

ESTIMATES COMMITTEE - Friday 18 June 2010

The Estimates committee convened at 8.30 am.

MINISTER KNIGHT'S PORTFOLIOS

DEPARTMENT OF BUSINESS AND EMPLOYMENT

Mr CHAIRMAN: Welcome. Minister, I invite you to introduce the officials accompanying you, and if you have an opening statement, would you care to make it?

Mr KNIGHT: Mr Chairman, this morning I would like to take questions on Business and Employment, Young Territorians, Senior Territorians, as well as Asian Relations and Trade. My Department of Business and Employment is responsible for three output groups: Business Development; Employment; and, Shared Services.

While the Territory is currently between major projects, our economy and business environment is in good shape. Forecast for growth in 2010-11 is 3.6%, employment growth is 2.5%. And, as we have seen with the recently-released SENSIS Business Survey, the Territory enjoys strong business confidence. SENSIS found that Territory business reported the strongest confidence levels in Australia at 68%. Territory businesses also recorded the highest level of support for government policies, being 29%, compared to WA, the next highest of 19%. The principal reason cited by business for their support for Territory government policy was our small business training programs, which are managed by the Department of Business and Employment. The Department of Business and Employment's business development area is also responsible for Defence Support and Trade, for which I will take questions later on this morning.

The promotion of Asian Relations and Trade is vital to the Territory economy and our business environment. Businesses of all sizes can benefit from international trade by giving focus to the way we use our assets and infrastructure, smoothing the way the better export outcomes and fostering our business relationships with Asian trade partners. Our exports have been a strong contributor to the Territory's financial landscape. The Territory's exports have been dominated by LNG, minerals, live cattle and pearls.

Last September, my predecessor, launched the Territory government's International Trade Strategy, that being the Growing International Trade Priority Action Plan 2009 to 2013. This strategy provided the blueprint for better future trade growth to help diversify and strengthen the Territory's economic base.

My colleague, the Minister for Health, has previously provided an overview of the Department of Health and Families financial performance and budget allocations for the 2009-10 and 2010-11 financial years. I would like to reiterate the major comments as they relate to the outputs within my portfolios. These are Youth Services, and Support for Senior Territorians and Pensioner Concession outputs.

This government is committed to supporting the youngest and the most senior members of our community. In 2010-11, the Youth Services output is \$14.6m; Senior Territorians and Pensioner Concession outputs grow by \$1.3m to \$17.2m in the 2010-11 financial year.

Mr Chairman, I welcome questions from the committee. First, I would like to introduce the two staff members, department officials at the table here. Graham Symons is the CEO of the department, and Mr Rex Schoolmeester, who is the Chief Financial Officer. There are members of the department here, eagerly awaiting questions from you, and I thank them for their work in compiling all the information and being ready for questions.

Mr CHAIRMAN: Thank you, minister. Are there any questions to the opening statement?

Mr TOLLNER: You talked about the strong level of business confidence in the Northern Territory. Your government also talks about the drop-off in capital expenditure over the last few years, in actual fact, a Treasury economic brief shows that there has been quite a massive drop-off since somewhere around 2005-06. You predicted a whole range of different things in your opening statement there, what are your predictions on when will private capital investment start to improve in the Territory?

Mr KNIGHT: Those Treasury figures you are talking about did predict a drop-off and, in the 2011-12 budget, they predicted that capital expenditure would grow. Also, the exports would grow as well as prices stabilised, and the credit come back into the world market, and certainly into the Territory economy. That is what we have come out with a prediction for that.

Mr TOLLNER: Your Treasury figures suggest that it dropped off from somewhere around \$3.5bn to under \$1.5bn. You are saying now that private new capital expenditure, that you expect that to turn around this year ...

Mr KNIGHT: I did not say this year.

Mr TOLLNER: I thought that was what you just said.

Mr KNIGHT: The next financial year I think is pretty ...

Mr TOLLNER: Oh, 2010-11, what makes you say that? What projects are in the pipeline that you are aware of that are going to make a turnaround?

Mr KNIGHT: Obviously, the dropping off has come off the back of some major projects like Black Tip and G3 but we obviously are bringing INPEX back into that.

Mr TOLLNER: When will that happen?

Mr KNIGHT: INPEX have indicated FID late next year, so FID will mean typically that they will start issuing contracts for work then, and we would expect, hopefully, to have many Territory businesses expand to cater for those contracts or, there will be other major tier one companies coming into the Territory to pick up those contracts as well, depending on how they are structured.

Mr TOLLNER: Right, FID for INPEX at the end of next year, middle of next year, so talking about half way through 2010-11. You think in six months they will significantly turn around so we will see a great growth in future?

Mr KNIGHT: My understanding of the process of the FIDS, that is the work that is going on with the feed, is they are quantifying who is out there, what they their capabilities are, what their prices are and, I think, the experience in major projects in Western Australia is once FID is settled they immediately issue, hundreds of millions of dollars worth of contracts to suppliers within a matter of weeks after they have signed the FID.

Mr TOLLNER: You say you are reasonably confident that FID will be end of next year. The project has been put on ice a couple of times, the Chief Minister actually went to the last election on the back of INPEX saying that he would give certainty and guarantee that it will come here; well, it has been delayed a few times, what makes you so certain there will not be future delays?

Mr KNIGHT: They are spending a couple of hundred million dollars on the feed, both onshore and offshore, so there is significant investment in getting all the pricing right. Having visited INPEX in Japan, having met their onshore feed contractor, GJC, and meeting one of their potential clients, Osaka Gas and TEPCO - Tokyo Electric Power Company, they are very keen to sign gas sales agreements with INPEX. So you have the Japanese government backing INPEX, and you have

Japanese clients waiting to sign a gas sales agreement.

They will take as long as they need to take to get their costings right, to get their technical work done, and if they are saying it is going to take them an extra few months to do that work, it is completely up to them. It is their call, their shareholders, and their money.

Mr TOLLNER: That is right. You are the one making the predictions.

Mr KNIGHT: That is on the advice announced. They advised ...

Mr TOLLNER: They advised you that it would not ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: I do not know why you want to trawl around with this, I mean ...

Mr TOLLNER: I am just curious as to where you get the idea we are going to have massive capital expenditure.

Mr KNIGHT: Like I said, typically, when they have done the feed work which is all about seeing the capabilities, the costings of supplies and they get all that there, then they issue contracts almost immediately when FIDs are signed off. That has been the experience, and that is what we hope. We are certainly trying to gear business up for the expectation they have to be ready to take on that work and, as I say, INPEX have indicated that is the time frame.

But, it is their decision, they are the ones out there trying to raise billions and billions of dollars worth of capital investment into this project, so if they want a few months longer it is completely up to them, but it certainly gives us time to support businesses and get ready for this major project, and it needs to be remembered that we can probe that environment where there was a place they could go to, and we have given them a lot of support and confidence about coming here.

Mr TOLLNER: All right. You reckon you are not a one trick party, what else have you got in the pipeline that is going to encourage private capital expenditure?

Mr KNIGHT: You would have asked the Chief Minister if he has major projects ...

Mr TOLLNER: I am asking you as Business minister.

Mr KNIGHT: ... and you would have asked the Resources minister about major resources projects. You would have heard the Chief Minister talk about investment strategies. If you want to move on to Asian Relation and Trade, I can skip over to ...

Mr TOLLNER: No, I am asking you as Business minister. You tell me you are not a one-trick pony, what else do you have? What else is out there - just spit it out?

Mr KNIGHT: You need to understand what we are doing. If we are talking about DBD, about business development and business support, in that area we are supporting business with a range of programs to increase their capabilities. If you want to talk about Asian Relations and Trade, we can talk about going out and ...

Mr TOLLNER: No, I want to talk about your opening statement where you are blowing your trumpet saying there is all this wonderful stuff happening in the Territory; you have hung your hat on INPEX, and said you have a range of T1 investments happening here, what are they?

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Mr KNIGHT: You would have asked the Chief Minister about major projects, you would have asked ...

Mr TOLLNER: I am asking you, the Business minister.

Mr KNIGHT: You would have asked the Resources minister about all the resource projects and the investment attraction coming into the Territory - we are providing business with support to sustain and grow. The figures I quoted were from census data, out of Access Economics and Treasury figures, and they show we have one of the strongest economies in the country, we have the lowest rate of unemployment, we have the greatest rate of employment participation, we have the greatest economic growth, and they are real figures.

I do not know why you would want to debate them or try to denigrate them because they are real, and they give confidence to the business community, which is the key factor in the Territory. We do not need lack of confidence. Lack of confidence means lack of investment by Territory business.

Mr TOLLNER: Ye, I can follow all that. I was talking to you about INPEX, and you made this claim that we are going to see a turnaround in capital expenditure from private business in the Territory - from 2010-11 onwards you expect it to turn around. In your own glossy brochures you send out, the budget one in particular, you forecast economic growth for 2010-11 - and that does not take into account the INPEX gas project worth an estimated \$12bn during the five year construction phase.

I want to know what else you have out there, apart from INPEX, which leads you guys to believe we are going to see a massive turnaround in private capital expenditure.

Mr KNIGHT: There are a number of things which have been highlighted by my CEO. We get a whole range of investment inquires around manufacturing areas, and obviously the potential for more mines in the Territory - for expansion of mines. Those predictions ...

Ms Purick: As which ones.

Mr TOLLNER: I have asked that, he does not seem to want to answer.

Mr KNIGHT: You had the opportunity, and I believe you would have received an answer from the Resources minister about ...

Mr TOLLNER: I am not the shadow for resources, I am sorry.

Mr CHAIRMAN: The minister has the call.

Mr TOLLNER: I am asking you. I am a shadow for business. I am asking you.

Mr CHAIRMAN: Member for Fong Lim!

Mr TOLLNER: I was not questioning the Resources minister, or the Chief Minister, or anyone else.

Mr CHAIRMAN: Member for Fong Lim, the minister has the call. Member for Fong Lim!

Mr TOLLNER: I am questioning you.

Mr CHAIRMAN: Member for Fong Lim!

Ms Scrymgour: You should have asked the shadows to do their work

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Ms Purick: We did, they did not answer.

Mr KNIGHT: Those figures I quoted on economic growth come from Access Economics, and Treasury figures.

Mr TOLLNER: I am not about economics ...

Mr CHAIRMAN: Member for Fong Lim, Member for Fong Lim.

Ms Scrymgour: Standing Order 51.

Mr TOLLNER: Keep your mouth shut, will you.

Mr KNIGHT: Come on, it is nice and early, last day.

Mr CHAIRMAN: We will stop for a second, minister. It is the last day of the Estimates Committee. We have been here for 40-plus hours. I will ask members on both sides of the committee to respect Standing Order 51, no interruptions, and to allow the shadow minister to ask his question, and allow the minister to answer the question.

I know estimates is often a conversational process, however I think some decorum would be in order. Thank you.

Mr KNIGHT: Apart from a \$20bn project, we are, obviously, looking at opportunities through ConocoPhillips out of the floating platform there, the recently announced opportunities within the marine supply base, and the \$1.8bn capital works program that we have. We have ...

Mr TOLLNER: Private expenditure.

Mr KNIGHT: I do not know why you would want to denigrate growth figures that come fairly independently. Anyway, you can crawl around there.

Mr TOLLNER: Minister, I will try to put the question as simply as possible. I am not interested in what government capital expenditure is at the moment. I am not interested in growth figures or forecasts that come from Access Economics in relation to economic growth. I am being very specific here - specific, minister. What leads you to believe that we are going to see a turnaround of private capital expenditure in 2010-11?

Mr KNIGHT: What I have said to you ...

Mr TOLLNER: Because ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: You seem to think we get major projects and no one spends any money on capital expenditure ...

Mr TOLLNER: Just tell me what they are!

Mr CHAIRMAN: Member for Fong Lim!

Mr KNIGHT: It is quite obvious. When you get major projects, businesses invest in their business with capital. It is quite obvious. How do businesses get this work, how do they expand, how do they get the billions and billions of dollars of contracts coming into the Territory? I know you were in business a

little, but it is quite obvious, from our point of view, that businesses invest in their businesses when they have major contracts, and those major contracts are coming into the Territory.

Mr TOLLNER: Okay, let us go back again.

Mr KNIGHT: I can give you the same answer if you want.

Mr TOLLNER: There is probably no point talking to you; I get no sense from you. Do you understand what private capital expenditure means?

Mr KNIGHT: Yes, absolutely. I will give you an answer ...

Mr TOLLNER: Do you understand that you guys have said that you will see a turnaround in private capital expenditure, an increase in private capital expenditure in 2010-11, excluding – this is what you have said, your government has said – excluding any impacts from INPEX. All I am asking is, what do you expect those private capital investments will be in the Northern Territory? I am not asking about government expenditure, or forecast workforce growth rates or anything. It has been very specific: what is the private capital expenditure that you are counting on to see a turnaround in that rate in 2010-11?

Mr KNIGHT: As I listed before, we have a major capital works program, we have major resources ...

Mr TOLLNER: Get on with it!

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: Who gets the work? Who gets the work? Has the government contracted itself? No, it contracts private business. Businesses expand for that. So, it is quite obvious. I do not think you understand how business operates. They get the work. Nearly 90% of our contracts are going to local businesses, so they are scaling up and getting that work. That is what has kept those businesses afloat over these very difficulties during the global financial crisis.

We have mines expanding, we have new mines starting. Also, with our major land releases, we see massive residential housing construction happening as well. The reality is, we have a lot of work on, because we have the lowest rate of unemployment. We have the highest nett migration to the Territory ever; they are not leaving in droves like they did under the last years of the government you stand for. So, the economy is strong and growing and that is creating investment in the private sector.

Mr CHAIRMAN: Member for Nelson, any questions to the opening statement?

Mr WOOD: No.

Agency Specific (Whole-of-Government Related Questions) Budget and Fiscal Strategies

Mr CHAIRMAN: In that case, we move along to questions on Agency Specific (Whole-of-Government Related Questions) Budget and Fiscal Strategies.

Mr TOLLNER: How many projects in 2009 were required to prepare industry participation plans?

Mr KNIGHT: All right. Do you want me to just reel them off? Okay, so the ...

Mr TOLLNER: No, I just want a number. Or maybe you could table the document, if that is okay?

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Mr KNIGHT: Seventeen, I count.

Mr TOLLNER: How many in 2010?

Mr CHAIRMAN: Do you wish to table that, minister?

Mr KNIGHT: For 2010, we have two so far.

Mr TOLLNER: Two so far, all right. Any of these in relation to the Commonwealth stimulus packages, like BER, School Pride, Science and Language Centres, or SIHIP?

Mr KNIGHT: Yes, I have to weed those ones out. Do you want a specific answer? We have three SIHIP ones. We have some Power and Water. There is one BER that I can see straight off the bat. I will refer to my CE.

Mr SYMONS: Graham Symons, Chief Executive, Department of Business and Employment. There were three SIHIP projects that were big enough to warrant IPPs. I do not think any of the stimulus package projects individually were big enough to get over the threshold of the IPPs.

Mr TOLLNER: Minister, can you table that document that you were reading from, is that okay?

Mr KNIGHT: Yes.

Mr TOLLNER: Minister, the Department of Planning and Infrastructure, under the BER, handed out one tender of \$25 236 024.60 to Laing O'Rourke for the construction package of 15 urban primary schools for Darwin, Palmerston, Litchfield and Jabiru, to construct 13 new school buildings and extend and improve two existing multipurpose halls. Does Laing O'Rourke have an Industry Participation Plan for that project?

Mr KNIGHT: I will seek some advice on that. Can I get back to you on that; I am just checking it?

I think we have identified that one to be a package of 15 urban schools. It does not list those specific names.

Mr TOLLNER: No worries. Can you tell me about the Jetstar Industry Participation Plan, minister?

Mr KNIGHT: What particulars do you want know about it?

Mr TOLLNER: Is it still valid?

Mr KNIGHT: It is still valid, yes.

Mr TOLLNER: How do recent decisions of Jetstar affect that industry plan?

Mr KNIGHT: I will defer to my CEO.

Mr SYMONS: No, the only decision that Jetstar, and I think you are referring to the additional flight from Melbourne to Singapore, and the halving of Singapore to Darwin flights, that has not affected the IPP at this stage.

Mr TOLLNER: All right. Is that plan of theirs - can you table that document?

Mr SYMONS: IPPs are generally commercial-in-confidence. We can talk generally about the benefits

flowing from IPPs.

Mr TOLLNER: No, that is fine. Minister, can you tell me when we will receive the East Arm Master Plan that does not include additional mooring and berthing facilities like Frances Bay? What is being done to facilitate the marine industries?

Mr KNIGHT: Ports do not come under me.

Mr TOLLNER: Marine industry, does that come under you?

Mr KNIGHT: You were asking specifically about the port.

Mr TOLLNER: Surely that would impact on marine industries. You must take an interest.

Mr KNIGHT: I do. I met with the Manufacturers Council. But you are asking about the marine supply base. Is that what you are asking about? Or the port expansion?

Mr TOLLNER: No, I am asking you about marine industry in general, and when we can expect to see an East Arm Master Plan.

Mr CHAIRMAN: The minister is saying the East Arm Master Plan is specifically the ports. If you have another question around the marine industry that you can fashion, then he might be able to answer that.

Mr KNIGHT: It is a port question, but I believe the master plan has been released.

Mr TOLLNER: Minister, can you advise how much business has been gained by the investment in Defence Support facilities? Has there actually been any investment in Defence Support facilities?

Mr WOOD: I think we have moved ...

Mr CHAIRMAN: Yes, member for Nelson. For a point of clarification, we have actually moved from agency specific to the first Output 1.1.

Mr TOLLNER: We are on 1.1 Business Development.

Mr CHAIRMAN: We were not, actually.

Mr WOOD: I am not knocking the question, I just did not know whether the output might be further in Defence. That was all.

Mr CHAIRMAN: For clarification, I asked for questions on agency specific. We have moved to Output 1.1, which is actually next on the agenda which is ...

Mr TOLLNER: All right, sorry, I thought we had gone onto 1.1.

Mr CHAIRMAN: No. That is why stopped you right there. Defence Support is in Output 1.1, member for Nelson. Does that make sense?

Mr WOOD: Yes. Sorry, member for Fong Lim.

Mr CHAIRMAN: I was allowing the committee to flow.

A Member: We are on 1.1, are we not?

Mr CHAIRMAN: No, I asked for questions on agency specific. That is okay.

A Member: We are on agency specific still?

Output 1.1 – Business and Industry Development Support

Mr CHAIRMAN: No. It is clear the questions are on Output 1.1 rather than agency specific. I was allowing it to proceed.

Mr TOLLNER: I asked a question and I am waiting for an answer.

Mr KNIGHT: Could you ask it again? It seems to have got lost in the conversation.

Mr TOLLNER: Can you advise how much business has been gained by government's investment in Defence Support facilities?

Mr KNIGHT: It is quite a specific and detailed question. The big expansion in the Territory does equate to about 6.1% of the total national Defence budget. There is \$280m worth of Defence infrastructure progress planned for the Territory. As to exactly how much every single Defence business in the Territory gains, I do not think I have that exact figure. It is a bit hard to actually quantify.

Mr TOLLNER: Let me get this right. You are the Minister for Defence Support and I am asking ...

Mr KNIGHT: I do not walk into people's businesses and say: 'Give me a figure'.

Mr TOLLNER: No, no. Are you the Minister for Defence Support?

Mr KNIGHT: I am telling you what money comes into the Territory, and I do not go into the Defence businesses and demand figures they are getting from Defence contracts.

Mr TOLLNER: Okay. May I ask another question? Are you the Minister for Defence Support?

Mr KNIGHT: You need to ask a sensible question.

Mr TOLLNER: Can anyone tell me who the Minister for Defence Support is?

Mr CHAIRMAN: I think we should engage in some debate around the budget.

Mr TOLLNER: I am trying to find out who the Minister for Defence Support is.

Mr KNIGHT: I think Wicking got it right, Goofy. But, anyway.

Ms CARNEY: A point of order, Mr Chairman! The member for Fong Lim has asked a question. The minister should answer it. Fair's fair, answer the question.

Mr CHAIRMAN: There is no point of order. If I could just remind members of the test of relevance we are using for this Estimates Committee. Any questions going to the ...

Ms Carney interjecting.

Mr CHAIRMAN: If you talk over me, member for Araluen, I will have to warn you.

Ms Carney: Well, fair enough ...

Mr CHAIRMAN: That is one warning.

Mr TOLLNER: Mr Chair ...

Mr CHAIRMAN: Sorry, member for Fong Lim, I am ...

Mr TOLLNER: Sorry.

Mr CHAIRMAN: Any questions going to the operations or financial positions of the departments and agencies which seek funds and estimates are relevant questions for the purposes of estimates hearing. I would encourage the shadow minister to ask questions going to the operations of the financial positions of the departments.

Mr TOLLNER: Mr Chair, can I ask you a question? Who is the Minister for Defence Support?

Mr CHAIRMAN: We are currently at Output 1.1 - Business and Industry Development Support, which includes Defence Support and we are talking ...

Mr TOLLNER: Right, we have the right person. All I wanted to know was whether he took charge of it - he fobs off so many things. I will ask the question again. Minister, can you advise how much business has been gained by your government investment in Defence Support facilities?

Mr KNIGHT: All I can do is reiterate my previous answer. We do not have exact figures of every single business, and the dollar figure they gain, from Defence contracts coming into the Northern Territory. The job of Defence Support is to attract investment and support the industry to gain these contracts. We do not go hunting around for those contract figures they ...

Mr TOLLNER: Minister, has your government made any investment into Defence Support facilities

Mr KNIGHT: Facilities?

Mr TOLLNER: That was the first question I asked. Has your government made any investment into Defence Support facilities?

Mr KNIGHT: We have awarded a contract, and work is currently under way for a subdivision for a Defence industry out towards Robinson Barracks, with a total of almost \$1m going into the subdivision. We support AIDN financially to support that organisation to operate - \$137 000 per year to support AIDN-NT, which obviously supports the industry players to grow that particular sector of defence support. That is quite a contribution, and the work of the Defence Support Minister is to lobby federal colleagues and support local business through a range of other programs we have in our business development area.

Mr TOLLNER: Minister, can you outline whether there is any additional expenditure to go into the Defence Hub this year or next.

Mr KNIGHT: I am going to seek some advice because this does cover a couple of portfolios, and the question did go to the minister for Lands with the LDC, for development of this subdivision.

This year we have awarded, and construction is currently under way, the first stage of the subdivision

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east of Robinson Barracks. There is a figure of \$3m for Budget 2010-11 as well.

Mr TOLLNER: A further \$3m?

Mr KNIGHT: A further \$3m to further the civil works and sewerage headworks to that subdivision

Mr TOLLNER: Minister, have any negotiations occurred with industry who may want to locate at the defence support hub?

Mr KNIGHT: My advice is there are discussions under way with three companies to go in there. There has been interest, but obviously people are waiting to draw contracts out there.

Mr TOLLNER: Can you give us an idea of those three companies?

Mr KNIGHT: Not without checking with them first.

Mr TOLLNER: I am not asking who they are, but what they do.

Mr KNIGHT: I will just refer to my CEO. Darwin is a small place Darwin, so ...

Mr SYMONS: The Land Development Corporation is actually directly involved in those discussions because they, obviously, lease the land to the companies. One or two of them are, obviously, related to the recent contract that the Commonwealth announced in relation to support from the Abrams tanks.

Mr TOLLNER: One of them is there. Two others?

Mr KNIGHT: I think we are saying that ...

Mr TOLLNER: We all know there is a contract out now for the maintenance of the Abrams tanks. What are the other two businesses - fields of endeavour the other two interested parties are involved in?

Mr KNIGHT: The advice I have is that they are all related to the ASLAV tanks.

Mr TOLLNER: ASLAV tanks. Minister, what other contracts are in the pipeline from the Commonwealth that may well be picked up in that Defence Support Hub.

Mr KNIGHT: I will just refer to Ian Cargill who is the acting Assistant Secretary of Defence Support.

Mr CARGILL: Ian Cargill, Acting Assistant Secretary, Defence Support. The key contract is to support and sustain the contract for the Abrams tanks, the ASLAVs and the heavy recovery vehicles. That is the key project since 2005 we have been chasing. The three companies we are currently in negotiations with are all seeking work out of that. Down the track, Phase 3 and 4 of LAM 121, which is the replacement of all non-armoured vehicles and trailers - we have another couple of companies we have been speaking to in regard to that - one being for the replacement of the heavy trailers. But, those two phases of that contract have not yet been officially awarded; they are still in the trialling phase of the various contractors seeking those. Those are the two main land-based projects that we are pursuing for tenants for the hub.

Mr TOLLNER: Who won the major Abrams/ASLAV contract?

Mr CARGILL: General Dynamics Land Systems Australia has been selected as the preferred tenderer. They have not actually signed a contract. Those negotiations will take, probably, until

October, and we are meeting with the Managing Director of GD in Adelaide in a week's time to discuss what we can support here in the Territory, given that the majority of these vehicles will be based here.

Mr TOLLNER: That is right. The majority of them will be based here. General Dynamics actually builds them, from what I can understand, but they are based in Adelaide. They have a small service facility up here ...

Mr CARGILL: They do.

Mr TOLLNER: Are you confident that the full maintenance program will happen in the Northern Territory?

Mr CARGILL: That part of it - how much of the work is done here - will be a topic for discussion with the Managing Director of GD. As you say, they do have a facility up here and we are keen to see that is expanded on. But, discussions will be held with the Managing Director as to what their plans are and how we can assist them through our local industry support.

Mr TOLLNER: You mentioned trailers. You are talking about trailers for railway tracks or trailers for road trains? What is the ...

Mr CARGILL: No, these are trailers - they have trailers from 6 x 4 size through to the heavy trailers that cart the tanks and other heavy equipment around the place.

Mr TOLLNER: The heavy trailers that you are talking about; I am curious. To cart tanks around, are you talking about for railway lines or on-road?

Mr CARGILL: No, on the road.

Mr TOLLNER: On the road. All right, no worries. Can you tell me who in the Northern Territory builds

Mr TOLLNER: On the road. All right, no worries. Can you tell me who in the Northern Territory builds heavy trailers on the road?

Mr CARGILL: Territory Transport Sales, an agent for Hallmark. Hallmark was one of the bidders for the trailers contract.

Mr TOLLNER: That is right. Hallmark, I think, is located in Queensland. What would encourage them to invest at the Defence Support park, when they have their whole manufacturing outlet in Queensland?

Mr CARGILL: In discussions we had with them back in 2006, they indicated that they were very keen to have a Territory involvement. We had visited them on a number of occasions, or previous Defence Support ministers have met with them back in 2006-07, with the line that the government's view is that support for equipment based in the Territory should be undertaken in the Territory. They were very supportive of that and were very keen on a position in the hub, if they were successful with the heavy trailer component of LAM121.

Mr TOLLNER: I have had discussions with people who manufacturer trailers, in actual fact, Territory companies, who manufacturer heavy trailers for trucks. Some of the discussions I have had have suggested that they do that interstate, because the cost of doing business in the Northern Territory is a bit higher. There are better economies of scale, obviously, in other parts of the country. Given that, can you give us a bit of an idea about how many trailers they would hope to construct for this Abrams component, and what would be the overriding commercial benefit of doing it in the Northern Territory as opposed to somewhere else where you have greater economies of scale?

Mr CARGILL: The argument that they are doing the work here in the Territory is that the biggest cost saving is in freight. As I said earlier, if the vehicles and trailers are based here, then sending them to Queensland, obviously, or down to Bandiana in Victoria, incurs a large freight cost. Any additional costs in doing business here tends to be covered by the fact there is a huge savings in freight, which was the idea of having a support hub adjacent to the base. In terms of the numbers of trailers, I do have not that information with me, I am afraid.

Mr TOLLNER: Well, there are 65 Abrams tanks, will they require 65 trailers?

Mr CARGILL: There are 41 Abrams tanks to be based in Darwin ...

Mr TOLLNER: Based in the Territory, but there are 65 in Australia.

Mr CARGILL: Fifty-nine in total.

Mr TOLLNER: Fifty-nine, we have lost six somewhere.

Mr CARGILL: We only paid for 59, so ...

Mr TOLLNER: All right. Forty-one up here, so will we have 41 trailers, or ...

Mr CARGILL: I would not think there would be a need for 41 trailers, a trailer for every tank, no.

Mr TOLLNER: No. So you understand what is required to build the trailer?

Mr CARGILL: Myself, personally?

Mr TOLLNER: Yes, or do you have a broad understanding of the sort of facilities and the like that you would require to build the trailer?

Mr CARGILL: We are certainly aware of those businesses in the Territory who have this capability. That was discussed with Hallmark Trailers back in 2006. They would have certainly looked for some local engagement and support, I mean, their plan was to put a manufacturing facility here.

Mr WOOD: Member for Fong Lim, can I just ask a question there? We are talking about trailers.

Mr TOLLNER: Yes, big trailers, that would cart tanks.

Mr WOOD: They are building the hub about 300 m from the barracks. What are they putting them on a trailer for? You can run them on the road with rubber ...

Mr CARDILL: The trailers will be required for, in the main, transporting vehicles to training areas, such as down south and Bradshaw Field Training Area.

Mr WOOD: I thought the member was talking about moving them over to the hub on a trailer, it is very close.

Mr TOLLNER: So, what is happening there as far as rail carriages to transport Abrams tanks?

Mr CARGILL: I do not have any information on whether, I believe they have got some already in existence through FreightLink, well, I think it was FreightLink, because they have transported tanks down south before on the rails, so I believe they have already got one.

Mr TOLLNER: That is interesting. We will watch that one with interest, seeing whether Hallmark lobs up here or not – big call. That is it for me on that output group.

Mr CHAIRMAN: Member for Nelson, do you have any questions to Output 1.1? That does not include Defence Support.

Mr WOOD: I got a bit confused before, member for Fong Lim, my old timetable had Defence Support separate.

Mr Tollner: Yes.

Mr WOOD: A couple of questions, minister. You mentioned in one of your highlights or in the budget papers about increasing the amount of industrial land. I think you were referring to the Defence Hub, but except for the Darwin port area, where has there been an expansion of industrial land in the Top End, because I know there is a desperate shortage of industrial land.

Mr KNIGHT: I think the Business Park is recently ...

Mr WOOD: No, except for that, because that is generally big kind of people. If the average Joe Blow who wants to get some industrial land today, can you tell me what areas government has opened up for potentially new industrial subdivisions?

Mr KNIGHT: I think it is a valid question and something government is considering at the moment. There are some private developments going on through Winnellie, and some others out in the rural areas as well, spots out there coming back on line.

Mr WOOD: I am looking for it. I do not know any ...

Mr KNIGHT: Sam's Fuel Stop being redeveloped. That is good to see.

Mr WOOD: That is not industrial, it is commercial.

Mr KNIGHT: I will get Doug Phillips to talk about some of the private areas, we have recognised we need more commercial land and that is under consideration at the moment. But I will just refer to Doug Phillips to highlight some of the private development.

Mr WOOD: This is the government business section, and I am trying to find out what has the government done to release more land, forgetting the port, for industrial development.

Mr SYMONS: Primarily it is the responsibility of the Land Development Corporation and also the Department of Lands and Planning. I know that apart from what Land Development Corporation is involved in and, as you would know they own significant tracts of land around the port and around the Business Park. Department of Lands and Planning is also engaged in identifying areas of government land for future industrial development. Mr Phillips can list some of what is available through the private sector. There is a number of private sector developments at the moment.

Mr PHILLIPS: Doug Phillips, Executive Director, Business Support. The Henry family are doing the Wishart Road development which is on the way to Palmerston, it is at stage one.

A Member: Interesting call that one.

Mr PHILLIPS: The Cerbis group have done the Farrell Road out there near the show grounds; Ostojic and Anictomatis are doing additional work out there adjacent to the gaol. There is quite a substantial

amount going on down around Humpty Doo area. There are some people opening up land down there.

Mr WOOD: Could you identify the land at Humpty Doo for industrial?

Members interjecting.

Mr WOOD: If the price is right. But I do not know of any land in the Humpty Doo area.

Mr PHILLIPS: I can provide the committee with a list of ...

Mr WOOD: Okay, because that is one area that is specifically lacking.

Mr CHAIRMAN: Is that a question on notice?

Mr WOOD: Yes.

Question on Notice No 9.1

Mr CHAIRMAN: Would you please repeat the question for the purposes of Hansard?

Mr WOOD: Minister, could you provide some details of any industrial land in the rural area that is being developed at the present time?

Mr CHAIRMAN: That is question No 9.1.

Mr CHAIRMAN: Just as a quick matter of housekeeping. When officials are taking note of the question on notice, and you have an opportunity, minister, later in estimates to answer that question, if you could refer to that question number so Hansard can easily find it.

Mr WOOD: That is my only question on industrial land. I might move around here because there are a few issues. One is on employment and in your employment ...

Ms PURICK: That is the next output group.

Mr WOOD: Oh, sorry, is it?

Mr CHAIRMAN: Yes. Output Group 2.0 Employment, Output 2.1 Workforce Growth.

Mr WOOD: I got the new program just now, so ...

Mr CHAIRMAN: If I could just clarify the estimates the output agenda: Business and Industry Development Support.

Mr WOOD: Okay.

Mr CHAIRMAN: Member for Nelson, if you want to re-order your questions, the member for Goyder does have a couple.

Mr WOOD: I have some more.

Minister, \$1.4m is one of your budget highlights to complete the Territory's National Business Online

Service, so you can contribute to the achievement of a seamless national economy performance by developing a one-stop online service for Territory businesses. Has that been completed, and what does it mean? Are you allowing a business to go to one spot online, and all the requirements that business needs to find concerning how to start a business in the Northern Territory will be there; they will not have to go here, there and everywhere?

Mr KNIGHT: Thanks very much for the question. I will refer to Ian Prince, director of Policy.

Mr SYMONS: While he is coming, there are two elements to the question. One relates to business online, which is a specific initiative related to business names, I guess. The Northern Territory government is looking more broadly at the other element of your question, which is moving to one portal through which business can interact with government, and get a whole range of information to deal with licensing and so on. I will pass on to Mr Prince for the business online.

Mr PRINCE: Ian Prince, Director, Economics and Policy, Department of Business and Employment. Member, the project you are referring to is a national COAG business reform program which relates to two streams of work. The first is establishing a national process for the registration of business names, and that will be managed by the Commonwealth and all states and territories will relinquish their business names registration capacity in April 2011.

The other element of the project, and this was commenced in 2006, was to bring business licensing and information services around Australia into a single national capacity which allows a business anywhere in Australia to access, through the Internet, information about business licensing, registration requirements, land availability, and a range of other things within a single national system. The service will be provided in a way which brands and badges the Northern Territory's information as Northern Territory government information, but it will be as they say, seamlessly accessible through a single national arrangement.

This is a very significant project because it means every license and registration requirement for Northern Territory business needs to be uplifted into the national system. The expenditure in the budget has been allocated out of the national partnership money provided by the Commonwealth under the national partnership seamless national economy to allow that information to be transformed into the right arrangements for loading nationally. That will happen next year as well, with the first release later this year.

Mr WOOD: If someone has a query on the registration of a company name, although it might be on the national list, if you want to ring up a department, will they be able to access that information easily, or will it be more difficult?

Mr PRINCE: No, more easily, and you will be able to examine Australia-wide requirements, not only the Northern Territory requirements. That will also link across to trademark information. The idea is to improve the quality and accessibility of business information, registration requirements and the like, permit arrangements for businesses in the Northern Territory and from around Australia.

Mr WOOD: Will planning requirements be on there?

Mr PRINCE: I believe there will be accessibility for planning requirements, for business advisory information, and a range of other things in addition to the business licensing information service.

Mr WOOD: Will it be road tested? I know you can get on to some government departments and get lost. If you want a particular form to fill in, sometimes that is difficult to get, and I will give you an example. I had to obtain a liquor licence for our cricket match. I got on to the Licensing Commission and pressed on what I thought was a correct licence - it was the only one I could see that was on the page - and when I filled it in, it came back and said I had the wrong one, and I had to go somewhere else, somewhere else, somewhere else. Is there any - if I am an interstate business that wants to come here, the last thing I want to do is to get frustrated with the web page. Will this web page get road tested to see whether it actually is user friendly, and will encourage people to come here?

Mr PHILLIPS: I believe it will be. There is a process of transforming the way business registration and permit requirements are accessed to put them into a smart form basis, so it can be done more effectively on line.

Mr WOOD: Do you ever ring up a business somewhere else - not in the Territory - and say: 'We would like you to do this. Here is our web page', and then see whether they can do it, so it is not just the people that are always involved in it, because they can do it because they know it? Have you ever given it a test run to see it actually does work?

Mr PHILLIPS: I am not the person, perhaps, to ask.

Mr SYMONS: I can answer part of the question. There are a couple of national initiatives that Mr Prince has talked about. There is the business names and there is the move to move a whole number of licences to a national basis. The idea of that, of course, if you are an electrician and you are registered in New South Wales, you can actually do work across the border and you will be accredited and so on. So, there are a number of licences which will become national.

The Northern Territory is also involved in a broader exercise which is what you are getting at, which is trying to provide, through one portal, access to information across government, whether it is information about individual programs; regulation requirements if you want to set up a restaurant - what accreditation you would need; planning and so on all through one site.

We are certainly looking at what other states have done here. Probably the best example at the moment is Victoria having one site for business to access. So, we are learning from them and, of course, we are also talking to business and, yes, we will road test it.

Mr WOOD: My last question there, minister, is probably a fairly broad question. There is \$17m in the budget to be spent on business and industry development. We talked today about budget outcomes and the requirements in your annual report for this section is to 'provide strategic programs and activities to support the sustainable business development, developing competitive Territory businesses'. I ask you to show me some concrete evidence that \$17m will actually support sustainable business development – therefore, I expect the businesses you have just given taxpayers' money to not to have gone bung, they were good business - and that you actually have developed competitive Territory businesses, because that is really what your charter is.

Mr TOLLNER: He is still working out what he is minister for.

Mr KNIGHT: I guess it is reflected in the Sensis Business Index about how businesses feel about the economy and investing in the economy, and their confidence in the future contracts they are assigned. I highlighted in my earlier statements, and other statements in parliament, that we have the highest business confidence in the nation. The work government does in that area is, obviously, support programs in running those upskills programs, and running the October Business Month which, basically, educates businessmen on areas to improve their businesses. We are getting that reflected in the index saying that we are doing a good job - we are doing the best job in Australia, basically - with the programs we are running.

I guess that is a way of quantifying what we are doing in that area. I do not know if my CEO has anything to add to that.

Mr SYMONS: It is, obviously, a very broad question. In a business environment it is a competitive process and, obviously, not every business survives. But, for its size, the rate of survival in the Northern Territory of businesses actually is pretty good, and is comparable to other small jurisdictions.

I believe another indication of, if you like, the growing capacity of NT business and some of the success that the money that the government has put in to support business, is the statistics in 2009-

10 of the amount of the NT government procurement that has actually gone to local business. For 2009-10, for the first nine months, 89%, in fact, of government procurement that is valued \$50 000 or more has gone to NT-based businesses, which is the highest figure to date, I think, that I can recall. So I think that is some indication of the developing capacity of local business, and sustainability of local business.

Mr WOOD: The difficulty I have with the department of Business is it is not like the department of Primary Industry where we talk about watermelons. You do a lot of things which are about continuing, encouraging and providing - I am just reading some of those fancy words they have put in the highlight document. I think it is worth at least asking that broad question, because there is a fair bit of money in this department, in fact, I think the budget is \$153.801m, so I think it is a fair question to ask, well, what are the outcomes? Can we see those outcomes, or are they just sort of survey-type feeling type outcomes rather than, can you give us some actual proof that these are actually making a difference on the ground? That is what I was at. I understand that is probably a very broad question for today, but that is what I would be looking at.

Mr KNIGHT: The major components are around the support programs we run through that business support area, plus our staff that actually go out as well. So, through the business index, there is a high rate of confidence in support programs. The programs we do run were getting increased participation and increased success rates, and satisfaction with those programs we were running. I think that is showing that we are engaging with business, giving them what they want, and helping them survive and support.

Ms PURICK: Does the department give any support funding to the Rural Area Business Group?

Mr KNIGHT: Yes.

Ms PURICK: They do. Okay, well that leads on to my next question. Can you tell me, or table a list, of how many industry groups received government support funding, and how much for each group?

I will go to another question. So this is funding that goes to industry groups to help them in their operations?

Mr KNIGHT: Sorry, we are just trying to get a list. We have a broad breakdown of the program grants, sponsorships. It is published in the annual report and we will try to get a list before that.

Ms PURICK: The funding support for the industry groups, plus the sponsorship that goes to industry groups for various events or activities.

Mr KNIGHT: I have a sponsorship list. We will just table that.

Ms PURICK: Thank you. And the industry groups?

Mr KNIGHT: And the industry groups, we will get that to you.

Ms PURICK: Okay, thank you. Does the department or the government give any funding support to the unions in the Northern Territory? Unions NT?

Mr KNIGHT: No. Not through this department.

Ms PURICK: Okay. So there is no funding support to any positions within the unions?

Mr KNIGHT: No, it is not a bad idea though.

Ms PURICK: Well, we might beg to differ on that, but anyway. Minister, did the department give any

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funding support to the May Day march this year?

Mr KNIGHT: I am not aware of any; I do not believe we did.

Ms PURICK: Not from the department?

Mr KNIGHT: No.

Ms PURICK: Okay, thank you. Minister, how much revenue is generated from the registration of business names?

Mr KNIGHT: I will seek some clarification for that question. It does channel its way from Justice, but it is around about \$490.

Ms PURICK: Is it possible to get an accurate figure, and how many business names it involves?

Mr KNIGHT: We would have to refer to Justice, so ...

Ms PURICK: Can you take it on notice?

Mr KNIGHT: I will just clarify with the Chair, given that it is not my portfolio. Just seeking some clarification; the member for Goyder is seeking an answer about a Justice area taken on notice.

Mr CHAIRMAN: The minister cannot take a notice a question for another minister, if that makes sense, but we can make a note of it.

Ms PURICK: Perhaps if I just put a question on notice to the Business minister given it is a registration of business names which is handled through his department.

Mr KNIGHT: No, it is handled through Justice, the registration of business names, and the shadow would like ...

Mr SYMONS: The Territory Business Centres provide a service through which business can actually access the functions of a number of other departments, so we provide that one-stop shop service; but business name registration is actually the responsibility of the Department of Justice and they receive the revenue, so it is actually in their budget.

Ms PURICK: Okay.

Mr CHAIRMAN: I would suggest either reword the question, or a question directly to the other minister.

Ms PURICK: Minister, has the department, similar to Tourism, purchased any domain names in regards to the use of the Internet?

Mr KNIGHT: Not that we are aware of.

Ms PURICK: Okay. Minister, is it the government or the department's intention to work with industry to regenerate the Trade Expo which was successful for so many decades? Are there any plans to bring the general trade expo back as an item of the Northern Territory business community?

Mr KNIGHT: Business Expo? Or are we talking about trade or are we on a different output or ...

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Ms PURICK: No, it is a business question. The expo that was previously coordinated through the Chamber of Commerce and other groups - is there any plans to regenerate that kind of accessibility for business?

Mr KNIGHT: Doug Phillips, some history on that?

Mr PHILLIPS: We actually have funded some expos but it was Alice Springs in conjunction with the Chamber of Commerce this year. We have had dialogue over the last few years with the Chamber of Commerce with respect to the recreation of the Darwin Expo. At this point in time, it is not on the Chamber's list of priorities. That is the advice I have been given.

Mr KNIGHT: That was getting out the business expos, I am aware of those, but I think the Alice Springs one run by the Chamber was not very successful, I think it was quite open about that, and they are going to look at the different format to make it work for business.

Ms PURICK: Thank you, minister. This is more of an electorate-based question, but there is some talk in the rural area about trying to do something similar, like a trade expo or business expo. Would your department be amenable if they were approached to assist in that regard, to promote the small businesses in the rural area of which there are hundreds, as you know?

Mr KNIGHT: We would look at it.

Ms PURICK: Thank you. Just one last question. Minister, in regards to the October Business Month, what was the cost of running it last year, and what were the participation numbers?

Mr KNIGHT: In 2009, 89 events were held; 4833 people attended those sessions across the Territory. The cost of that was \$186 000. I have a breakdown of events and attendees per region, if you like it.

Ms PURICK: That would be useful. Thank you, minister.

Mr KNIGHT: Darwin, 47 events - 3120 attendees; Katherine, 12 events – 177 attendees; Tennant Creek, 2 events – 32 attendees; Alice Springs, 24 events – 1417 attendees; Nhulunbuy, 2 events – 35 attendees; others, 2 events – 52 attendees.

Ms PURICK: Thank you. I noticed in your breakdown there were no events held in the Top End rural area. Could I ask at the next October Business Month consideration be given to holding some kind of event for small businesses that operate in the rural area?

Mr KNIGHT: Absolutely.

Mr CHAIRMAN: Member for Nelson, you indicated some other questions in this area?

Mr WOOD: On employment. I wanted to ask some questions on Defence Support, but I thought it was amalgamated into one.

Mr CHAIRMAN: This is the output for Defence Support, so if we move on from here ...

Mr Tollner: You will not get an opportunity, if we move on from here, to ask about Defence Support.

Mr CHAIRMAN: If you have a Defence Support question, ask it now.

Mr WOOD: Has your department had anything to do with negotiations about purchasing Defence land, for instance the 11 Mile? Also the training area Defence wants, which is the land to the east of

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Robinson Barracks, are you involved in any of those discussions?

Mr SYMONS: There have been discussions with Defence, not negotiations, discussions with Defence about land they may not have future use of, or need for. Also, about some specific requirements they have where the Northern Territory government may be able to assist for land the Northern Territory government has. That is as far as it has gone at this point. There have not been specific negotiations in relation to particular sites.

Mr WOOD: Minister, has your department had any input into the possible removal of the houses from Larrakeyah Barracks, and the future removal of houses from the RAAF Base?

Mr KNIGHT: No, we have not at a personal level. I have been making inquiries but not ...

Mr WOOD: Do you see a role for your department?

Mr KNIGHT: I guess it would be more of a defence liaison approach. In the past I have had some inquiries, I imagine from the same house removalist that may be engaging with you. I think it is a good idea if it is feasible. Certainly for RAAF Base Darwin, I know there is much flagged for removal there, and if it is achievable it should be pursued. I would support where you are going with this about putting those houses out in the rural area.

Mr WOOD: Have you had any discussions with the Department of Defence about constructing a second entrance to the western side of Robinson Barracks? Do you get involved in any of those discussions?

Mr KNIGHT: Not in this portfolio, no.

Mr WOOD: You may not be able to answer this question: do we need a Minister for Defence Everything? Defence is a big player in our community, a big employer, big service user and has a big effect on our housing. What I think is missing in the government is someone who concentrates on those bigger, overall defence issues, where you only concentrate on business.

Mr KNIGHT: Yes, I guess defence support and business are very linked about supporting Territory businesses and getting access to the defence dollars. If getting an access road into one of the bases improves that opportunity, then of course we will do it.

The Chief Minister taking on Defence Liaison signifies the level we regard defence; being the Chief Minister and acting with the high levels of defence.

There was also a forum recently with the heads of defence, the different arms of defence, and all the CEO's of government departments about where the feds was going, where the Northern Territory government was going, and trying to link that up. There was fairly high-level contact about future plans, difficulties, where the development of the NT government is pushing, and how that crosses over with expansion of housing, or places, or whatever it might be, or difficulties in those areas. It happens at a whole range of levels, and I do not think the ball gets dropped at all. We have a very close relationship with Defence.

Mr WOOD: Just a last one: Tiger Helicopter maintenance. Are there opportunities for private industries to be involved in that?

Mr KNIGHT: I will just refer to Ian Cargill.

Mr CARGILL: With the Tiger Helicopters, we have worked for several years with Australian Aerospace, which is the manufacturer for the Tiger Helicopters in Brisbane. Unfortunately, due to the complexity of the craft, there is not a great deal of opportunity for any businesses here to engage.

There are some minor stuff - ground support equipment, that sort of thing. The helicopters, being new, are not at the stage yet where they really require a lot of maintenance at the low level here. There is a number of small openings, I guess, to provide support but, generally, even though 17 of them are based - or will be based - here, there is not a lot of capability extant in the Territory to support the greater needs of the helicopters.

Mr WOOD: Based on the argument about freight and taking Abram tanks to Queensland, I would have thought it is even more costly to be flying helicopters to Queensland and back again.

Mr CARGILL: I imagine it would be.

Mr WOOD: So, is there an argument, therefore, that there could be a place for a niche company to work on these helicopters in the future?

Mr CARGILL: Again, the technologies within the helicopter structure and its basic body build - the composites that is constructed from - the capability to do other than minor repairs does not exist here. It is all done in the Brisbane facility.

Mr WOOD: Okay. I am going to go to a different area. I will go to employment ...

Mr Tollner: No, no.

Mr WOOD: That is all right. I was not sure whether the member for Goyder was doing employment questions ..

Ms Purick: No, no.

Mr CHAIRMAN: I appreciate your assistance in chairing the meeting. That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – EMPLOYMENT **Output 2.1 – Workforce Growth**

Mr CHAIRMAN: We now move on to Output Group 2.0, Employment, Output 2.1, Workforce Growth. Are there any questions, shadow?

Mr TOLLNER: As a matter of fact, there are. Could you tell me what are the growth sectors of the Northern Territory economy when it comes to increased employment in the last 12 months?

Mr KNIGHT: Mr Jenkinson.

Mr JENKINSON: Good morning, Kim Jenkinson, Executive Director of Employment. The major employment sectors by industry sit around the top three of them: retail trade, health and community services, and government administration and Defence. They account for a significant proportion of the employment sectors in the Northern Territory.

Mr TOLLNER: Two of those three are government. Minister, your government is trying to plug the gap since the collapse of private investment with borrowings. Can you tell me what employment sectors are most likely to be affected by the collapse in private investment?

Mr SYMONS: A collapse in private investment is perhaps not an accurate description of what has happened ...

Mr TOLLNER: Well, it has fallen from \$3.5bn ...

Mr CHAIRMAN: Member for Fong Lim, Mr Symons has the call.

Mr SYMONS: ... and it also grew very rapidly just before that. It is the nature of the NT economy, being a relatively small economy. It has been the nature for, certainly, the last 20 years, that major projects have a very big impact. The scale of private investment that is associated with the G3 Alcan project, the ConocoPhillips tri-gas processing train, and even the Blacktip, the private investment associated with that, those projects tends to swamp NT figures, and so that is why you see the very rapid growth in private investments associated with those projects and, inevitably, a reduced growth rate when they drop off. Private investment is still positive; it is just that the growth rate has reduced.

Mr TOLLNER: All right. From the previous answer, I understand that two of the top three demands for increased employment are coming from the government. That flies in the face of government saying that they are trying to put a cap on public sector levels. Aside from retail, what are the areas where you expect, or where you received increased employment growth in the last 12 months?

Mr KNIGHT: We do not have that level of detail, but we will try to provide it.

Question on Notice No 9.2

Mr CHAIRMAN: Could you ask the question again, for Hansard?

Mr TOLLNER: Employment growth in the last 12 months has predominantly been around public sector and retail. What other employment growth, in other sectors, have we seen in the last 12 months?

Mr CHAIRMAN: That is question No 9.2.

Mr TOLLNER: What are the key skills that the Territory is lacking at the moment?

Mr JENKINSON: If you go to our website, you will find that there is an occupation shortage list on that website. It lists some 116 occupations that are predicted to be in shortage for the coming year. I can table a list of those if you wish, but as I say, it is sitting on the website.

Mr TOLLNER: That is all right. What education and training programs have you developed to grow our own and to fill those positions?

Mr KNIGHT: We recently announced the \$131m Jobs NT program. Are you aware of that?

Mr TOLLNER: Yes.

Mr KNIGHT: That is a significant training and development program.

Mr JENKINSON: Do you want a breakdown of the whole program?

Mr TOLLNER: Well, my question was, specifically, what education and training programs have you developed to grow our own to fill the positions that are identified as being in demand in the Northern Territory?

Mr KNIGHT: I will defer to Mr Jenkinson for the exact details.

Mr JENKINSON: Our colleagues in the Department of Education and Training are the people who run the education and training programs. The data that we give them from our labour market forecasting

of what we need in the future builds their profile of what they purchase for training. They actually purchase training on the basis of where our skills shortages that we have identified are. The apprenticeship and traineeship program, for example, has a record number of people sitting in training. A lot of those are directed towards the skills shortage area. Certainly, Jobs NT has a component of employer incentives to incentivise industry to take up apprentices in the skills shortages areas as well. And that is how, from the employment side, we direct the training profile that sits within the Department of Education and Training.

Mr KNIGHT: \$280m, I think, is in there.

Mr JENKINSON: That is correct, minister.

Mr TOLLNER: Moving along. Can you tell me what the fate of CDEP workers in remote communities will be?

Mr KNIGHT: I do not think this particularly comes under my portfolio.

Mr WOOD: Just something else on the same subject. Minister, you do have under your output Group Employment:

Continue to identify employment opportunities in remote communities and provide relevant training and workforce development strategies through the Indigenous Training Employment Program that lead to employment outcomes.

I think the member is saying something I am very passionate about. If we are going to lose 500 people by the end of the year, surely your department would be looking at strategies to try and fill some of these jobs?

Mr KNIGHT: We have a target within Jobs NT of 3000 Indigenous employment starts over the life of the program, so we do have ...

Mr TOLLNER: Well, more specifically ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: We do have a range of programs specifically for Indigenous employment, if you want us to rattle through those. You are talking about ...

Mr Wood: I don't want to take over these question but I ...

Mr KNIGHT: We have a broad ranging employment strategy for Indigenous people. You are talking about a specific job matching program that was offered by the Commonwealth and Territory governments. So ...

Mr WOOD: We are asking what help can you provide for 500 people who will be out of work?

Mr KNIGHT: Yes, I will just refer that to Kim Jenkinson.

Mr JENKINSON: Member for Fong Lim, the question you asked is related to the Transition Program of CDEP in the shires.

Mr CHAIRMAN: I might suggest that all mobile phones are turned to silent.

Mr JENKINSON: Member for Fong Lim, we work actively with (inaudible) in an active role with the

Department of Local Government and Housing and Regional Services who have primary carriage of putting together the program to ensure that there are not 500 or 250 people out of a job at the end of this year. That work is still ongoing right now, and we hope to have some resolution to that in the near future.

Mr TOLLNER: Okay. Well, the 250 people you mention are losing their jobs at the end of this month. What is happening with them between then and the end of the year?

Mr JENKINSON: I understand the Minister for Local Government and Housing has made a statement that funding will be continued for six more months, and in that process we will have finalised a way of moving forward.

Mr TOLLNER: Yes, well, what the minister announced is that they would only carry on the Northern Territory government funding, they would not carry on the Commonwealth funding. What is happening to those people who will be losing, in effect, their jobs?

Mr JENKINSON: I understand that the funding that has been arranged will mean that no one is going to lose their jobs for the next six months, but it is probably an issue to be taken up with the Minister for Local Government and Housing.

Mr CHAIRMAN: There are just a couple of issues here. One, we are here for the Territory budget, so obviously witnesses present cannot necessarily talk about the Commonwealth budget; and then the other point is that while this department has a role, the lead agency is the Department of Local Government and Housing which has been before, so there is an element of questions here which the witnesses present can answer but we just need to bear in mind those two points about Commonwealth funding and another agency.

Mr TOLLNER: Determined what they want to answer. All right, what is the status of the Regional Job Hubs?

Mr CHAIRMAN: Once we have that answer, minister, we will take a five minute break.

Mr KNIGHT: The Job Hubs, the one in Nhulunbuy, there has been a recruitment process going into that position. In lieu of that person being there, we have had senior officers from the department continuing an active presence, including the appointment of a senior workforce growth officer in June this year. There have been several attempts in Tennant Creek to fill that position, and we are looking at another method of dealing with that situation. The concept is sound, and supported by the federal government.

Mr CHAIRMAN: On that point, member for Fong Lim, we will take a five minute break.

The committee suspended.

Madam DEPUTY CHAIR: Thank you, we are recommencing. The Chair will be returning shortly, but has asked me to keep things moving. We are still in Output 2.1, Workforce Growth.

Mr TOLLNER: Minister, there seems to be a lot of confusion out there amongst business and industry about the provisions of the new Fair Work Australia laws. Can you advise what your government is doing to address that information gap?

Mr KNIGHT: I will refer that. I have been meeting with a range of businesses. I am not saying it is coming across as the biggest issue out there, certainly the industry groups that represent the big bodies have raised it, the Chamber has raised it. I think it is one of the subjects for the presentations of answers to be included in October Business Month. I will just refer to Doug Phillips for more specific details.

Mr PHILLIPS: Thank you, minister. We have been working very closely with Fair Work Australia. We have also been working with the Chamber of Commerce. We have modified and adapted our upskill workshops to conduct sessions for business to know more about the changes to the award modernisation. In addition, as the minister indicated, we have made it a focus in this year's October Business Month.

Mr TOLLNER: Okay. Up until July last year, I think, the government was sort of expending somewhere around \$1m a year on the Northern Territory Workplace Advocate. Why was that position shut down right on the eve of some major changes to workplace laws in the Northern Territory?

Mr SYMONS: The Northern Territory government have not employed an NT advocate, I think you must be referring to a Commonwealth position.

Mr TOLLNER: No, the Commonwealth position was the Office of the Employment Advocate. The Northern Territory government had a position of the Northern Territory Workplace Advocate, it ran from 2007 to ...

Mr SYMONS: The OCPE did take on a role about 18 months ago. Is that the position you are talking about?

Mr TOLLNER: No, I am talking about the position of the Northern Territory Workplace Advocate. It was funded through, I think, the, well, who funded that? It does not even say here, but ...

Mr SYMONS: It would have been the Office of the Commissioner for Public Employment. The Commissioner for Public Employment is the agency that actually gets involved in industrial relations policy, rather than the Department of Business and Employment, so we provide support and information to the business community and, as Mr Phillips indicated, we have been working closely with *Fair Work Australia* to help business understand what those changes have been.

Mr TOLLNER: That is fine. You are certainly right it was funded through the Commissioner of Public Employment but it was fundamentally a role to advise private industry people on how to deal with regulations, workplace relations laws in Australia. Surely, minister, your department would have been aware the NT Workplace Advocate's role would cease from the 30 June last year. What representations did you make to the OCPE to ensure that position would remain so that person could continue to advise private sector industries and businesses on the very complex new workplace relations laws?

Mr KNIGHT: I guess that was an area which came under the Minister for Public Employment for that position. The Commonwealth in the roll-out of the *Fair Work Act* had a range of funding they provide to, I think, the Chamber of Commerce and a number of other organisations to get the word out there, and obviously we are doing more work now within the area of business directed to business.

Mr TOLLNER: Seems from the information you have presented here that you were not really aware the NT even had a Workplace Advocate in the past.

Mr KNIGHT: No, you seem to be indicating it was within the department of Business but ...

Mr Tollner: No, I never indicated that at all.

Mr KNIGHT: You asked the minister for Business about a position which did not exist within the department of the ...

Mr TOLLNER: That is right, it does not exist within the department. Does that mean your knowledge is solely confined to what happens in your department?

Mr KNIGHT: No, you inferred it was sitting within the department ...

Mr TOLLNER: No, please do not misrepresent me.

Mr KNIGHT: I would not dare represent you, but ...

Mr TOLLNER: No, please, do not misrepresent me. I have asked you about the NT Workplace Advocate; I acknowledged it was a position that was funded through the Office of the Commissioner of Public Employment, I know that. What I am saying is that position would impact on business and industry right across the Territory, and I am asking you whether you are aware that position even existed.

Mr KNIGHT: I was aware that the position existed, but you were in inferring that the position was in the department of Business. That was your original question. So you actually ...

Mr Tollner: We won't labour the point.

Mr KNIGHT: We will go back to *Hansard* and it will show that you inferred it was in the department of Business. You have that wrong, and you are going to have to acknowledge that for sure.

Mr TOLLNER: If I gave that impression, I apologise, it certainly was not my intention. My intention was to find out whether you have made representations to the minister responsible, or other parties, about maintaining that position of NT Workplace Advocate to assist employers with the considerable confusion that exists out there in the workplace to deal with the new complex Fair Work Australia rules.

Mr KNIGHT: As I stated, there was a range of funding provided to peak bodies from the Commonwealth government around the *Fair Work Act*, and also a range of promotion and information we are doing currently; so that is what the department of Business is doing in this area.

Mr TOLLNER: Minister, how many 457 visa applications were approved this financial year?

Mr KNIGHT: I will refer to Kim Jenkinson for the specific number.

Mr JENKINSON: The number for the 2009-10 year until the end of March, the number of certifications done by this department was 12.

Mr TOLLNER: Can you tell me what the number was for the previous financial year?

Mr JENKINSON: Yes, I certainly can. The number in the 2008-09 year was 242.

Mr JENKINSON: Yes I can. The sudden drop off is in relation to the changes made by the Australian government in their policy environment. The visa regime is managed by the Australian government policy.

Mr TOLLNER: Can you tell me the status of the international skilled employment visas?

Mr JENKINSON: I am not sure what you mean by the 'international skilled visas'. Are you looking for a subclass of visa?

Mr TOLLNER: What has the Commonwealth done that has affected the sudden drop off of skills ...

Mr JENKINSON: Member for Fong Lim, there has been a range of changes over a range of visa

classes in the last year that the Australian government have made. One of them is to introduce higher industry efficiency levels under a 457. We are seeing changes between all visa subclasses up and down. Visa subclass 457 has decreased. We have seen employer sponsored visas increase. We have seen international student visa applications increase in the Northern Territory. When we talk about the whole visa regime, we have seen the changes made by the Australian government ricocheting through a number of visa subclasses.

Mr TOLLNER: Can you give me an idea of people who came to the Northern Territory through a class of skilled employment visa, whether it be 457, or something else? Please exclude the ones for student visas.

Mr JENKINSON: The visas the Northern Territory sponsors and certifies are all against our skilled shortages areas. The people we have certified under employer nominated schemes, and under 457s, and under temporary or permanent residence for international students, are in our skill shortage areas.

Mr TOLLNER: I am trying to determine if there has been a drop off of skilled migration in the Territory? I know you said there has been a drop off in 457s, but there has been an increase in employer sponsored visas. Have we seen a drop off in the last two years?

Mr JENKINSON: Absolutely not. In fact what we have seen is an increase in the skilled migration numbers we are processing in the Northern Territory. That is across quite a range of visa subclasses. As I have said, one particular class has dropped off, the 457, but the actual numbers are increasing. However, the Australian government controls the policy environment, and we are not privy to what might come through in the next six months.

Mr TOLLNER: Yes, I understand that. For the record, you might want to take it on notice, can you table a breakdown of all skilled migrants who have come the Territory through programs your government is part of, which demonstrates there has been an increase in skilled migrants into the Northern Territory, and identify which programs they are coming in under? You identified a drop in the 457s, but you showed an increase in the employer sponsored visas. Can you also, with that list, identify what countries the people are coming from?

Ms MARTIN: Mary Martin, Director of Workforce Growth and Skilled Migration. Those statistics, the actual visa grants and the statistics for all skilled migration are released by the Commonwealth government. The Northern Territory does not approve these, as it certifies regional and skilled migration ...

Mr TOLLNER: No, but you will have a database of individuals and businesses that you have dealt with, and you will know who has been approved and who has been rejected. I am not after the information that the Commonwealth has, I am after the information the Northern Territory government has.

Ms MARTIN: We can give you the statistics of what we have certified. It is a certification process, not an approval process.

Mr TOLLNER: That is right. No, I understand that.

Mr MARTIN: There are Commonwealth statistics available on the Department of Immigration's website that show very clearly the changes in 457 Visa grants. It also provides detailed pools of 457 Visa holders in jurisdictions, and by countries.

Mr TOLLNER: I understand that; fully cognisant of that fact. What I am trying to get at is the information that is held by your agency as to what intervention you have taken - certification and the like - and where they have come from - what countries, what industries and the like. Basically, a breakdown of what you guys do, not what the Commonwealth does, in approval process – but what

you guys have done in that regard.

Mr CHAIRMAN: So that is a question on notice?

Mr KNIGHT: You just need to restate the question. It has moved a bit from the original one that was put to him. Member for Fong Lim, can you restate the question and we will take it on notice.

Mr TOLLNER: What I am interested in finding out is the information pertaining to skilled migrants who have come to the Northern Territory that the department has dealt with, broken down by industry, by country of origin, and by class of visa. Is that possible...?

Mr CHAIRMAN: Before I assign that a number, is that actually possible?

Mr KNIGHT: I seek clarification from Kim Jenkinson.

Mr JENKINSON: We can table the actual numbers between visa classification of breakdowns for the last four years. We can table that right here and now. We cannot table and we cannot give you the breakdown of which country. We do not keep that data.

Mr TOLLNER: Okay, all right. Can you give us the breakdown of which industry or sector of the economy those people are going to? You should be able to because you determine where the skill shortages are.

Mr JENKINSON: Yes, we can, but we will have to pull that out of archives to go back to – last year?

Mr TOLLNER: To make it easier, the last two years. This financial year and last financial year.

Mr CHAIRMAN: So, the year to date.

Mr KNIGHT: This is only what we certify, not what gets approved

Mr JENKINSON: That is right.

Mr TOLLNER: No, I am only interested in the Territory government's role, not what the Commonwealth does with approving visas and the like. There is no doubt the Territory government ...

Mr KNIGHT: It is a two-stage process. We certify and they approve.

Mr CHAIRMAN: We need that as a new question on notice, because some of the question is being tabled now to part of the previous question. We need a new question on notice, member for Fong Lim. I need that as a question on notice.

Mr TOLLNER: Oh, sorry.

Mr CHAIRMAN: The question that we had, the long question got tabled and mainly answered that, so we need a new question on notice around what we just discussed.

Mr TOLLNER: Sorry. You have tabled the information about the percentages break-ups?

Mr KNIGHT: Break-up.

Mr TOLLNER: You are going to dig up the information on industries and that sort of stuff.

Mr KNIGHT: You were asking for the government certified visas - and this does not reflect what

actually gets approved ...

Mr TOLLNER: No, that is correct.

Mr KNIGHT: ... by industry and nationality.

Mr JENKINSON: We cannot do nationality.

Mr TOLLNER: You cannot do nationality.

Mr CHAIRMAN: I just need a question around the skills.

Question on Notice No 9.3

Mr TOLLNER: What I am asking is, what visa holder has government intervened in by industry? Sorry, not intervened - had involvement with, certified, or advised.

Mr KNIGHT: What applications have we certified?

Mr JENKINSON: Can we do that by ASCO code, please – occupation code?

Mr TOLLNER: That is fine. Yes, occupational code.

Mr CHAIRMAN: That is question No 9.3

Mr TOLLNER: I have a lot of questions remaining, so I might just leave it back on this particular output group.

Mr CHAIRMAN: I will defer Output 2.1, Workforce Growth.

Mr WOOD: Minister, in relation to Aboriginal employment, in your budget it highlights, you say that there will be \$0.3m in 2010-11 to establish and deliver the NTPS Entry Level Indigenous Employment Program, employing 60 Indigenous recruits in 2010-11, and up to 80 from 2011-12 in entry level positions in the Northern Territory Public Service. Minister, how many of those positions are from Indigenous people who live in remote parts of the Northern Territory?

Mr JENKINSON: The program we trialled last year that was the basis for this program under this budget was predominantly around urban locations. As we roll this program forward for the next three years, the notion is that we will extend further into remote areas. I am hoping we will be up to about 50%. Part of that will be around some of the work we are doing under our Local Jobs for Local People Framework within the Local Implementation Plans that are being developed now.

I cannot give you an exact number of what that would be, but we would be looking to aim to 50% of the program being in remote and regional areas, and that is particularly why, in the last year, we go to 80, because we hope to have had a lot of the issues around small training cohorts sorted by then.

Mr WOOD: Good to hear, minister. I will probably ask the question next year, because I think what sometimes – there is a certain bias when it comes to Indigenous employment, I think, in the public service, and when you dig down deep, a lot of the Indigenous people we really would like to get jobs for are not the ones that we are getting the jobs for, we are working on the urban areas ...

Mr KNIGHT: That certainly is a focus of the *A Working Future* growth towns, is to try and get those

positions out in the bush, and, I guess, going forward with the housing management, with public housing out there, what model it takes, but certainly the model is being used on the Tiwi Islands with, basically, having a Territory Housing office out there seems to be working quite well, but it also provides some NTPS positions there, which have offered the opportunity to come in and progress through the NTPS. The focus of the growth towns is that they are trying to get more local representations of agencies, and then that opens the door for people to come into the public service and move up through the line. Also, as part of the strategy around the jobs guarantee for Year 12 leavers, we are offering guaranteed positions, and just one last one.

What I am also very keen on in my experience at Emu Point outstation, and also other places around the VRD, I am aware of a lot of remote kids going away to colleges. They are achieving Year 12, and we want those kids to come back into the Territory, because there is quite a lot of them.

Mr WOOD: I was going to ask then, there are not a lot of Year 12 positions in remote communities, because there are only a few secondary schools, so are you guaranteeing those people who pass Year 12 in a remote community will get a job?

Mr KNIGHT: Yes, that is part of our jobs guarantee.

Mr WOOD: I need to refer back to CDEP, and the reason is I was going through the minutes of the Council of Territory Cooperation from a meeting it had on 12 May with MacDonnell Shire. We were talking to a Mr Doolan, and he said:

When we were CDEP, for instance, with Titjikala with the tourist industry, we had 64 people employed. Today, we are lucky to have 10, because we lost all our CDEP, and we cannot run the camps or anything like that. So when the intervention came into it, they killed a lot of communities, and locals are saying, you know, like the people who worked for the community government council in the old days were actually up there giving the younger generation [there is an audible word there] on how to get where they were, but when the intervention stepped in early, it killed early.

Basically, they are saying that now the CDEP program has been cut in Titjikala, a fairly remote community.

Do you think your department has to lift to the challenge of trying to get either the Commonwealth to put money back into these jobs, or the NT government has really got to step into the breach where the Commonwealth is not? Because I understand there is a lot of money, but here is the reality on the ground – 64 people employed, now they only have 10. In a remote community that must have a drastic effect both socially and economically on that community, 54 people who are either on the dole or do not have jobs.

Mr KNIGHT: We are doing policy work, in this area. Typically, CDEP was basically welfare, unemployment money for the wages component and there was a recurrent capital component for the participant as well as for programs, training, or the administration of it. I have seen areas which do not have CDEP and it is very difficult, the outstations around Tennant Creek and then, obviously, more involved in Timber Creek where we had some 300 CDEP employees. Sometimes when you get money out of a contract coming up you are able to employ a lot more people.

I do support the CDEP program; it works on a range of levels and is a community development program and an employment program. So, where employment positions are scarce it is at the core of it, it is a development program that keeps people busy, it keeps the communities neat and tidy, and I do not think it is appreciated as much as it really should be, and I do not think it should be confined to Aboriginal communities, I think it is a program that could be well effected right across every single community, urban and bush, across Australia.

Mr WOOD: I could go on for a fair while because I think Aboriginal people should be given full employment; it should not be called CDEP and it should not be called Work for the Dole, but the issue I have - you were Local Government minister during the amalgamation, or part of the amalgamation -

one of the benefits, the real benefits, if you look up the website for the amalgamation of councils, was real jobs, and what I am seeing is the complete opposite.

One of the policies of the government is Closing the Gap and I see this as widening the gap, so I am saying to your department, as the Department of Business and Employment, have you got strategies that can have a real effect on turning this around, because I think this will be disastrous in many Aboriginal communities, both socially and economically, if they do not get full employment. If by Christmas these people have lost their jobs, we have taken an enormous step backwards, we are putting people on welfare and I think while we do that we are just widening the gap.

Mr KNIGHT: I think we have said before in previous questions, we are trying to work with the Local Government department to do that work over the next six months but, it has to be remembered, the people who are actually gaining full-time employment were actually on CDEP basically 18 hours a week before the job matching program actually came into place. So, it is sad, but I guess we will try to work around that and try to get those people gainfully employed.

Mr WOOD: Thank you, minister. It is more than sad. I think it is a disaster, and if we do not fix it by Christmas we are just going back, we are not moving ahead, there is no vision and, unfortunately, without money to employ people we are just going around in circles.

Mr KNIGHT: There are several thousand people who were on CDEP across the Territory, you are talking about a few hundred, and they are significant; however, something broader needs to happen with the program, with economies for these communities because they will not survive on government dollars.

Mr WOOD: You have amalgamated councils, minister; they are the opportune body to pick up the employment. They are traditionally recognised in a lot of outback Australia as a key area, or a key body, which can create employment. Surely, your department can lobby the federal government to not only halt the change in CDEP, but put more money back into employment. You are the Department of Business and Employment; you are looking at positive outcomes. There needs to be something cranked up, on an urgency basis, to ensure this does not happen by Christmas.

Mr KNIGHT: We are actively working on that. In the procurement area we are trying to award more contracts to the shires so they can have more money coming to them. At the end of the day, shires can only employ people on full-time wages if they have the money and work to do it. That is the reality of things. If it does not come from own source revenue, it has to come from government. If it is for those 200 to 300 people, why is it not for the 3000 people across the Territory?

Mr WOOD: I am saying it should be. If the Commonwealth has a policy to have remote communities, it should support them. I have probably taken up my time, minister.

Mr KNIGHT: You have strayed slightly, but I accept what you are saying. I think there is a broader philosophical policy question here about the cost to government, and the community, of having people on unemployment, as opposed to topping up their wages to full-time employment and actively participating in the community - the opportunity cost there.

Mr CHAIRMAN: I believe the Member for Braitling has a local member question.

Mr GILES: Minister, as Employment minister, what presentations have been made to you by any unions, and can you detail which unions, in representing the Indigenous people who will lose their jobs as a results of this funding cut by the Commonwealth.

Mr KNIGHT: I cannot recall.

Mr GILES: No presentations?

Mr KNIGHT: I cannot recall any presentations to myself.

Mr GILES: Or to your department?

Mr KNIGHT: Or the Department of Business and Employment, but you would be well aware this program has been run through the department of Local Government - primarily this case you are talking about. I cannot recall any presentation to me from unions.

Mr GILES: The only reason I ask is I have tried to speak with union representatives to see if they will stand up for these indigenous Territorians who will be sacked. I have not been able to get any action on that, and was wondering whether you, or the department or government in general, has had any representations made to protect the interests of those employees who will be terminated.

Mr KNIGHT: The union movement plays an important role in our community; they are a great part of our society and, through the local government reform, workers rights and union membership have significantly increased. People have become more aware of their rights and negotiating powers through the certified agreements. There are many certified agreements operating for the first time which people are operating under.

I cannot recall any representation. I would imagine they would probably be talking to the minister for Local Government, not me.

Mr GILES: As an employment issue I thought they might have spoke to you. I am quite disappointed they are keen to run election campaigns but not stand up for people who get sacked.

I am sure you do not need to look at any notes, I am sure you have this one well versed, what is the unemployment rate in the Northern Territory?

Mr KNIGHT: 2.9.

Mr GILES: Well done. Federally, they talk about unemployment rates of 5% being around full employment, and below 5% starts to have an impact on wage breakouts and inflation.

At 2.9%, what modelling have you done to look at the impact on wage inflation and wage breakouts, and how that causes significant economic problems in the Northern Territory?

Mr KNIGHT: I accept your question, however when you take into account fictional employment or unemployment - we basically have full employment in the Territory. Certainly, within certain areas of the Territory - not in remote, and that is a great untapped labour force, not only for the Northern Territory, for the rest of Australia.

Mr KNIGHT: Treasury may have done some, certainly not this department with respect to inflation.

Mr GILES: The employment component of your department has done no modelling to look at impacts of the unemployment rate below full employment or around full employment, and the impact on the economy.

Mr KNIGHT: I think our job is to try to get people jobs, and we have been successful. Obviously, the effect on inflation would be handled by the Treasurer. It is slightly out of their hands as well. Certainly, through our Jobs NT we are trying to grow our own, get interstate workers here, and trying to support international migration here. We are trying to attract workers here to the Territory; that is our role. We try to cater for the labour force that we have here. That is our role within employment. I guess it has been largely successful. The policies of government have been largely successful in attracting investment here.

Mr GILES: All right, I will leave that there.

Mr CHAIRMAN: That concludes questions at Output 2.1, Workforce Growth.

OUTPUT GROUP 3.0 – SHARED SERVICES

Output 3.1 – Finance Services

Mr CHAIRMAN: We now move to Output Group 3.0, Shared Services, Output 3.1, Finance Services.

Mr TOLLNER: I will pass in the interests of time. Maybe Gerry has something there.

Mr WOOD: No.

Answer to Questions on Notice Nos 9.1 and 9.2

Mr CHAIRMAN: Answers to questions on notice now. You can just refer to the question number as well.

Mr KNIGHT: So No 9.1 was in relation to industrial land, so I shall table that. No 9.2 was in relation to the labour force by industry data, so a breakdown of the labour force.

Mr KNIGHT: We had a question - and it was not on notice - in relation to the grant payments to industry groups. I have the 2008-09 completed figures which were in our annual report. As yet, we do not have the completed 2009-10 figures, so I am hoping you will accept these. I do not think it was a ...

Mr CHAIRMAN: No, that was undertaking to the member for Goyder.

Mr KNIGHT: I have a clarification and a question that was asked of a different minister last night. In relation to registering of domain names, we do actually have a domain name registered around the Invest NT registration, and that covers the investnt.com, investnt.com.au, investnt.net.au, investnt.net, and investnt.mobi. That was that.

Mr TOLLNER: Tourism NT comes under your department. You pay their bills?

Mr KNIGHT: Well, the shared data service does. But ...

Mr TOLLNER: Sorry?

Mr KNIGHT: The shared data centre does.

Mr TOLLNER: I know you have a separate minister, but the DBE looks after Tourism NT. Where does that ...

Mr KNIGHT: Well, it is financially separate, we just do the processing. Malarndirri McCarthy is the Tourism Minister.

Mr TOLLNER: Yes, but which department is Tourism NT in?

Mr CHAIRMAN: It is in a different output anyway.

Mr TOLLNER: All right, no worries.

Mr KNIGHT: There was a question asked of the Minister for Information, Communications and Technology, a policy.

Mr CHAIRMAN: Perhaps we can do that at your IT output. You have an IT output too. That is where the confusion was. Perhaps at that point, you could table that.

Mr KNIGHT: Right. So, where are we up to?

Output 3.2, Human Resource Services

Mr CHAIRMAN: We are up to Output 3.2, Human Resource Services.

Mr TOLLNER: How many public servants are on the payroll? That includes part-time, full-time and associated agency staff.

Mr KNIGHT: 18 000.

Mr TOLLNER: I am not after full-time equivalents, I am after how many public servants are on the payroll, and that includes part-time, full-time and associated agency staff.

Mr KNIGHT: This is the total NTPS? Correct?

Mr TOLLNER: Yes.

Mr KNIGHT: The total NT government paid employees as at April 2010 was 20 933. This is not FTEs either.

Mr TOLLNER: No. Is that an increase or a decrease since the 2008-09 financial year?

Mr KNIGHT: It is an increase.

Mr TOLLNER: Can you tell me what size of an increase it is?

Mr KNIGHT: Nine hundred and thirty-six. And those increases incurred in the Department of Health and Families – 479; Department of Education – 101; Power and Water – 98; - Police, Fire and Emergency Services – 65; and, the Department of Justice - 50. There is the primary increase, so, nurses, doctors, teachers, Police, Power and Water, our service people.

Mr TOLLNER: How many apprentices commenced employment with government in 2007, 2008, 2009, and this year to date?

Mr KNIGHT: We will just get that for you. So, you were looking for 2008, 2009, 2010, is that what you are saying?

Mr TOLLNER: 2007, 2008, 2009 – calendar years.

Mr KNIGHT: In 2007, 134. That is both apprentices and school-based apprentices. For 2008 – 88; and, 2009 - 106 combined. For 2010 thus far is 56.

Mr TOLLNER: Will more apprentices be employed this year as a whole than last year? Your estimates.

Mr SYMONS: We expect it to be approximately the same as last year. There are two intakes. There is

an intake in February and another one in August, so it depends on the August intake, but we would expect it to be about the same at this stage.

Mr TOLLNER: Can you outline the number of public servants that have claimed for workers compensation in 2008, 2009 and 2010?

Mr KNIGHT: Sorry, 2008?

Mr TOLLNER: 2008, 2009, and the year to date.

Mr KNIGHT: We will just do it as at April of those respective years. New claims in those particular years - April 2008 – 499; April 2009 – 487; and, April 2010 - 533.

Mr TOLLNER: No worries. Minister, you might want to take this one on notice. Can you give me a breakdown of those agencies where those claims occurred in those years?

Mr KNIGHT: Yes, we will take that on notice.

Question on Notice No 9.4

Madam DEPUTY CHAIR: Can you just repeat that, please?

Mr TOLLNER: I am just chasing a breakdown of workers compensation claims by agency for the years 2008, 2009 and the year to date. I do not mind, by the way, whether it is done in calendar year or financial year, I am just after a trend, but I am very interested in what agencies are what in that regard.

Madam DEPUTY CHAIR: For Hansard, that is question No 9.4.

Mr TOLLNER: I might just leave it there, bearing in mind we are running out of time.

Mr WOOD: Just one question. Is it possible to get the figures of the whole of NT Public Service in relation to, over the last five years, of the classification of staff, that is, how many people were at a certain classification, how many were in other classifications over those five years, and also, if possible, divide it up into department? I know that is not that easy, because departments change, whatever, maybe agencies?

Mr KNIGHT: I will just seek some from the CEO. Really, it is better again, from the Office of the Commissioner for Public Employment for that particular breakdown, also bearing in mind, we have had a number of EBAs probably two over that period, where there has been some changes in classifications as well, so a written question to the Minister for Public Employment ...

Mr WOOD: I will do that just to save time, thank you.

Mr KNIGHT: It is not a question to ...

Mr WOOD: It is okay. I check with the Chairman before if I could ask it.

Madam DEPUTY CHAIR: That concludes consideration of Output 3.2, and we now move on to Output 3.3.

Output 3.3 – Procurement Policy and Services

Madam DEPUTY CHAIR: Are there any questions on Output 3.3 Procurement Policy and Services?

Mr TOLLNER: I reckon I would have something on that. Minister, how many certificates of exemption were issued so far this financial year?

Mr KNIGHT: 127, I am advised.

Mr TOLLNER: 127. Minister, could you table a list of those exemptions and the reasons why they were exempted from the procurement process.

Mr KNIGHT: We will have to take that one on notice.

Mr TOLLNER: That is fine.

Question on Notice No 9.5

Madam DEPUTY CHAIR: Would you repeat the question for the purposes of *Hansard*, please?

Mr TOLLNER: Can the minister provide a list of certificates of exemption which were issued this financial year, and what those exemptions were for?

Madam DEPUTY CHAIR: For the purposes of *Hansard*, I allocate that question No 9.5.

Mr TOLLNER: Minister, in my Tourism portfolio of questions I asked yesterday, I think it was, of the minister, it was identified that Tourism NT received a certificate of exemption for web hosting facilities management and support services for 36 months. It was a \$420 000, close to \$420 000 contract. The company that got the exemption was ITNU. Can you explain to me why an exemption would be given for a web hosting service? I would have thought there would be dozens of them in the Northern Territory and around Australia for that matter.

Mr KNIGHT: That is quite a specific question; I will have to take that on notice.

Mr TOLLNER: That is all right, take it on notice.

Question on Notice No 9.6

Mr CHAIRMAN: Would you please repeat the question for the purposes of *Hansard*?

Mr TOLLNER: Can you explain why Tourism NT were given a certificate of exemption to tender to let a contract to ITNU Pty Ltd for \$419 760?

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate that question No 9.6.

Mr TOLLNER: Minister, how do you determine if a certificate of exemption is warranted?

Mr KNIGHT: I will defer to Graham Symons, there are a number of factors in there.

Mr SYMONS: I will get Mr Brad Irvine to answer that. Mr Irvine is the Chairman of the Procurement Review Board that monitors certificates of exemption, so he can explain the criteria for you.

Mr IRVINE: Many different bases of certificates of exemption being awarded or being approved. Some of it is sole supplier, therefore it is not expedient to do a public tender, limited supply and, in a lot of cases where there may have been a continuum of already existing procurement process in train.

Mr TOLLNER: All right. I have a fairly specific question in relation to the BER procurement contract, which is the one I mentioned earlier with Laing O'Rourke. They had a \$25m contract, I think, to do 15 schools.

Minister, I know many problems with the BER interstate, where we have seen massive cost overruns and, in some cases organisations paying two to three times the going rate for work, have been identified where projects have been grouped together. Can you tell me how the procurement process in the Northern Territory has ensured the problems of delivering BER packages in states like Queensland and New South Wales will not suffer in the same way?

Mr KNIGHT: I will refer to Mr Irvine.

Mr IRVINE: The approach taken by the Northern Territory government through the whole stimulus action group was the packaging was done in a way that matched the industry capacity. Specifically, the NT government avoided the managing contractor model which has led to some of the difficulties interstate. We have had more direct control over each package in the way the tenders have worked, and we have nominated and worked primarily with prime contractors and their subcontractors directly.

Mr TOLLNER: How do you ensure the same cost shifting occurring between projects interstate will not occur here when you grant a package of 15 urban primary schools in Darwin, Palmerston, Litchfield and Jabiru?

Mr IRVINE: That is a very difficult thing to manage. The nature of the contracts is lump sum, that is we do not have open book policy therefore it is very difficult to understand the basis of the costs being borne by the provider. Having said that, the packages were carefully considered by the agencies and the construction and infrastructure group, and they were through competitive tender processes. .

Mr TOLLNER: They were interstate as well, you are obviously aware.

Mr KNIGHT: Many businesses in the Territory have started off as interstaters, however I guess the rationale behind packaging them together was efficiencies and ...

Mr TOLLNER: That is showing not to be the case interstate. I am asking you about here; will we be afflicted by the same problems with the program as they are interstate?

Mr KNIGHT: We have adopted a different way of managing those projects; not the same way as they have had problems with interstate.

Mr TOLLNER: Can you explain what is different about the way you are managing the program to the way they are interstate? It seems very similar in this particular instance.

Mr IRVINE: The management approach taken by the Department of Construction and Infrastructure has been they work closely with the agency such as Education and Housing in the work they have undertaken, and the way they have administered and packaged the works is very much primary hands on. As I said earlier, the managing contractor role distances the principal from the work taking place, and therefore the government has a much ...

Mr TOLLNER: Mr Irvine, is that different from the way the program runs interstate?

Mr IRVINE: Yes, interstate the managing contractor is given the scope of what is to be delivered, and

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it is up to them to get the bids from the private sector organisations. They are the project managers on behalf of the principal, being the government; they are once removed, if you will. The principal does not necessarily see what happens in the bidding process.

Mr TOLLNER: In this particular case, you have 15 managers to operate 15 different urban primary schools under the contract, is that right?

Mr IRVINE: No, Laing O'Rourke is the principal contractor to us, the principal being the government, and therefore they are answerable to us. They have been awarded that work under a competitive tender process.

Mr TOLLNER: Sorry, Mr Irvine, you are going to have explain that one. I somehow imagined you guys had unpackaged it through the procurement process so that each school would be treated on an individual basis, rather than as a single project, which is what occurs interstate. Sorry, the package of schools is considered a single process interstate. What I want to know is: how that differs here in the Northern Territory when you hand one business 15 primary schools?

Mr KNIGHT: You have explained it. Whereas interstate the government contracts a project manager and, then, they deal with subcontractors, the schools, and the housing department all the way through, here, we do that interaction. Laing O'Rourke was recruited on a competitive tender. It is a fairly different role that government plays in the Territory here, and that seems to have proved to be quite successful.

Mr TOLLNER: I fail to see the difference. You have issued a package of 15 schools to one company as one tender. What was identified as part of the problems, rife throughout the BER, was there was cost shift that was allowed to occur within that tender between schools. How have you put in checks and balances to stop that happening here, in the case of this particular tender?

Mr KNIGHT: Because the prime contractor answers to government, and government works with the recipients of this. So, government plays an active role rather than a passive role.

Mr IRVINE: If I could put this into perspective; this was probably one of the bigger packages through the Building Education Revolution ...

Mr TOLLNER: It was the biggest, I think.

Mr IRVINE: It was the biggest. That is symptomatic of how they went about packaging the work. The fact is, on balance, by aggregating that particular piece of work, you are able to get the cost efficiencies. With the other smaller packages, it was easier to spread that work around to other contractors.

Mr TOLLNER: All right. Very quickly, minister, you tabled this document a little while ago - the Projects Above Industry Participation Plan and Policy Threshold. This package, marked here 'Package of 15 Urban Schools', is identified at an estimated value of \$15m. It does not correlate at all which is this one, the Package of 15 Urban Primary Schools, where the package is \$25m? I am just wondering which document is accurate here?

Mr KNIGHT: I think the \$25m. I apologise for that.

Mr TOLLNER: In relation to this document that you have tabled, would you like some time to go back to your department and have all of those numbers checked for accuracy?

Mr KNIGHT: We can do that. I guess what they do present, is the IPPs, the significant players, industry participation plans. We can check those figures.

Mr CHAIRMAN: You know what you need to table; you do not need to take it back yet. Do you want that actually on notice, or are you happy for that to be an undertaking?

Mr TOLLNER: No, I will put it on notice. That is fine. Well, all right. No, we will take it as an undertaking.

Mr CHAIRMAN: You will trust the minister.

Mr TOLLNER: Yes. Minister, there are contracts that have been let - I think they are three-year plus two - for road verges and the like. The current contractors, are three in the Top End region - Darwin, Palmerston, the rural areas, and a little further south. I have had a number of constituents come to me with concerns about the fact that these contracts have not been put to tender. People are concerned that they may well lose their jobs if these contracts are not let. Can you give me an idea as when the contracts for road verges and program maintenance and the like are to be put to tender?

Mr KNIGHT: It is probably a DCI question about upcoming tenders. Brad, do you have an idea?

Mr IRVINE: The Procurement Review Board three weeks ago approved the tender period of in excess of three years, that is for the five years. I understand that is now going to market. So it is not on the market but it shall be very soon.

Mr TOLLNER: Okay. I might leave it at that.

Mr CHAIRMAN: That concludes the questions to Output 3.3.

Answer to Question 8.19

Mr CHAIRMAN: It is an unusual situation but we have a question yesterday to a shared output which actually needs to be answered here.

Mr KNIGHT: It was asked of the wrong minister last night. I am happy to have that today.

Mr CHAIRMAN: The correct minister will answer it today.

Mr SYMONS: The question was of the latest ICT Service delivery contracts – how many traineeships are compulsorily attached to the contracts. That was the first part of the question. The answer is 21. The Question was 8.19.

Mr CHAIRMAN: It was actually a question on notice?

Mr SYMONS: Yes. The second part of the question was – the latest ICT Service delivery contracts being broken down to eight pieces, how many extra staff will be needed to manage those contracts and delivery standards. The answer strictly is zero extra costs because the contracts were broken into eight. There are some extra staff associated with the fact that the department is doing some of the billing and the department is managing some of the infrastructure side but it is not strictly to do with the increase to eight contracts.

Mr CHAIRMAN: That is question No 8.19.

Output 3.4 – Information and Communication Technology Services

Mr CHAIRMAN: Are there any questions to output 3.4, shadow minister?

Mr TOLLNER: Information and communication technology – yes, there is, very quickly. Can you tell me about inappropriate use of computers in 2009-10?

Mr KNIGHT: What year is it - 2009-10?

Mr TOLLNER: Yes, 2009-10.

Mr KNIGHT: There were six investigations of computer misuse by staff. In three cases disciplinary action resulted; two cases under police investigation; one case still under investigation.

Mr TOLLNER: That is it for this output.

Mr CHAIRMAN: That concludes consideration Output 3.4.

Output 3.5 – Office Leasing Management

Mr CHAIRMAN: We now move to Output 3.5 – Office Leasing Management.

Mr TOLLNER: Minister, can you tell me what is the status of occupation at the RCG Centre and who is suppose to go in there?

Mr CHAIRMAN: I will refer that to Mr Symons.

Mr SYMONS: The RCG Centre in 47 Mitchell Street, that is the building? Yes. Four floors are under lease there. Currently a fit-out is taking place and I think some of that is due to be finished very shortly. June.

Mr TOLLNER: Can you just tell me the cost of those fit-outs?

Mr SYMONS: No, we have not got the cost of those fit-outs because they are actually being managed by the Department of Local Government, Housing and Regional Services. They are funding them.

Mr TOLLNER: So they weren't tendered? I bet you will find they were not. I could tell you the tender numbers if you like, one of them at least.

Mr SYMONS: Apparently, they were all public tendered each of those fit outs.

Mr TOLLNER: The understanding I have is that there is two floors there that were tendered out, 45m by 35m and that was won by, I cannot see that at the moment, but it was the cost of that tender was slightly more than \$1.6m, that is \$800 000 to do a fit-out. Do you reckon that is good value for money, minister? To do a fit out?

Mr KNIGHT: I will just refer to Graham Symons.

Mr SYMONS: I will pass that to John Gleeson, the manager of the Northern Territory Property Management, he can give you indications on average what the cost per square metre of fit -uts are.

Mr GLEESON: John Gleeson, Director NT Property Management. The tendering for the fit-outs in that building, along with all other leased accommodation is managed by the Department of Construction and Infrastructure. Costs vary according to the proportion of closed office spaces and the quality of the fit-outs. It is in the range of \$1250 to \$1600 per square metre depending on the location and the response received for the tender.

Mr TOLLNER: Can you confirm that another floor in the same building is to be fitted out for almost \$1m, \$975 000, which is pretty damn close to \$1m. Local Government and Housing as part of the SIHIP?

Mr GLEESON: Yes. Local Government and Housing and Regional Services are located on floors six and seven, and that was tended by Local Government and Housing publicly.

Mr SYMONS: Sounds like two floors.

Mr TOLLNER: No, that was one floor. There are another two floors, as I said, put out to another tender. There was also another tender issue there for a project manager. Are you aware of that?

Mr SYMONS: We do not manage those fit-outs. The Department of Business and Employment does not actually manage office fit-out. That is not managed through Property Management. Most commonly it is managed through the Department of Construction and Infrastructure. Housing also has the capacity to manage their own fit-out and, on this occasion, I think it is all done through DCI. So the costs for those fit-outs do not come through this department and we do not manage the project.

Mr TOLLNER: No, but would questions be raised that you are paying a lease on a building, you have a lease arrangement there, and you are spending another \$2.5m just fitting that out. Do you not organise these things as part of your leasing arrangements?

Mr SYMONS: Quite often, yes. In some cases it is actually organised with the building owner because often that is the most cost effective way to do it. In this case, that did not occur.

Mr TOLLNER: Can you tell me whether these buildings, following your \$2.5m fit-out, will meet the government's green building standard?

Mr SYMONS: There are two different elements there. The green building standard actually applies to the building itself, not the fit-out. One of the exercises we are currently engaged in with the Department of Construction and Infrastructure, we have had a consultancy out to actually look at developing standard fit-outs for government which will significantly reduce the expenditure of these types of exercises. In other words, we will develop a standard suite of fit-outs that agencies will select from, and those fit-outs will meet green standards. They will be designed from the energy efficiency point of view, but that project is not complete yet.

Mr TOLLNER: That is it for me on this output.

Mr CHAIRMAN: That concludes question to output 3.5, Office Leasing Management.
Data Centre Services (Business Line)

Mr CHAIRMAN: Is it the will of the committee to go to Data Centre Services (Business Line)?

Mr TOLLNER: No, I have no intention of going into the next three items.

Mr CHAIRMAN: No question on Data Centre Services (Business Line).
Government Printing Office (Business Line)

Mr CHAIRMAN: Is it the will of the committee to go to Government Printing Office (Business Line)?

Ms PURICK: No, not the Government Printing Office, NT Fleet.
NT Fleet (Business Line)

Mr CHAIRMAN: We move into the NT Fleet (Business Line).

Ms PURICK: Minister, greening of NT Fleet, can you tell us how that program is proceeding, and how many cars are now considered to be green?

Mr KNIGHT: Certainly.

Ms PURICK: It might be a document you can table.

Mr KNIGHT: It is going very well. We set a target of 20% reduction in greenhouse gas emissions over five years commencing on 1 July 2009. The government set targets for the first year of 7%, and the second year 7%. The target has been reached this year. Light commercial vehicles, we are on target there. What was the other part of the question?

Ms PURICK: How the program was proceeding, and whether there was a document you could table as to the number of vehicles changing to hybrids, more fuel efficient, or things of that nature.

Mr KNIGHT: We can provide the numbers.

Ms PURICK: That would be good.

Mr KNIGHT: Are you particularly interested in the hybrid vehicle?

Ms PURICK: The whole program.

Mr SYMONS: As at 30 March - we have two standards for NT Fleet vehicles, one for passenger vehicles, and one for light commercial. As at 31 March this year 75.5% of all passenger vehicles met the 5.5 green standard threshold, and 86.5% of all light commercial vehicles met the 3.5 green standard.

Ms PURICK: Minister, the government puts about 200 vehicles per month into the auction house in Darwin, so effectively you are the biggest car dealer in the Territory. That, as you know, has implications on the marketplace in regard to new and used cars.

Has the government considered, instead of having the cars go into the residential or domestic marketplace for auction and sale, having a dealer auction to assist the car market business?

Mr KNIGHT: I do not think we have considered that, but ...

Ms PURICK: Is it something you could take on board to consider and talk with industry about?

Mr Wood: Let the average person have a go. Businesses are not the only people in the world.

Ms PURICK: It is a valid question.

Mr SYMONS: We have a current contract with Pickles. I am not sure how long that goes for, but there is a contract with them, and before we renew contracts we look at all options.

Ms PURICK: When does that contract come up?

Mr SYMONS: I cannot give you that off the top of my head.

Ms PURICK: Is it three years?

Mr SYMONS: I think it is a three year contract.

Ms PURICK: That is fine.

Ms PURICK: I will leave it there. Thank you, minister.

Mr CHAIRMAN: Do you have a question, member for Nelson?

Mr WOOD: I have one question. Minister, a series of cars involved in the Green Global Challenge went from Darwin to Adelaide. The results of that challenge were a number of diesel cars outperformed the hybrids. Your government has spoken wondrously about hybrids, however have you reconsidered that positive approach to hybrids in relation to the results of things like the Global Challenge, showing diesel cars put out lower greenhouse gas emissions than the hybrids?

Mr KNIGHT: My CEO is champing at the bit to answer this particular question.

Mr WOOD: I probably could ask is there a cost effective value as well?

Mr KNIGHT: I will just preface that, government, through Fleet purchases, tries to achieve a range of things. We obviously want to support local business, and we want to try to stay green ...

Mr Wood: I think we have ...

Mr KNIGHT: ... and also maintain some cost ...

Mr Wood: ... to buy a Ford and Volkswagen diesel in Darwin.

Mr KNIGHT: Yes, okay. And support local Australian made as well. We can also take in the cost imperatives. But, the other question is in respect to diesel. It is only fair the CEO, with a diesel car, answers the question.

Mr Wood: I have a diesel car.

Mr SYMONS: I also have a conflict of interest there. Early on, the hybrid vehicles, specifically the Prius which was on the market at the time, was the most fuel efficient vehicle available. Fleet NT purchased quite a number of Prius vehicles. Since then the Honda Civic hybrid came on the market. You are quite right, since that time manufacturers have put in a lot more development into diesel engines, and there are some very efficient turbo diesel engines. The car you are referring to that performed best was the Ford Fiesta ECONetic ...

Mr Wood: And the Mini Coopers, believe it or not.

Mr SYMONS: Yes, Mini Coopers did quite well. Both those cars are on the NT Fleet list, and are available for purchase ...

Mr Wood: Oh, I can get a Mini Cooper.

Mr SYMONS: Increasingly, as the turbo diesels become more fuel-efficient, in fact, there are some very efficient small petrol engines coming on to the market as well. That full range of vehicles is, in fact, available on the NT Fleet list. We would expect agencies to increasingly make judgments that take into account the functional use that they have for the vehicle and fuel efficiency.

Mr WOOD: And also the resale aspect.

Mr SYMONS: Yes, that is true. There has already been an impact on the second-hand vehicle market. For example, it is much slower selling six-cylinder vehicles now on the second-hand market than it was a few years ago. You can already see that impact coming through the second-hand vehicle market.

Mr WOOD: Are people buying second-hand hybrids, considering the cost of batteries?

Mr SYMONS: The resale value of the hybrids is not as good. As you say, there is a question about battery life and costs of replacement.

Mr WOOD: Thank you.

Mr CHAIRMAN: That concludes consideration of NT Fleet. Before we move into Output 3.4, Support for Senior Territorians and Pensioner Concessions we will take a five minute break. I thank all the officials who helped the minister today so far.

The committee suspended.

**DEPARTMENT OF HEALTH AND FAMILIES
SENIOR TERRITORIANS**

Mr CHAIRMAN: We might start, minister, if you want to make an opening statement here, and you can introduce the officials accompanying, you even though the committee has met them.

Mr KNIGHT: I have covered a bit in the opening statements to the committee, so I will introduce Alan Wilson CEO, Department of Health; Jenny Cleary, the Executive Director for Health Services; Penny Fielding, the Director of Ageing and Disability Program; and two officers are Clare Gardiner-Barnes, Acting Executive Director for Northern Territory Families and Children, and Debra Zupp, Director of Youth Services Branch.

Mr CHAIRMAN: Shadow minister.

Mr STYLES: Minister, is the government aware of any legislative issues that need to be addressed to clear the way for development of any new retirement accommodation in the Northern Territory?

Mr KNIGHT: I am not sure under this portfolio where everything sort leads into this situation. It is either planning issue or it is a social housing area which would be the department of Housing.

Mr STYLES: Thank you, minister. Minister, given the increase in the number of retirees who would like to remain in the Territory when they end their working careers, what steps have the government taken to ensure that housing needs of those people will be identified and met in the future?

Mr KNIGHT: Broadly this is a question that should be directly to the minister for Housing but, from my knowledge we have obviously got the new seniors' village going into Bellamack, we have another two going into the other areas at Palmerston East, and we have through the stimulus package 300 beds going in across that, so that is probably where the government is going with the infrastructure in that area.

Mr STYLES: Minister, is the government undertaken a comprehensive review of all potential sources of land for the development of senior specific accommodation to ensure that there is a systematic, strategic approach to the provision of such accommodation in the future?

Mr KNIGHT: We have identified three seniors' villages thus far. I guess you are talking about – this is government provided houses for seniors?

Mr STYLES: Predominantly, yes, or if there are others that you are aware of that you can inform us about which might be private/public partnerships.

Mr KNIGHT: We obviously have the facility down at the old Waratah's Oval which is a private development down there. The Parap Gateway project also— the latter stages of that have been identified for seniors' accommodation, that high density, public or social housing works well for seniors; not so well for other age groups. We have seniors villages earmarked with those private developments, however, I have had representation, and am trying to work with COTA, and my Senior Territorians Advisory Council to find more seniors accommodation, and also trying to stimulate the private sector to look into these types of developments. I am trying to encourage the developers at Coolalinga to test the market in the rural area.

Mr WOOD: What about at Humpty Doo? Any land there? We have been waiting a long time. We have been trying for a long time.

Mr KNIGHT: It is a growing area, we know that. We know in private seniors villages there is an opportunity for people to cash out and come into a complex where, living independently, they get to realise some of the value of their land. There is much going on there.

Mr STYLES: The Territory is currently facing an unprecedented housing crisis with people being turned away, even though they have secure employment, because they are unable to find accommodation. What steps has the government taken to identify the potential increase and availability, of both public and private housing, through the rapid development of a range of affordable and suitable seniors accommodation options.

Mr KNIGHT: I have listed three seniors villages, and we are encouraging the private sector to move down that way. Bellamack was a package of affordable housing which was released. I think it will be highly successful and sought after for both entry level and exit level. There are seniors cashing out of their suburban aged properties which may be inappropriate for them - maybe elevated. We are trying to simulate that exit point for people that downsize. The \$8500 rebate on stamp duty introduced in this budget makes it more attractive for seniors to downsize - to move out of older properties. There is a range of things there.

Mr STYLES: Will the government review their eligibility criteria for entry into public housing to ensure all people who cannot afford to enter the private housing market are eligible for public housing?

Mr KNIGHT: This is really a question for the minister for Public Housing, but there is a fair and balanced criterion for the assessment of applicants for public housing. There is obviously great need out there. There are people with health, mental and physical needs, as well as aged needs. They do assess all those and construct a priority list. There is a priority housing panel which selects people.

The selection of people on the wait list is not done primarily for seniors. It is done on a basis of most-needy.

Mr STYLES: Can you advise when the Pensioner Concession Scheme benefit for local government rates was last reviewed?

Mr KNIGHT: I am advised it was last reviewed in 2004. The Pensioner Concession Scheme is the most generous in the nation, and the concessions the NT government provides to seniors for local government rates – so the Territory is the third most generous scheme in the nation with respect to concessions for municipal rates.

Mr STYLES: When you said the third most generous, is that in dollar value or is that related to dollars of cost of living? Given that the cost of living is far greater in the Northern Territory, especially if pensioners and seniors are trying to afford housing up here. We have the most unaffordable housing in Australia at the moment. Does the government intend to review the benefits available under the NT Pensioner and Concession Scheme and, in particular, things like local government rates in the near future?

Mr KNIGHT: We review the pensioner concession scheme annually, and put up various proposals to Budget Cabinet for improvements and changes to the scheme. I guess the council rates is a figure which is hard to compare. The rates in the Northern Territory are, obviously, lower than rates in Sydney. But, we are third most generous in the dollar figure across the nation, which is pretty good for a very small jurisdiction such as ours. I guess if people are in public housing, they are not paying rates. If they are in private housing they, presumably, own their house. But, this is still, on balance, the most generous scheme in Australia.

Mr STYLES: In relation to an observation. I have quite a number of constituents who are in the private housing market. Their rent is just skyrocketing and they are in all sorts of financial trouble, especially those who are about to retire. They have no idea where they are going to go. Given the last time I checked, the waiting list for seniors is indeterminable. Previous to that, it was about five years, I think. Some of these people are concerned. We can sit here and debate this all day, but I ask the government to consider that there is a large number of people out there who are going to find themselves in all sorts of financial trouble in the not-too-distant future.

Anyway, time does not permit us to debate that. I move on. In relation to public transport, it is well known there are many gaps in the public transport system in the Northern Territory. Is the NT government planning to address the existing gaps in service for older Territorians and others who require public transport but are not commuters? If so, what will be the cost of providing effective services outside normal commuting hours?

Mr KNIGHT: What gaps are you referring too? Time, locations, or what?

Mr STYLES: When you talk about times where, especially Palmerston, seniors are required sometimes to catch three busses just to get to the hospital.

Mr KNIGHT: We are helping to support that express service, which was initially taken on by volunteers. I acknowledge all the work those volunteers did. However, I believe we have taken that express service on now, which is working very efficiently. It runs to RDH and I think through Casuarina as well.

Mr STYLES: Is that service safe into the future?

Mr KNIGHT: We are funding it, so ...

Mr STYLES: Is there an intention to continue funding that?

Mr KNIGHT: I believe so ...

Mr STYLES: I just have to go back ...

Mr WILSON: Could we take that question on notice? I am aware there is a discussion around the ongoing funding of that service and how it will be provided.

Question on Notice No 9.7

Mr STYLES: Mr Chairman, that question is in relation to an answer given by the minister that the government is funding the dedicated bus service from Palmerston through to RDH. Am I getting the words correct?

Mr WILSON: RDH, yes.

Mr STYLES: The dedicated bus service from Palmerston through to Royal Darwin Hospital. Is that service safe and is the government considering continuing that or reviewing it?

Mr CHAIRMAN: That is question No 9.7.

Mr STYLES: Will the government ensure that relevant community groups are included in any consultations when public transport routes and timetables are reviewed in the future?

Mr KNIGHT: I would hope so. It is really a question for the Minister for Transport. I know it is certainly an issue that the senior Territorians of either council have on their work plan. It is my intention to try to make sure that the SAC is engaged with a range of policy levels for the different agencies. I would imagine that the Department of Transport would obviously be speaking to representative groups, whether it is the SAC or whether it is COTA or whether it is National Seniors.

Mr STYLES: Thank you, minister. Most of those questions are relevant to seniors' issues, and not specifically to general issues.

Mr Chairman, I have got heaps more, but we are time precious here, so that is all the questions I have in relation to Seniors.

Mr CHAIRMAN: Just as a matter of clarification, obviously policy areas might be relevant here but, in essence, we are talking to the budget outputs. I appreciate that can cause confusion at times for members of the committee, but we are here to interrogate the appropriation we are at, and that has come up from time to time during the term of the committee. We are now moving on from Output 3.4, Support for Senior Territorians and Pensioner Concessions.

Output 1.4 – Family and Children for the Portfolio of Young Territorians

Mr CHAIRMAN: We are now moving on to Output 1.4, Family and Children for the Portfolio of Young Territorians. The shadow minister has first call and the officials were introduced earlier in the minister's introductory remarks to 3.4. Welcome to the table.

Mr STYLES: Minister, I would just like to read out the statement in relation to Young Territorians from the Budget Paper No 3, under Output Group NT Families and Children, describes the subheading line item of youth services as:

Monitor and coordinate government services and programs for young Territorians, develop initiatives that improve the wellbeing of youth and facilitate their contribution to government decision making. Provide outreach, diversionary and other support services.

Is that your understanding of what is about?

Mr KNIGHT: The first part, I believe, comes under me, and the second part comes under the Minister for Health.

Mr STYLES: This is on page 40 of the budget. It is actually a direct quote from this heading at the line item Youth Services.

Mr CHAIRMAN: If I could provide some clarity. There are a few of these outputs at this Estimates which creates some confusion. It is actually a shared output, so it is the same output that both Mr Vatskalis and Mr Knight are speaking to, which is where the confusion comes from. It is actually the same output, but an element of that output belongs to the Minister for Young Territorians, and an element of that output belongs to the Minister for Children and Families. What I suggest is, you ask your questions and, where possible, the minister will answer them. It is actually an output that is

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shared by two ministers, which has caused some understandable confusion at this Estimates committee.

Mr STYLES: Thank you, Mr Chairman. Most of these questions all relate to youth, and the involvement around youth. Minister, what was the budget for the Office of Youth Affairs for 2009-10 please?

Mr KNIGHT: The Office of Youth Affairs was \$496 000.

Mr STYLES: My understanding is that the previous title of the government-sponsored Youth Advisory Committee was 'Chief Minister's Round Table of Young Territorians'. Is that correct?

Mr KNIGHT: I believe so, yes.

Mr STYLES: Minister, can you tell me what the group is called now?

Mr KNIGHT: The Youth Minister's Round Table of Young Territorians.

Mr STYLES: Minister, can you tell me why this advisory has been downgraded from the Chief Minister to a minister?

Mr KNIGHT: I do not think it has been downgraded. There is a specific minister now looking after Young Territorians within those specific areas of engagement and the grants. Portfolios shift around all the time. I do not think it has been downgraded, and I give a great deal of emphasis towards it.

Mr STYLES: So when you say that the portfolio group moves around, can you tell me, from your experience and your knowledge, if any other ministers, apart from the minister responsible for Young Territorians and the Chief Minister, have had this portfolio?

Mr KNIGHT: I think the previous minister was ...

Mr STYLES: I know it moves around, but are you saying that it moves from different departments?

Mr KNIGHT: Are you talking about ministers or departments?

Mr STYLES: I am just trying to clarify what you said. You said this moves around a lot.

Mr KNIGHT: Between ministers. The portfolio does not shift, generally.

Mr STYLES: Thank you, I just wanted to clarify that. Minister, how many meetings has the Youth Round Table had during 2009-10 please?

Mr KNIGHT: I will get an exact number. It has met four times this year so I have met with the last two or three which are usually held on Sunday. Four times a year, and it has met twice, I have been to both.

Mr STYLES: So, four times.

Mr KNIGHT: Four times in the year, and it has met twice currently.

Mr STYLES: Minister, do you take note of the Youth Round Table recommendations?

Mr KNIGHT: I do. It was a new round table when I became minister so the last Round Table range of

reports they produced and I certainly those, but the new constituencies of the Round Table in meeting with them I have asked them to do things slightly differently to make it more action orientated, to get them to feedback into government on a range of levels so they can inform policy development.

They recently had the Northern Territory Police Acting Assistant Commissioner meet with them, so he was able to hear the views they collect. This group of young people are certainly working very hard and are a really good representation of young people from Alice Springs and Utopia, the rural area is very strongly as well. So, I have asked them to be more action orientated and also try to get policy makers to meet them on a regular basis so policy gets feed back and developed on an ongoing basis rather than a range of reports at the end of the year.

Mr STYLES: So, minister, can you tell me if anyone on the staff of the Office of the Youth Affairs can say how many recommendations they have actually made in the current term of the Round Table?

Mr KNIGHT: The actions taken against the 2009 project recommendations: there was a project around public entertainment graffiti and street art; the project was tabled at Intergovernmental Tasking Coordination Group meetings in Katherine, Darwin and Palmerston, so that tasking group is considering that.

There was also a project around drink and drug driving; again, that project was taken to the Interdepartmental Tasking Coordination Group in those three centres. Under certain circumstances the Northern Territory *Traffic Act* enables police to randomly breath test drivers for drugs in their blood. Recommendation 2 of the project for the establishment of an effective marketing campaign using real Territorians resulted in the Championship Move Campaign which has been widely applauded, and the current Round Table say, for them, that is really working; the other campaigns they felt did not really engage with them.

Recommendation 3: implement a car lock strategy for re-offenders, and that is happening now; create a safe environment for taxi and mini bus drivers in the city: so the government has introduced a range of initiatives to keep our streets safe which include a high visible police presence in the CBD, including trials at licensed premises and installations CCTV cameras in those hot spots.

The next project was a youth engagement and awareness. There was a recommendation to establish an e-mail network which provides information on all youth related activities in the region or, perhaps, using existing networks more heavily. So the Office of Youth Affairs continually looks to expand its database of youth networks. They currently have 2081 members. Recommendation five of that project is to create a Facebook group which posts information about youth opportunities in the Northern Territory, and using a Facebook events page more heavily.

Mr STYLES: Minister, I appreciate that. The question was how many recommendations they have made as opposed to what they were. There obviously are a number there. Does it list the number of recommendations?

Mr KNIGHT: I will take that on notice to get the exact number for you.

Question on Notice No 9.8

Mr CHAIRMAN: Can you repeat that question for Hansard, please?

Mr STYLES: How many recommendations has the Youth Round Table made - the current group?

Mr CHAIRMAN: Year-to-date.

Mr STYLES: 2010 Minister's Round Table of Young Territorians. How about we take 2009?

Mr KNIGHT: Yes, we can do that.

Mr CHAIRMAN: That is question 9.8.

Mr STYLES: Minister, you might like to take this one notice. How many have been implemented?

Mr CHAIRMAN: We will have to add that one.

Mr STYLES: Can you put an 'and', Mr Chair to make it one question. Make it: and how many have been implemented? Are you happy to make that 9.8, Mr Chair?

Mr CHAIRMAN: Yes.

Mr STYLES: Thank you.

Mr STYLES: Minister, are you aware of the contents and recommendations in the Chief Minister's Round Table of Young Territorians Report titled: Safe and Secure Communities Project Team 2005 – Police and Youth Relations, Investigating the Police and Youth Relationships in the Northern Territory. That was dated November 2005. Are you aware of that report?

Mr KNIGHT: 2005?

Mr STYLES: Yes.

Ms ZUPP: I am aware of that report. I was involved with the Round Table then. Regarding the exact content, I would have to take that on notice.

Mr STYLES: I am asking if you are aware of it. That is all right. At least someone up there is aware of the content. I have more questions in relation to it.

Minister, police and youth relationships are taken into adulthood from youth. It is extremely important to develop positive relationships, not only for the youth themselves, but for the entire community. Does the withdrawal of any youth service fit into the budget paper statement I quoted at the beginning of this session, and I quote the last line of it: 'Provide outreach, diversionary and other support services'.

If you start withdrawing or downgrading youth services, does that comply with the statement in the budget paper? It is designed to be a fairly easy question. If you start downgrading and doing things, does that impact on the statement: 'Provide outreach, diversionary and other support services'?

Ms ZUPP: We have a document we can table that has been published by the Office of Youth Affairs and compiled by them, which outlines the range of services provided to youth across the Northern Territory.

Mr STYLES: I am happy for you to table that. It is a particular report and it leads to a few questions I am coming to. Minister what review process has your Youth Services Unit had across whole of government in relation to the substantial reduction in services, for example, school based policing?

Mr KNIGHT: School based policing has been substantially reduced, is that what you are saying?

Mr STYLES: It has and I am ...

Ms SCRYMGOUR: A point of order for clarification, Mr Chairman!

Mr CHAIRMAN: I believe the appropriation for school based police is within the minister ...

Mr KNIGHT: I know you were telling lies to parents in one of the schools in the northern ...

Mr STYLES: A point of order, Mr Chair! That matter is still to be addressed, and if the minister would like to accuse me of lying ...

Mr CHAIRMAN: I think we should not use the word 'lying', if you could.

Mr STYLES: I have answered that in parliament, Mr Chair.

Mr KNIGHT: I withdraw the word 'lying', however, I believe you were misinforming parents of young children in the northern suburbs on the withdrawal of those community based police officers. That is incorrect. Their role has changed to make them more accountable to what they are supposed to do rather than the previous role. That is a position for the commissioner, and it is very mischievous of you to be spreading those untruths to parents who look upon you for the truth. Obviously, you cannot provide that to them, so it is very sad.

Mr STYLES: Thank you, minister, for that explanation. For the purpose of the record, the minutes that your government referred to were uncirculated, unsigned minutes that are incorrect. That matter will be dealt with on the floor of parliament in the next sittings. For the purpose of Hansard, that will be dealt with. It is a shame that your government relies on incorrect minutes about statements that were not made. We will deal with that in the future.

I would like to quote from a letter sent out by the Commissioner of Police which, in part, says— and I am happy to table this letter, although there are plenty of copies around; everybody has got one – in relation to withdrawing police officers from starting and finishing at schools and getting them to start and finish at police stations. There is a whole range of issues that impact on youth. But, I am not here to actually discuss that, I just used it as an example of the downgrading of what we have had.

The Commissioner says, and I will quote from his letter:

However, I do not believe in the role of my staff to deliver classroom based activities ...

Ms SCRYMGOUR: A point of order, Mr Chairman! I believe verballing the Commissioner of Police who, during the questioning of the Police appropriation and budget the other night, answered quite effectively that there is no downgrading of the school-based constable program but, rather, an expansion of the work details within those school-based constables. I would caution the shadow member to get it right and to go back over *Hansard* and stop verballing and trying to get his point, which is totally not substantiated.

Mr Wood: We need to get back on to Youth Services, Mr Chairman.

Mr CHAIRMAN: Thank you.

Ms SCRYMGOUR: And let us move on to the budget of Youth Services. That is right.

Mr KNIGHT: I was just answering the question.

Ms Scrymgour: That is right.

Mr CHAIRMAN: Thank you, member for Arafura. I missed the start of what the member for Sanderson was saying there, but I will just remind members about the freedom of speech provisions

within the standing orders:

That the Assembly considers that, in speaking in the Assembly or in a committee, Members should take the following matters into account:

(a) The need to exercise their valuable right of freedom of speech in a responsible manner;

(b) The damage that may be done by allegations made in Parliament to those who are the subject of such allegations and to the standing of parliament;

(c) The limited opportunities for persons other than members of Parliament to respond to allegations made in parliament;

(d) The need for Members, while fearlessly performing their duties, to have regard to the rights of others; and

(e) The desirability of ensuring that statements reflecting adversely on persons are soundly based.

I missed what the member for Sanderson was saying but, on the member for Arafura's point, this is not present. We are here, obviously, to discuss the appropriations for Family and Children, Young Territorians. The call is with the shadow.

Mr STYLES: Thank you, Mr Chairman. I simply wanted to quote, because this goes to the very core of youth services in the community. It goes to the core of young people's anxiety levels, about feeling safe and secure out there, across a whole range of issues.

Time is going to get to us in relation to asking a lot of questions that I would prefer to ask. Mr Chairman, I am simply quoting from a letter that has been sent out and. Unfortunately, the minister raised ...

Members interjecting.

Ms SCRYMGOUR: I think you table the whole letter, member for Sanderson.

Mr STYLES: What?

Ms SCRYMGOUR: Table the whole letter.

Mr CHAIRMAN: Just for a point of clarification. The member for Sanderson is referring to a letter from the Police Commissioner and we are at the Young Territorians output. Are we actually asking a question about the appropriation in this output?

Mr STYLES: Well, it goes back to the statement, Mr Chairman, that the youth services – and this is in Budget Paper No 3 at page 143:

Monitor and coordinate government services and programs for young Territorians, develop and deliver initiatives that improve the wellbeing of youth and facilitate their contribution to government decision-making.

There is a report here, and I mentioned it for the purpose, because there are young people who are talking to me who have referred to this report in relation to a whole range of issues. We do not have time, obviously, to discuss the whole range. I simply gave an example of issues I am very familiar with and, that I have young people in my electorate and in the northern suburbs talking to me about various things that are occurring.

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So, Mr Chairman, I feel it is relevant, but I think that we do not need to be here because I have another six minutes, and I have other questions that I would like to ask the minister.

Mr CHAIRMAN: The minister has a cue to respond.

Mr KNIGHT: You have asked the question. Nothing in that letter indicates that there has been a withdrawal of services. All it says is that the ...

Mr STYLES: I did not say a withdrawal. I said, ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: You said downgrading – withdrawal is the same thing.

Mr STYLES: It is a totally different thing, minister.

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: And you have got a bit of from for misinforming people, and vulnerable people. Parents, you have misinformed parents about ...

Mr STYLES: I take exception to that, minister. Mr Chairman, I take exception, because if the minister has got something ...

Mr KNIGHT: (inaudible)

Mr STYLES: A point of order, Mr Chairman! If the minister has got something he would like to accuse me of, perhaps he could actually put that in writing or deliver it to this committee, because he is making further allegations that I take exception to.

Mr CHAIRMAN: There is no point of order. The minister has the call, but I suggest, we have 20 minutes remaining before this session of Estimates Committee concludes, and several other outputs to go through. The minister has the call, but were you coming to a conclusion there, minister?

Mr KNIGHT: Just basically saying that none of those community-based police officers or the school-based constables have been withdrawn. Their role has been made more accountable, and I think that will enhance the role for the police, for the school, and for those young people. The information that the shadow provided was incorrect and, I guess, malicious, and he does have a bit of form around this, in spreading rumours and stories about the Pensioner Concession Scheme. He was on ABC radio on 28 April, saying to Annie Gustin, that there was a decision ...

Mr STYLES: A point of order, Mr Chairman! That was a seniors matter, not what we are discussing here today. Does the minister want to go into other areas that we have already dealt with? That was in the last output Mr Chairman.

Mr CHAIRMAN: Are you referring to a ...

Mr KNIGHT: I am just talking about form. He has got form for (inaudible).

Mr CHAIRMAN: I think at that point we will move on to another question, if there are any questions.

Mr STYLES: Thank you, Mr Chairman. Minister, as part of ALP Youth Platform in 2008, there is a commitment to fund public education programs in relation to health, sexuality and lifestyle. Minister,

what programs are there, and what is the financial amount spent on these programs currently?

Mr KNIGHT: We will take that on notice. It may well be predominately in the health area.

Mr CHAIRMAN: Could you please repeat the question, member for Sanderson?

Question on Notice No 9.9

Mr STYLES: As part of the ALP Youth Platform 2008, there is a commitment to fund public education programs in relation to health, sexuality and lifestyle. Minister, what programs are there, and what is the financial amount spent on these programs?

Mr CHAIRMAN: That is question No 9.9.

Mr STYLES: Minister, I have recently heard from a number of youth that the non-government organisation, Family Planning NT, may have to close their youth drop-in program that they run on Saturday mornings due to the funding issues. Minister, are you aware of this?

Mr KNIGHT: We do not fund that organisation through the office of NT.

Mr STYLES: But given that it is the Youth Services' role to monitor and coordinate government services and programs for young Territorians, are you aware of that? I mean, do these things come to your notice?

Mr KNIGHT: Did you ask the question of the Health Minister where this actual program is funded through?

Mr STYLES: No, I am not the shadow for Health, minister, I am the shadow for youth, and I am ensuring that those people who are catered for by this program do not miss out.

Mr KNIGHT: Well, you should have provided that question to your Health spokesperson.

Mr STYLES: It is directly related to youth, to the dropping of services for youth. Anyway, so, you are not aware of it?

Mr KNIGHT: You have got the wrong minister. You should have got your shadow minister to ask that question when the Health Minister was before the committee.

Mr STYLES: Thank you, minister.

Mr CHAIRMAN: Member for Nelson, you had a question to 1.4?

Mr WOOD: Just quickly, in relation to those community-based projects that were in the 2009 Annual Youth Minister's Round Table, I have one project there, and it did not get mentioned, I was just interested if it did get up, it was from Luke Philips about increased awareness and support for youth fathers in the community and recommendations on that. His recommendations came from going to the Darwin Hospital and finding out everything was about mums, but not about dads, and he asked that Recommendation 1, acknowledge the importance of fatherhood. Recommendation 2: increase funding for father based family initiatives both from within government and through private community organisations. Recommendation 3: create a government-funded day for father's, for example, call it Fathers in the Park and have a large picnic at East Point Reserve with games, activities and information for all fathers,; and Recommendation 4: make existing resources more available to young fathers.

Minister, did the government accept those recommendations, and have any of those recommendations been put into practice?

Mr KNIGHT: I believe there have been a few. I will get Debra to answer it. Who was the person? Robert Kennedy?

Mr WOOD: Luke Phillips. He is one of your young people.

Ms ZUPP: Debra Zupp, Youth Services. All the projects from 2009 Round Table were distributed widely amongst community organisations and the youth sector. There was a lot of interest in that particular project. In terms of the Northern Territory government's response to that project, the Department of Health and Families website now has a range of tip sheets especially for fathers, and if you go to the website, www.families.nt.gov.au, you will find them there. Those tip sheets are now ...

Mr WOOD: I just type in Department of Health.

Ms ZUPP: ... readily available from the Royal Darwin Hospital. A registered nurse with the Katherine Hospital also attends and presents antenatal classes where he discusses issues with fathers, including their expectations.

Mr WOOD: Only in Katherine? Not elsewhere?

Ms ZUPP: Yes.

Mr WOOD: Did you say a nurse in Katherine?

Ms ZUPP: Yes.

Mr WOOD: I just asked was that elsewhere?

Ms ZUPP: Not to my knowledge.

Mr WOOD: So it will expand?

Mr KNIGHT: Yes.

Mr WOOD: That is good. Thank you.

Mr CHAIRMAN: That concludes questions on Output 1.4 Family and Children Young Territorians. Thank you very much for coming in again today; we appreciate your time.

**DEPARTMENT OF THE CHIEF MINISTER
ASIAN RELATIONS AND TRADE**

Mr CHAIRMAN: There will now be a change of witnesses as we move onto Asian Relations and Trade, Output 2.2 – Asian Relations and Trade.

Output 2.2 – Asian Relations and Trade

Mr CHAIRMAN: In the interests of time, we have 14 minutes to go. Do you have an opening statement?

Mr KNIGHT: No, I do not, but I will just introduce Brendan Doran and Jeff Stewart from the Department of the Chief Minister, Major Projects Asian Relations and Trade

Division.

Ms PURICK: Minister, in regards trade, I guess it is under the trade section rather than Asian Relations, you would be aware of the export market development grant scheme and how this year the federal budget slashed the scheme upwards of \$30m and it will most likely fall short by \$80m next year. What is your department, what are you doing in regards to this, and can you tell me what the impact of this reduction will have on the scheme in the Northern Territory?

Mr KNIGHT: We have the Trade Support Scheme ourselves.

Ms PURICK: No, that is separate.

Mr KNIGHT: I am just saying we have that scheme. I have written to the Minister for Trade, Simon Crean, about that particular reduction with the trade start. It will have an impact, but we are hoping we will get some concessions here for the Northern Territory.

Mr PURICK: Can you table that letter?

Mr KNIGHT: Yes.

Ms PURICK: Thank you. Okay, minister, I will move on. You would also know about the Trade Start scheme, which was also attacked by the federal Labor government and was chopped in half. That is contracted to the Chamber of Commerce and I understand at last round it was about \$150 000 they received with certain targets and contracts they had to achieve. I understand it is \$80 000 and yet they have doubled the amount of money. What are you doing with regards to that scheme and dealing with your federal counterparts?

Mr KNIGHT: Again, that is contained in that letter. I will let Jeff answer.

Mr STEWART: Jeff Stewart, Director of Trade and Investment with the Department of the Chief Minister, probably more so with Trade Start that is an issue for the Northern Territory. Trade Start really operates at the grassroots level for Territory exporters in helping to nurture and add to the export community and capacity. The minister has written to Simon Crean to lobby on his behalf to maintain the service levels. That is out of our control, but certainly worth being in contact with the Chamber of Commerce and the international business council to look at the impacts on that.

Ms PURICK: In that regard, how many small to medium businesses of the NT accessed the Trade Start scheme in the last 12 months, whether it be fiscal or ...

Mr STEWART: Is that the trade support scheme?

Ms PURICK: No, the Trade Start.

Mr STEWART: Normally Austrade or Trade Start does not provide us with figures on how many people they access. I can say we work very closely with them with trade missions, delegations, and promoting opportunities and market research and that type of activity.

Ms PURICK: Minister, in the federal trade minister's media release of 11 May 2010, he states: 'The Trade Start program was scheduled to conclude in June 2010. From July 2010 the program will continue to identify strengths of Trade Start and will deliver Austrade trade and investment services from a reduced number of locations'. Can you tell me what these identified strengths are, and is the Northern Territory going to lose any locations, as described in the minister's media release?

Mr STEWART: I suspect there may be a reduction in services. I think that would be in line with the current tender they are offering - I think that has been reduced. We would not be the only jurisdiction

impacted in those cuts. In the minister's letter to Simon Crean he lobbied strongly we maintain our existing service levels we had previously over the four future years of that program.

Mr PURICK: Minister, on 14 May 2010, the federal trade minister launched Brand Australia, which seeks to promote the diversity and versatility of the country. What have you done for the Territory in regard to promoting that brand, and what can it bring to the Territory?

Mr STEWART: That brand was only launched last month to coincide with the opening of the Shanghai world expo. At officer level, we were part of a national working group in that development. Essentially, we were not aware of what the brand was, or looked like, how it would be released, or what the program to promote it would be until it was released publicly. Generally, we are very happy to work with the Brand Australia framework. When we go overseas, because we are a small jurisdiction and probably not as well known as some of our larger states, it is very important to be seen as part of Australia, because generally we are seen as clean, green, efficient, and easy to deal with in our political stability, and a good place to invest. So we leverage very highly off that. We see this as a good opportunity, with the strengthening of that Brand Australia, to work in conjunction to promote our own trade and investment opportunities.

Ms PURICK: Regarding the Territory support scheme, which was located in the Business department and has now moved to the Chief Ministers' department, what was the rationale of moving it away from the Business department to the Chief Minister's department? How many businesses have accessed the scheme in the last 12 months? Are you able to break them down into small, medium and larger businesses?

Mr KNIGHT: I will start with the first point. I guess it reflects within the Chief Minister's department you have major projects, and you have with the investment area. I guess it is at that higher level it was provided, whereas the business area, although it intersects with investment in Asia, and opportunities for securing supply and servicing contracts, it is more appropriate in the Chief Minister's office.

Mr STEWART: In terms of number of applications we normally process about 90 applications per year. Again, in this financial year, we are on target to assess that number again.

Ms PURICK: They are the ones who apply. How many actually get up?

Mr STEWART: A good majority of those. It is a very rare exception that we knock them back; it is a very flexible and open scheme. That is within the guidelines of how we assess them, with any of those we reject or decline. They come from a range of industry sectors - tourism, mining, oil and gas - and most of them are the small SMEs, the owner/operators, particularly a lot of the tourism operators. A lot of those also come about going on trade delegations and missions that we lead. For example, our Executive Director, Brian O'Gallagher, is actually leading a Mining Supply and Service Business Delegation to Balikpapan to their mining expo at the moment, with 26 business people, which is the largest delegation in Australia. A lot of those would have actually applied through the TSS system to help cover the costs of those international marketing and promotional activities.

Ms PURICK: Thanks, Jeff. How does that 90 compare to last year?

Mr STEWART: I do not have the exact number for the last year. It does average out to be about 90 each year.

Ms PURICK: That is fine, thank you. Minister, can you confirm the NT government has paid about \$0.25m for major sponsorship at the Shanghia Expo? What do you expect to get out of that, if you have?

Mr KNIGHT: We have silver sponsorship. It is a \$300 000 sponsorship with silver membership. For that we get, obviously, a Territory Week which is on 23 to 27 August in the VIP area. We will have a range of functions for investment opportunities with key participants there. There will be three VIP

events at the expo and other investment attractions around the expo sites. That is what we, basically, are getting for that. We also have Connie Jape, a local lady of Chinese heritage, featured in the People's Exhibit and Gurrumul Yunupingu is on exhibit in the Sister's Exhibit with other Chinese artists.

Ms PURICK: Is it possible to get a list of what sponsorship entails, minister?

Mr KNIGHT: We can get that.

Ms PURICK: Thank you. Perhaps if I just ask a couple of quick questions in regard to Asian Relations. Minister, what is your specific objective in the area of Asian Relations and Trade, and how would you know when you have achieved this objective?

Mr KNIGHT: I am new to this area, but it seems to be - speaking to previous Labor ministers and also previous CLP ministers from previous government - it is about continuity of engagement with key players in Asia. We have, obviously, tried to target some key markets reforms. We cannot go everywhere. We are, obviously, targeting Indonesia, China, and Japan. We have some emerging markets in the Philippines, Vietnam and in Timor-Leste. We are trying to target it down to those.

What I have found on the trips I have had to the Austmine and also back here with the Industry and Mining Procurement Forum, is about those relationships. A lot of relationships lead to business, and a lot of business is done outside the formal expos and functions that we host over there after hours. They do generate a lot of relationships and understandings. The mining procurement forum this year was excellent, in that a lot of people who had not been to Darwin for years, or at all, saw the capabilities here.

It is about keeping those engaged and let them know what is happening about our growing capability in the Northern Territory. I guess we are seeing, out of the Mining Procurement forum, at Austmine and at Balikpapan in previous years, people starting to sign contracts with mining companies, and I guess that is a sign of success. You do not take a year off with these things, you have to stay engaged and rebuild that relationship, and our capabilities are changing, and our desirability as a place to do business is changing, and it is only going in the right direction.

Ms PURICK: Thank you, minister. Just one last question, which has a few questions within it, and it is in regard to the live cattle export trade. Minister, you would be aware, no doubt, because you are in touch with industry, that, about four weeks ago, a cattle export ship was seized by the Indonesian authorities of about 1200 cattle, because the paperwork was not what they wanted, or they just wanted the cows. Are you also aware that Indonesians have put a weight restriction on cattle? I think it is restricted to 350 kg or thereabouts. And given that 98% of our cattle exports go to Indonesia, which leaves us vulnerable, I believe, if something does happen, what are you and your department doing in regard to, one, ensuring that permits and access to the Indonesian market is guaranteed or strengthened, and, two, getting this limit, which does not necessarily impact on the exporters per se as much as the pastoral industry, and given that is one of our major export players ...

Mr KNIGHT: I will come to that in a second, but obviously the Minister for Primary Industry, Fisheries and Resources has been laying a fairly prominent role in this area.

Ms PURICK: He has not had much to say about it though, sadly.

Mr KNIGHT: Obviously, having all your eggs in the one basket is, as you say, you are correct, could be problematic, that is why we are trying to develop markets in Vietnam. There are 1000 head going over to Vietnam soon, they have invested \$1m in a feedlot over there. So we are just trying to diversify that market with the live cattle export. When the issue of the weight limits – and this goes back to the general theme flowing through the Indonesian government about self-sustainability, and that is flowing through the mining industry as well – I know that the Northern Territory Cattlemen's Association and the live exporters went on a trip with the Minister for Primary Industry, Fisheries and Resources to engage with the Indonesian government, and what I got back from the Cattlemen's

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Association was that they were comfortable. The market is very big, and even with that weight restriction, we still are going to get a huge segment of the market, and there is a willingness to assist, I guess, the Indonesian provinces, or the government, or producers in developing their industry over there. So, very conscious of those issues. I met briefly with the Minister for Agriculture a month or so ago.

Ms PURICK: But is it something that is on your department's agenda, that there is a potential issue here that could get worse. I trust it does not.

Mr KNIGHT: In cooperation with the Minister for Primary Industry, Fisheries and Resources, absolutely. That is why the push for diversification is there, but industry, that is, the Cattlemen's Association and the live cattle exporters, have been engaging with their counterparts and government officials overseas. They seem relatively comfortable with the way it is going.

Ms PURICK: Okay. Thank you, minister.

Mr CHAIRMAN: Thank you, minister. That concludes the Estimates Committee hearings. Thank you for your officials' times. We will resume at 1.30 pm at the Government Owned Corporations Scrutiny Committee with Power and Water for three hours.

The committee concluded.
