have asked you earlier, are you tabling your responses to written questions?

Mr GILES: No, no, you ask me and I will give you the answers.

Ms WALKER: If only you could follow the suit of the Speaker who happily tables answers.

Mr GILES: I do not think anybody even asked to table a question today.

Ms WALKER: The question is in relation to six-month travel compliance audit and Latitude Travel audit. Did your department Tourism NT undertake the two audits requested by the Department of the Chief Minister in December 2015 and January 2016? In the interest of transparency and public accountability, will you provide the Estimates Committee with a copy of the audit reports?

Mr GILES: That was all done. We can provide the audit letter which presented it was a clean bill of health.

Ms WALKER: Thank you.

Madam CHAIR: If there are no more questions to the Minister for Tourism and his executive team, I thank you very much for coming along this afternoon.

Mr GILES: Madam Chair, as I have done in the past I say thank you very much to Tony, Angela, Lisa Andrews, Adam Coward, Suzanne Morgan and everyone else at Tourism NT who have done a tremendous job in rebuilding this industry.

To everybody in industry, whether they are in product or are staff, thank you very much. It has been an arduous battle but to hear today that we are now \$2.06bn as an industry far exceeds anything we hoped to do in our time line of projections by 2020. It is a testament to the hard work in keeping shoulders to the wheel, sometimes holding our breath. I know there is a long road to go but it is just great results today. So thank you.

LAND DEVELOPMENT CORPORATION

Madam CHAIR: The committee will now move on to consider the Land Development Corporation.

Chief Minister, I invite you as Minister for Economic Development and Major Projects to introduce the officials accompanying you and if you wish to make an opening statement regarding the Land Development Corporation.

Ms FYLES: Just to let you know we do not have question, obviously in the interest of time. We would like to ask a couple of Indigenous Affairs and Sport questions.

Mr GILES: All right. Let me just make the statement then we can go on. In that way it covers the issues.

Ms FYLES: Did you want to perhaps table it?

Madam CHAIR: I am going to cut you off at five minutes, Chief Minister, mainly because we have 33 minutes left.

Mr GILES: I will start my timer then. I am ready to go. Let me start with a brief statement on the Land Development Corporation and its current activities which are contributing to the economic growth of the Territory. With me today, representing me on my right is Michael Tennant, the Chief Executive Officer and Tony Stubbin, the General Manager, and I am presuming behind me Andrew Williams, the Deputy General Manager and David Gomez, the Chief Financial Officer.

As the Northern Territory leads the way in the national drive to pursue Developing North Australia, it is essential that planning provision is made for adequate land to be available to take advantage of increased investment in the region. The role of the Land Development Corporation is to develop industrial and residential land in support of the Northern Territory government's trade investment and economic opportunities. The corporation is committed to providing strong development solutions by ensuring sufficient strategic land is available to stimulate economic growth and create opportunities to meet market demand.

As the Northern Territory government's land developer, the corporation leads the property development sector by example: setting new standards for quality developments that protect and manage natural systems, land form and diversity; providing strategic advice to government on land release to support government policy; reducing risks through due diligence and the timely release of convenient well-planned and serviced land to meet industry needs; investigating and developing innovative approaches to land development; continuing forward planning to make industrial land available in the Darwin Business Park at East Arm, the transport industry precinct in Berrimah, Middle Arm industrial precinct and most recently in Katherine.

The Land Development Corporation is committed to fostering partnerships and strategic alliance with private industry, government and stakeholders. In summary, the corporation works to meet the Northern Territory's strategic industrial and residential land needs and respond to industry's short- and long-term requirements.

The Land Development Corporation will continue to deliver strategic industrial developments to the Territory in the year ahead which include: subdivision works to deliver the first four lots of a new 14-lot subdivision in Darwin Business Park at East Arm; completion of the environmental impact study for the proposed marine industry park; planning and engineering design will be progressed to develop road access and services to Stage one release of land at the Middle Arm Industrial Precinct; and in August 2016, the corporation will deliver its first-ever marine infrastructure program with the completion of a multiuser barge ramp facility at East Arm which has been developed in conjunction with the Commonwealth Department of Defence. With two minutes to go, the corporation has undertaken development and management of industrial land within the Darwin Business Park at East Arm. It currently has 11 industrial lots available for sale and another two front lots on O'Sullivan Circuit available for lease.

In regard to residential development we are also assisting in this area. During the current financial year the corporation commenced the development of 47 new lots in Stage 1B of the Alice Springs suburb of Kilgariff. Today 31 lots have been sold in Stage 1B. Land prices are affordably priced between \$160 000 and \$180 000.

They continue to undertake Zuccoli Stage one development in Palmerston through a partnership arrangement with Urbex Pty Ltd seeing the development of 800 residential lots in Stage one alone.

The Land Development Corporation, together with the Tiwi Land Council and the Tiwi Aboriginal Land Trust, has entered into an agreement which facilitates opportunities for businesses interested in investing on the islands. The framework enables the corporation to work with Tiwi people and interested investors to identify suitable land for investment and leasing.

I look forward to taking any questions the committee may have in regard to the Land Development Corporation for this year.

Madam CHAIR: Thank you, Chief Minister. Are there any questions?

Mr WOOD: Yes. First, I thank the LDC people for giving me a briefing on the problems with Bradford Road.

Mr GILES: That is the one at the back of Zuccoli?

Mr WOOD: Yes, next to the water tower you should put the observation platform on. It was a good briefing and I understand the problems they had with that road.

You look at residential land. Has LDC ever considered doing some design work for Weddell?

Mr GILES: No. It has never been tasked to and never considered. There is an agreement within government that the necessity for Weddell is not there at the moment, not while we are looking at infill development. There is always a balance between whether we should do Weddell, the rural area, or look at the vacant space internally – which we are looking at - which is part of the process.

In the future we will see an upgrade of infrastructure heading out to areas like Berry Springs. That is on the cards, especially given the most recent announcement by the Minister for Land Resource Management in relation to the allocation of bores being placed around Berry Springs. You will see infrastructure there very soon.

Madam CHAIR: I have two questions pertaining to Kilgariff, which I flagged with the Treasurer yesterday. I will be surprised if you cannot answer them.

I am interested in how much funding the LDC has put into the Kilgariff subdivision since it became involved, which I think was in 2013 – is that correct?

Mr GILES: About then. The total expenditure on the Kilgariff residential development to date is \$11.47m, which includes headworks to the site of \$3.591m. The subdivision cost for Stage 1A was \$4.01m and Stage 1B is \$3.866m. There have been other expenses such as the new footpath, which goes from Kilgariff into town. We also have a further budget of \$1.67m for Stage 1B to finish it off.

Madam CHAIR: The LDC has a model of recouping the investment. When will you get the \$11.47m back from Kilgariff? What is the forecast there?

Mr GILES: The LDC is supposed to act in the area of commercial interest. If it looks like it will not be in the area of commercial interest, it is under the discretion of government to top up LDC. Their charter is that they must always act on commercial interest phase. Do you want to add anything to that, Tony?

Mr STUBBIN: Tony Stubbin, General Manager. In relation to the figures the Chief Minister just read out, that included a contribution by government for headworks costs of \$3.5m, leaving the remainder being funded by the corporation out of its own funding, with the aim that it would be recouped by land sales over time.

Mr GILES: On the topic of headworks, we are doing this as a government, but in all major areas we make contributions to headworks. We put a contribution into Berrimah headworks – in a big, new area we always put money in. If we do headworks to Berry Springs, we will foot the whole bill.

Madam CHAIR: The Kilgariff subdivision does not have national broadband. Was that something the LDC overlooked in not applying for the NBN to be hooked up? Was it an oversight?

Mr GILES: No, no. I can talk to that at length. I have been involved with NBN in Kilgariff for years. I have made presentations to NBN in Canberra. There was a point in time where we convinced – I know this will continue being part of your electorate. It was not just Kilgariff, it was a rural area which was being serviced by wireless NBN. I always thought it was outrageous. We convinced the NBN to change its mind about two years, maybe three years ago, and do the whole lot. It was the same with putting gas into Kilgariff. APA was going to then pulled out from putting gas in.

I think it was Steven Conroy who was the minister at the time. They overturned the decision and decided not to do it and it is a major mistake. The rule was you needed to have – and this is recollection – a development of 100 properties or more. They said, 'Kilgariff only has 80 in its Stage 1A and 1B so we will not do it.' My argument was, 'Thousands of people will live there in the future. You should be putting your trunk services in now and rolling it out beyond that', and they refused to. All types of government in the Territory have fought for this. This is NBN in Canberra ...

Madam CHAIR: You need to let the residents of Kilgariff know this story because they are contacting me saying, 'Why do we not have NBN? Someone has made a mistake. It is an oversight.'

Mr GILES: No, NBN refused to do it. We convinced them to change their mind and they have gone back on it. Do you have any further on that, Michael or Tony?

Mr STUBBIN: No, that was exactly what I had.

Madam CHAIR: All right. I have no more questions.

Mr GILES: It has been pretty poor, but it is not just them, it is the rural area which has been left out too.

Madam CHAIR: If there are no more questions on the Land Development Corporation, I thank the minister and those assisting him today.

Mr GILES: Thank you very much. I thank Michael and Tony et al for coming along today. There were only a few questions but the Land Development Corporation is an important part of the economic dynamics and fabric of the Northern Territory. I appreciate all your work and the work of your staff in your agency. Thanks very much.

Madam CHAIR: Thank you, Chief Minister.

OFFICE OF ABORIGINAL AFFAIRS

Madam CHAIR: The committee will now move on to consider outputs associated with the Office of Aboriginal Affairs.

I note that Output Group 15, Office of Aboriginal Affairs, sits within the Department of Local Government and Community Services. However, as the Minister for Indigenous Affairs, it is the responsible minister who will be receiving questions relating to this area this afternoon.

Chief Minister, I invite you to introduce any official accompanying you, and if you wish, to make an opening statement.

Mr GILES: Thank you, Madam Chair. I will start by introducing, to my left, Mr Mike Chiodo, Chief Executive of the Department of Local Government and Community Services; Ms Leeanne Caton, Executive Director of the Office of Aboriginal Affairs; and Wati Kerta, the Chief Financial Officer of the Department of Local Government and Community Services, who are joining me at the table.

Indigenous Affairs is a portfolio that I remain deeply committed to. It has been a pleasure to take on responsibility for the Office of Aboriginal Affairs, taking the lead role across government services since its inception in September 2015. I am highly proud of our achievements in Indigenous Affairs. I said earlier

today that there have been two main challenges in becoming the Chief Minister from Alice Springs, representing the whole of the Territory. One is eroding the Berrimah Line and becoming one Territory and that has been largely successful, although hard to measure. The other thing is getting Indigenous Territorians in a more participatory role in the way the Northern Territory works. I say works not in an employment sense.

We have provided a range of changes in philosophy, performance and program management, and seen a huge amount of outcomes being underpinned and achieved. We are achieving enormous amounts of outcomes when it comes to things such as heightened levels of leadership in remote communities, economic capacity, self-determination, empowerment and levels of jobs and participation. I can talk about things such as we now run the Community Champions program which gets key focus on 13 communities in regions.

We have our First Circles, which for the first time ever has two young Aboriginal groups of emerging leaders - one from the Top End, one from the bottom end - who meet with full Cabinet twice a year. No other jurisdiction in Australia does that. We had a meeting, I think it was in this room two weeks ago Leeanne, where we sat down and talked about issues and identified opportunities of how we can move forward.

We have a budget of about \$1.4bn of complete, measurable deliverables going into remote parts of the Northern Territory right now. It does not include bureaucracies which are based in Darwin, it includes key things going on the ground - whether you are talking about bakeries in communities, a \$45m telecommunications program, a \$55m solar set-up program which is seeing solar hybrid projects going into 30-35 communities across the Territory, looking at the \$6m to connect Alpara to the Utopian Health Service, the \$33m going into upgrade Alpara giving people roofs over their head for the first time ever in that area, the Plenty Highway, the Outback Highway, or the straight road.

The position I am trying to get, through a model of self-determination and empowerment, is every Territory health centre being community controlled – it is not happening overnight and it will take a long time to get that to happen - handing back local governance to the local authorities, the establishment of regional councils and in this term, the policy for a Remote Housing Development Authority reversing the Labor model of taking control from Aboriginal people in this style of housing and giving that back to people in the form of management.

Never before has this type of engagement, investment and interaction in Indigenous Northern Territory occurred. I commend not only the Department of Local Government and Community Services, Leeanne and the fantastic team at OAA, but the whole public service, because this is not just a paradigm shift, this is a change of culture in the public service. We have 20 500 public employees, roughly speaking, and we, as a Country Liberals government, have thrown down the gauntlet saying we want to drive change in Aboriginal affairs. We were knocked at the start, we are still being knocked, particularly by Labor right now, but the change is happening - and the public service are the people who are driving it. The private sector is responding, particularly through procurement reforms, but every single public employee should be given a pat on their back for supporting government in driving this change.

But driving a change does not only change the culture of the organisation of the public service and culture of the private sector, but it changes the Northern Territory to be one where we are more inclusive than ever before. That is a pat on the back and a tick of approval for every single person.

Madam Chair, I know you are pushed for time. I have not read word for word from my statement, and for those who prepared my statement, I apologise for that. I am mindful that we are short of time and people want to ask questions. I have to say that of all the things that have happened in government since being Chief Minister, this is one of the proudest things that I have been able to be a part of. I am happy to take questions.

Mr VOWLES: Thank you, minister, for the opening statement. How many Indigenous employees in the Office of Aboriginal Affairs?

Mr GILES: Just before we do, we might just get some protocol around our questioning.

Madam CHAIR: Okay, so I would invite people to ask questions on the statement, but given the time restrictions, we have 17 minutes, can we just open it up generally or do you want to go by output?

Mr GILES: I just want to know.

Mr VOWLES: Output 22.1, the first output, I can go to that?

Madam CHAIR: Are there any questions relating to the statement to begin with? No?

OUTPUT GROUP 22.0 – OFFICE OF ABORIGINAL AFFAIRS
Output 22.1 – Office of Aboriginal Affairs

Madam CHAIR: The committee will now consider Output 22.0, Office of Aboriginal Affairs, Output 22.1, Office of Aboriginal Affairs. Are there any questions?

Mr VOWLES: Thank you, Madam Chair.

Mr GILES: Okay, I will answer your questions. There are 27 staff in the Office of Aboriginal Affairs and 26 are of Aboriginal or Torres Strait Islander heritage.

Mr VOWLES: Okay, thank you very much, minister. In Budget Paper No 3, page 267, for 2015-16 it says \$2m was budgeted for the establishment of the office. It looks like the estimated expenditure for the same year is \$5m. I just want to know what the extra \$3m was for.

Mr GILES: So we budgeted \$2m and spent \$5m? We probably spent a lot more than that; we have been doing a lot of stuff, Ken. That is a dorothy dixer, let us talk about the good stuff we are doing. Not only have we been setting up the Office of Aboriginal Affairs, we have also given governance arrangements for the Community Champion program which I spoke about in my opening statement. I did not talk too much about Community Champions, I spoke about it a little. We also have the First Circles program. Each one of those two runs a range of different grant programs designed to provide local-level assistance for communities.

One of the key purposes of the Office of Aboriginal Affairs - and this is part of the expenditure component, member for Johnston - is that we wanted to make sure we have a high level of connectivity between communities and government in the servicing. Obviously, the 27 staff we put on comes with a high level of administrative costs. It is ensuring that - sorry I am just being passed something here, Ken.

In the area of greatest level of expenditure, I think you have your numbers wrong, it is bigger than what you said. The area of increased level of expenditure is around Community Champions because we have given each community champion a certain budget allocation to spend money in their areas of influence, whether that is a community or a region ...

Mr VOWLES: Your budget for Community Champion is over \$7m, the Office of Aboriginal Affairs \$2.026m, and that is \$5.102m and \$5.144m.

Mr GILES: I understand that, I just read it myself. You said it went from \$2m to \$5m, but in the line item of Office of Aboriginal Affairs it is \$11.97m in the budget paper. The reason it has gone up is because we have done a lot more work. We have a range of new initiatives. It was not just about setting up an office.

I have a vision and a plan for how we can drive reform in Aboriginal Affairs and to me it is all about participation, engagement and economic development and acknowledging that self-determination as a principle has not been fully expanded and extended in the Northern Territory. I want to drive that and give people a greater level of say, without setting people up to fail. I want to make sure we get the right levels of governance set in place.

One of the conversations we had earlier today was about Larrakia Nation Aboriginal Corporation. It has fallen over and gone into administration, just like Darwin Festival recently has. We want to work with them to try to come out of that, so we are working to improve levels of governance so they do not fail into the future. That is quite important. We spent a lot of money in the Office of Aboriginal Affairs for some of those areas.

Mr VOWLES: Thank you, minister. The Monitoring Evaluation Reporting Framework is central to your Aboriginal Affairs strategy. How many of these monitoring evaluation reporting framework have progressed and evaluation of reports been provided to government? Will they be made publicly available?

Mr GILES: It is the first time ever in Australia there has been anything such as the MERF, Monitoring Evaluation Reporting Framework. It sets in place key targets of how government will make improvements

in the areas of Aboriginal Affairs. It is something I am proud of, Cabinet is proud of and the agencies are proud of.

In setting those 35 targets, everyone who knows Aboriginal Affairs around the country said, 'You are crazy trying to set targets'. But we want to do it because we want to be able to measure our performance. In some cases we will overachieve as we are overachieving in Indigenous employment in the public service now and Indigenous employment in the private sector through our procurement strategies. In other areas we may not be able to achieve it.

We have some fantastic results in our justice targets and I am sure that minister Elferink will tell you in his time about how, with the Sentenced to a Job program, we have seen recidivism rates go from 79% to 13%. Recidivism is anyone who goes back to gaol within a two-year period. To think you can have a recidivism rate drop from in the 70% down to the teens is just unheard of, which is why we put those targets into the MERF.

But when it comes to the reporting time frame of the MERF - we have had one since its inception, since we announced it - and we look forward to the next one coming along.

Member for Casuarina, I cannot understate how successful the Indigenous performance by the Northern Territory government has been in this area. People should be given a pat on the back for their hard work in this area. It is not easy and it will take a long time to provide long-standing change.

Mr VOWLES: Thank you, minister. The office is also responsible for the Remote Information Coordinating System. How much has been spent on the design and the implementation of this system?

Mr GILES: It is with the Department of Local Government and Community Services, but I will answer that to help them out. You might want to ask minister Price something else.

There is about \$700 000 set aside as a budget initiative to upgrade the system. That is about providing real time – or maybe it is not real time data but up-to-date data on key characteristics around Aboriginal communities.

Mr VOWLES: Is the office involved in maintaining or helping ...

Mr GILES: The Office of Local Government and Community Services.

Mr VOWLES: All right. What will be the information obtained about each community and will it be available as well?

Mr GILES: It is all publicly available information and always has been. Nothing has changed; we are just upgrading the system.

Mr VOWLES: What is the status of the fit-for-purpose planning policy mentioned on the website?

Mr GILES: In what regard?

Mr VOWLES: Where is it at? On the website of the Office of Aboriginal Affairs there is a fit-for-purpose planning policy.

Mr GILES: I might ask Leeanne Caton to tell us what the member for Johnston is talking about.

Ms CATON: Leeanne Caton from Office of Aboriginal Affairs. Fit-for-purpose planning is working with the Land Tenure Unit to ensure we do appropriate land planning for the remote communities we are looking at working with.

Mr VOWLES: Thank you very much.

Mr CHIODO: If I could add to that? The Land Tenure Unit sits within the Department of Local Government and Community Services. The office and the department are working together on a methodology that can finally create a planning method for the 50 communities that up until now have not had that type of planning facility.

Mr VOWLES: Thanks very much, Mr Chiodo. I am finished in that output, Madam Chair.

Mr WOOD: I am interested in the First Circles – that is mainly for young people?

Mr GILES: I might just get some advice about the membership.

Mr WOOD: I will finish the question and then you can come back. I raised this when I came back from Canada. In Nunavut, or it might have been the Northwest Territories, they had an elders circle – you might call it that – that sat in the parliament and discussed issues. It is a great idea that you have this First Circles movement. I want to know whether there is also a place for elders to come in and do something similar.

Mr GILES: It is not age specific. When we say emerging leaders we are not talking about 16- to 18-year-olds. For example, one of the gentlemen on there is the President of the Central Desert Shire, and he is a mature adult like all of us. It is about identifying the people who are not the usual people you would go to for advice, from a government point of view.

It is not disrespecting anybody, but it is saying that there are other leaders out there, some who are stepping up, some might be young – but not as in children young or teenager young – and have a fair bit to say, and we want to be able to give them confidence, opportunity and some worldly experience by coming together with other like-minded people from around the Territory and being able to help government form policy. It can tell us some of the emerging issues.

I do not say this in a derogatory sense, but it is a little like the Chief Minister's Youth Round Table. I find that highly valuable because I hear a lot about the importance of the issue of drugs. They tell me about ice, bullying and social and emotional wellbeing. They are the issues that come from them. It was interesting being here the other day with both committees and Cabinet listening to some of their thoughts, concerns, ideas and advice. That will help frame our policies and investments going forward.

The concept of First Circles as a policy came from another country - not Canada, but from another country where following wartime experiences they had some devastation of their older people. They sought to identify a model of First Circles to develop their younger leaders as emerging people to take over the country. That is where the premise of First Circles came from. The opportunity to be involved with elders in parliament is a good idea, albeit we do not want it to be a cliché thing ...

Mr WOOD: No.

Mr GILES: ... we are developing real people and real opportunities here.

Mr VOWLES: Minister, in May this year, you and minister Price announced \$700 000 of grants and 12 projects under the Regional Aboriginal Economic Development Fund as part of this output group. Do you have any role in approving those grants?

Mr GILES: No.

Mr VOWLES: There was \$230 000 allocated to Wulain Homelands Aboriginal Corporation at Lajamanu. What that was used for?

Mr GILES: We do not know what it was for. We will take that on notice.

Question on Notice No 3.12

Madam CHAIR: Could you restate the question please, member for Johnston.

Mr VOWLES: Will the minister please provide information about the \$230 000 grant allocated to Wulain Homelands Aboriginal Corporation at Lajamanu and what it was used for?

Madam CHAIR: Do you accept the question, Chief Minister?

Mr GILES: Yes, I do, thanks.

Madam CHAIR: The question asked by the member for Johnston of the Chief Minister has been allocated No 3.12.

Mr GILES: Does that mean I have only taken 12 questions today?

Madam CHAIR: Correct.

Mr GILES: Not bad.

Mr VOWLES: What was the total cost of the Seventh Indigenous Economic Development Forum held in Alice Springs in October?

Mr GILES: Do we know that or do we take it on notice? It is not even us who did it; it is not even our portfolio. It was Northern Australian Development, not the Aboriginal Affairs Office. They did that earlier today.

Mr VOWLES: I am finished with that output group.

Madam CHAIR: That concludes Output 22.2.

Output 22.3 – Community Champions

Madam CHAIR: We will now consider Output 22.3, Community Champions. Are there any questions?

Mr VOWLES: Just getting it right. Is \$3.25m for grants in the Community Champions? Have they have all been expended?

Mr GILES: No. They have not all been expended. Some have, some have not. I probably have a list in front of me here. A total of \$1.2m has been spent in that regard. There is a range of different things. A good example is I am doing a lot of work at Alpara and the Under Treasurer is the community champion out there. This is how it is supposed to work: the Under Treasurer has connectivity with Alpara - not there all the time and it is pretty hard to deal with this.

There is an old BIITE building there that had closed down and no one was using the building. They were short on some cash, so out of her discretion under the Community Champion model, she has given \$131 000 to BIITE to keep the learning centre open and operational in 2016 so it can provide more connectivity for people living in Alpara or the Utopia region. That is how some of those programs work. But it is not all expenditure.

Mr VOWLES: Is it ongoing? Is there a cut-off time frame to apply?

Mr GILES: It is flexible in its funding nature. Each community champion gets their share of the pool. What was it? \$350 000 each or something?

Mr CHIODO: \$250 000.

Mr GILES: \$250 000 each and they are able to expend that how they think necessary to try to help the community in any way, shape or form. I was out there when the Under Treasurer, Jodie Ryan, was talking to the community. Many people, particularly people who are part of the UAC, Urupuntja Aboriginal Corporation were saying, 'We want that office to stay open. That is the only place we were getting connection to the Internet and any learning opportunities as adults'. The Under Treasurer deemed that as a good initiative, so Community Champions prove a lot of those things, so that is good.

Madam CHAIR: Last question.

Mr VOWLES: Last question, excellent, so it better be a good one. Regarding the Community Champions, I am very keen to hear some more on that. It says a five-year investment plan will be developed for each community. What is the status of those plans?

Mr GILES: They are still under development.

Mr VOWLES: How many staff are dedicated to that work? To what extent will consultants be used, if at all?

Mr GILES: I do not think there are any consultants being used at all. How many staff work in the Community Champions area?

Mr CHIODO: Do you mind if I respond?

Mr GILES: No, go for it.

Mr CHIODO: Member for Johnston, it is a five-year pipeline we are talking about. It is not just the Office of Aboriginal Affairs and the Department of Local Government and Community Services. It includes a steering committee and a working group that is across government. It includes infrastructure and a number of projects that will clearly establish - and it takes us back to the profiles of the communities that we spoke about earlier – what it will make available, and the linkages just keep going.

RICS that you spoke about, the Remote Information Coordination System, will capture all that data so that anyone can go into the system and identify, community by community, what the five-year pipeline of works that are in motion for that community will be. It is not just a project for us - we are coordinating it, but it is the whole-of-government project.

Mr VOWLES: I thank Leeanne, Mike, obviously the minister and Wati as well, thank you.

Madam CHAIR: That concludes consideration of outputs relating to Indigenous Affairs. On behalf of the committee, I thank the officers who assisted the Chief Minister today. Thank you very much.

Mr GILES: Can I just finalise and say thanks very much, Madam Chair, and the committee. Thank you to Mike, Leeanne and Wati for your attendance today. I particularly thank everyone in the Local Government and Community Services, the Office of Aboriginal Affairs, and Community Service and First Circles staff. You have driven a big change. It has not been easy and there are many hurdles ahead. I fully appreciate it. I know there are many country men and women across the Territory and the general community who really appreciate it, so thank you.

Thank you to all who service estimates. To all the public employees who helped us, thanks very much. You are driving change to the Northern Territory. It is a great plan the Country Liberals have and I really appreciate your support in implementing that.

To the Sports people who did not have a chance to come on today, I apologise for the turmoil over the last week. I looked forward to answering some questions today, but I look forward to working with Sport in the time ahead.

Mr WOOD: I had Parramatta on there.

Ms FYLES: Madam Chair, we had hoped to ask Sport questions. We appreciate the minister is obviously limited to a time limit, so we will provide some written questions. We thank the officials who have come but have not been able to appear.

Madam CHAIR: As the Chief Minister said, we have been unable to get to the Department of Sport and Recreation. I inform the public that under the Resolution of the Assembly pertaining to the 2016 Estimates Committee, ministers cannot be questioned for more than eight hours.

With the resignation of the member for Blain, the Chief Minister assumed responsibility for the Sport and Recreation and Young Territorians portfolios in addition to his many other portfolios. For this reason, we have been extremely pushed for time today and have not been able to get to the Sport and Recreation portfolio. I advise all members of parliament who have questions on Sport and Recreation to submit them in writing. Good evening everyone, and thank you for your attention.

The committee suspended.
