

The Estimates Committee convened at 8.00 am.

## MINISTER WAKEFIELD'S PORTFOLIOS

### TERRITORY FAMILIES

#### RENEWABLES, ENERGY AND ESSENTIAL SERVICES

**Madam CHAIR:** Good morning and welcome to today's estimates hearings. I acknowledge that we gather this morning on the land of the Larrakia people and the committee and I pay our respects to elders past, present and emerging.

I welcome you, minister, to today's hearings and invite you to introduce the officials accompanying you.

**Ms WAKEFIELD:** I would like to introduce Ken Davies, Chief Executive Officer, Territory Families; Nicole Hurwood, Deputy Chief Executive Officer; Jeanette Kerr, Co-Deputy Chief Executive; Kim Charles, Chief Financial Officer; Luke Twyford, Executive Director Strategy, Policy and Performance; Brent Warren, General Manager, Youth Justice Services; David Ah Toy, Executive Director, Remote Management Office; and Helena Wright, Executive Director Programs and Engagement.

**Madam CHAIR:** Minister, in a moment I will invite you to make a brief opening statement. I will then call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving on to output specific questions and finally non-output specific budget-related questions.

I will invite the shadow minister to ask their questions first followed by committee members and finally other participating members may ask questions. The committee has agreed that other members may also join in on a line of questioning pursued by shadow minister rather than wait for the end of the shadow's questioning on that output.

Minister, do you wish to make an opening statement regarding Territory Families?

**Ms WAKEFIELD:** Yes, please, Madam Chair. It gives me great pleasure as Minister for Territory Families to provide an opening statement regarding the progress and status of this complex and rewarding portfolio. To start with, I acknowledge the Larrakia people as the traditional owners and the custodians of the land on which we are gathered today and pay my respect to elders, past and present, and acknowledge the strengths and resilience of Aboriginal people and families.

Territory Families had now been operating for two-and-a-half years. It is a maturing organisation that has enabled government to adopt a collective approach to addressing the vulnerabilities of our society. Through the portfolio we are committed to protecting children, supporting families, reducing domestic and family violence and sexual violence, addressing youth offending, creating safer communities, supporting seniors and enhancing social inclusion across the Northern Territory.

Investing in our children is one of the best investments our society can make. The benefits can and will be felt far in to the future. This government's 2019–20 budget delivers on our commitment to deliver generational change.

Over all the Territory Families budget from 2019–20 is \$334.6m, an increase of \$28.7m on the 2018–19 budget and \$5.9m than the 2018–19 estimate. We are making sure that every dollar counts by targeting our spending where it will have maximum impact.

Through our improvements in staffing, practice, legislation, infrastructure, partnerships and pro-social events we are creating safer communities and lasting change for all Territorians.

We are not shying away from the fact that Territory Families has a large remit and there is and there is much work to be done. However, it is important to note that the work done so far has laid the foundation for the reform supported by this budget.

Territory Families is contributing to budget repair through efficiencies and responsible expenditure. At the same time we have used this year's budget to strategically implement a range of key priorities to better service and support Territorians.

A key focus of the department in 2018–19 has been strengthening and formalising our partnerships. Partnership is so important to Territory Families because the social ills that we are seeking to prevent in child protection, youth justice, domestic violence and social inclusion require a whole-of-community approach for it to be truly successful.

I particularly like to take this opportunity to thank the peak bodies, APONT, NTCOSS, AMSANT, CREATE, Making Justice Work, and Foster and Kinship Carers Association, for their advocacy and willingness to contribute to a robust debate, and their commitment to reform.

I want to acknowledge the important work done by many aboriginal-controlled and other non-government organisations which contribute much to Territorians right across the Territory, and contribute to our reform process ideas as well as delivering high-quality services, across the Territory, often in very difficult circumstances.

I want to acknowledge the Children's Commissioner, Colleen Gwynne. Her role provides independent oversight and analysis and, as minister, I know it is reassuring to know that there is an independent authority on which I can seek frank and fearless advice and information on the performance of my portfolio.

The final matter I would seek to highlight in my opening remarks, is the work Territory Families has done to build a strong and capable workforce. As at 31 March 2019, there were over 900 full-time equivalent employees in Territory Families. These staff have chosen to work in complex and difficult areas where work can be confronting and challenging. They can also be roles where progress is not always evident and scrutiny can be high. It gives me such pride to work with these people as their minister and I take this opportunity to thank them for their work.

Territory Families is now an established agency with a strong and contemporary vision which is fulfilling its statutory, early intervention, support and advocacy responsibilities. I thank you for the opportunity to make an opening statement.

**Madam CHAIR:** Are there any questions on the minister's statement?

**Mrs FINOCCHIARO:** Thank you, minister. I would also like to thank everyone from Territory Families, who obviously spent a lot of time preparing for today's estimates. We are very much looking forward to today and appreciate all the hard work that went into it.

I would like to ask about seniors. Could you please explain the lower than expected uptake of the changed seniors schemes? In Budget Paper No 3, on page 235, there are two footnotes at points 5 and 6, which say there was a decrease uptake in the scheme. Could you please explain why there was that decrease?

**Ms WAKEFIELD:** We believe it is purely due to inheriting a highly inadequate database. When it came over to Territory Families, we know there was significant scrutiny of this scheme and there was significant problems with it, some of them legal, causing people to end up in gaol. We know we had a highly inaccurate database.

When we inherited the scheme, we had a number—sorry I am just looking for the right numbers of what we started with—24 000 people were transitioned—the details of 24 000 people. We then set about verifying those numbers and making sure they were correct. As we did that, it became increasingly clear about the inaccuracies of the database that we inherited when we came to government.

We now have a total of 16 693 members on the NT Concession Scheme and that is a total of 664 new members who have come on as they have turned 60 and become eligible for different reasons.

We have a total of 13 239 members on the NT Seniors Recognition Scheme and that is a total of 1270 new members. There is a total of 12 361 members on both schemes.

I would like to take this opportunity to thank the staff. It has been a very difficult process because we have taken the time to do this manually, to do it thoroughly, and they have spent an enormous amount of time talking to senior Territorians.

We have had a very high uptake of people coming to the shopfront—that has been the preferred way for seniors to get information. We have offered shopfronts across the Territory where people can get information and talk to a real-life person. There has been a lot of work through electorate offices. I acknowledge our hard-

working electorate officers on both sides. I know there has been, through your office as well, Member for Spillett, significant traffic on making sure that peoples' details have been right.

We are very confident that we have an accurate database now. We ended some people on the scheme at the beginning of the year, because we sent multiple letters. As the group got smaller, those who were not responding to letters—we have been able to verify that group much more clearly—either they have passed away or moved out of the Territory, or are no longer eligible for the scheme.

We now have an accurate database and it is about how we make that a more efficient database. We have taken the time to do that manually. We have been very clear that we have a clean database moving forward. We have had some feedback about timeliness in terms of it is taking some time for people to do that. At this stage we are not apologising for that because we want to make sure we are getting all those details right, but we do need to make that more efficient for users of the scheme as we move forward.

We also want to make sure as we move forward that we look at how we effectively deliver the travel voucher. One of the unexpected consequences—I know that Nicole will probably talk will probably talk about this a little more—is that people are spending their money on travel and then seeking a reimbursement. That does cause people some financial hardship that we did not expect. We need to find ways of working through that, so that they have a more accessible voucher.

That is the main reason for the reduction in the money; we now have an accurate database on which to base financial decisions.

**Mrs FINOCCHIARO:** Can I just confirm that when people were on the old scheme they were not automatically transferred to the new scheme, they had to reapply?

**Ms WAKEFIELD:** Yes, that is right. That was one of the ways we verified the database. We got from the previous department 24 000 names of people. Obviously not all of them were accessing the scheme every year, so we knew who was kind of active within that, but we had to clean up that whole database. We contacted everyone and to get back on the scheme they had to update their details.

I know that we are going to do that yearly from now on. Some seniors have found that somewhat challenging. Unfortunately, we do need to do that to continue to have an accurate database, or we will end up in the same circumstance in a few years.

**Mrs FINOCCHIARO:** Could the reduction in numbers thought be attributed to the fact that people who were on the old scheme, despite receiving a letter from Territory Families, may have found the process cumbersome or difficult and therefore have not made their way onto the new scheme?

**Ms WAKEFIELD:** We have no evidence of that in any way. In my own electorate I have rung every senior on the electoral roll to make sure that they are aware of the scheme. I know that other members of the government have done that as well. I know, for instance, that the Member for Sanderson has been very active.

We have done radio advertisements and TV advertisements, and we have talked to the NGO sector, which has been really important. I think we may be missing some seniors out bush. I think that the uptake in the bush is an area that we need to continue to work on.

We are working with the Aboriginal health services to make sure that we have an accurate database. I know our remote staff—we have more staff out bush for Territory Families. This is one of the advantages in the way we have structured the department. We have staff who can visit people out bush. I know they have done that in several remote communities where we have been concerned about people not getting on.

Spectacles seems to be the area where people might have been taking it up, and no other part of the scheme.

**Mrs FINOCCHIARO:** How many of the people with the Seniors Recognition Scheme have not claimed all or part of their \$500 travel or electricity.

**Ms WAKEFIELD:** I might pass that level of detail to the whiz-bang team here. It is here—we can take that on notice.

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**Question on Notice No 10.1**

**Madam CHAIR:** Member for Spillett, please repeat that question for the record.

**Mrs FINOCCHIARO:** How many of the seniors who are registered on the Seniors Recognition Scheme have not claimed all or part of their \$500 travel voucher, either to undertake travel or to use for electricity and water?

**Madam CHAIR:** Minister, do you accept the question?

**Ms WAKEFIELD:** Yes, we do.

**Madam CHAIR:** The question asked by the Member for Spillett of the minister has been allocated number 10.1.

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**Ms WAKEFIELD:** I think that is a great question, because one of the problems we have with a manual scheme is that if people want to use \$100 for a bus fare here and then \$200 for an airfare down the track, there is no flexibility to do that. That has also been some of the feedback we have received. We want to make sure this \$500 is about—and we have doubled that commitment from the previous government. The previous government cut people out of the scheme. We have added people in as well as doubling the benefit. People are now getting \$500 a year. We want to ensure they get as full and flexible access to that as possible,

**Mr WOOD:** I have a senior's question, from a senior. Minister, I was interested in what you had to say about remote and rural communities. I have some relations who would probably have no idea that they could get spectacles. My concern is that while you said you have some areas where you have put some effort into educating people about the program, is there a lot more to be done? It is not always easy for non-Aboriginal seniors to understand the difference between these two schemes, let alone taking this out bush and saying to someone, 'This is the scheme and what you can get from the scheme is ...

**Ms WAKEFIELD:** We now have an accurate database which enables us to do much more targeted work. For instance, we have just done some targeted work on Tiwi Islands and Borroloola. We have been talking with the southern region office. It has done some work in Papunya and Ntaria just to make sure because we were concerned. When we looked at it we knew those figures were inaccurate.

One of this things that happened historically and is no longer happening is that the concession is being given out by the store. Because the store might give out a range of concessions, it has often been muddled amongst other concessions, particularly for power. We have to ensure that people are aware of that.

We also know that the glasses uptake has been patchy, and we are working with the optometrists. They have given us feedback that the scheme is quite cumbersome for them. It is an area where we want to ensure there are no loopholes for taking advantage of the scheme, but we also want to make sure it is effective. We are working on ways we can use different identification and ensure access to spectacles, in particular, is as effective as possible.

**Mr WOOD:** What concerns me is that last week when we were talking to the Electoral Commissioner—in Aboriginal communities we believe there is a fairly large discrepancy between the number of people who live in the Territory and the number on the roll. If you are looking at the roll, it may not cover a lot of people.

**Ms WAKEFIELD:** No. We looked at the electoral roll—that is in my electorate office. The department clearly does not have access to that so we are working with the Health services because they have the most accurate information of who is around.

We have worked closely with local members like the Member for Namatjira, who is a strong advocate for his communities. He has several aged-care facilities in his electorate. We need to work through all those issues and provide as many ways to ensure all seniors, wherever they live in the Territory, with access to this service.

**Mr WOOD:** Thank you, minister.

**Mrs FINOCCHIARO:** Minister, in the root-and-branch review it was identified that the department would make \$500 000 in savings from the Seniors Recognition Scheme to reduce overheads including the introduction of a Seniors Recognition Scheme debit card, and you would save \$500 000 a year ongoing. How exactly will that be possible?

**Ms WAKEFIELD:** This is something we are still working through with the peak bodies for seniors. It is about staffing. When we inherited the scheme from another department, we had five staff. We now have 15 staff working in there to ensure that this process is done effectively.

**Mrs FINOCCHIARO:** You increased the staff from five to 15?

**Ms WAKEFIELD:** Yes, to ensure we were accurate. That is the mess we inherited. We had to make sure we had people on the ground. We had to make sure that seniors had the information they needed. We needed to make sure that we had a database moving forward where people would not end up in gaol for it. It was the responsible thing to do.

**Mrs FINOCCHIARO:** Will you reach those savings by sacking staff?

**Ms WAKEFIELD:** Now we have an accurate database that we feel is accurate, we are now able to move to the next stage, which is looking at making sure it is efficient and effective. We will have a way forward that is not only efficient—we are also getting significant feedback from seniors that this scheme is not flexible enough and that they want to be able to use their travel voucher more flexibly. We are looking at how we can deliver the travel scheme in a way that is more flexible for people who are using it, and making sure that we have the safeguards in place to ensure the database remains accurate and that there is no exploitation of the scheme.

**Mrs FINOCCHIARO:** So you will be cutting staff from this area to achieve your root-and-branch savings?

**Ms WAKEFIELD:** We will be reducing staff to respond to the change—so we have achieved what we wanted to achieve, that is, to get seniors on the scheme—we were well-supported in doing that—and make sure they have a person to talk to when they have a problem, as well as making sure we had a database. That task is complete and we will now go to the next stage.

**Mrs FINOCCHIARO:** When will the Seniors Recognition Scheme debit card be rolled out?

**Ms WAKEFIELD:** We are still working with seniors groups on that. We know that there were strong opinions on that. We want to work with the community to look at ways to make it more flexible for seniors.

**Mrs FINOCCHIARO:** There is no commitment to actually implementing the Seniors Recognition Scheme debit card?

**Ms WAKEFIELD:** We are working through that at the moment.

**Mrs FINOCCHIARO:** Okay. The root-and-branch review has identified a saving of \$3.5m from the NT concession scheme per year ongoing, each and every year. How is the department going to be achieving that? How will you take \$3.5m out of the scheme each year?

**Ms WAKEFIELD:** That is part of the reflection of the accurate database where we are able to make decisions. When we made the budget commitment it was ongoing. When we doubled the amount of money that seniors were getting, we based that on the figure that we had in the database at the time. As we have made that more accurate we have been able to identify savings, which is now going directly into out-of-home care.

**Mrs FINOCCHIARO:** I understand that you could achieve a saving; you have cleansed the database, it is more accurate so you achieve a saving. How will you then achieve the saving each and every year? Once the database is accurate, it will be accurate going forward.

**Ms WAKEFIELD:** Because the forward estimates were the same. We had a commitment from the budget, which was a set amount over the next three years. We will make that saving over the next three years.

**Madam CHAIR:** Are there any other questions on the opening statement?

**Mrs FINOCCHIARO:** What is the dollar figure efficiency dividend that Territory Families has to achieve?

**Ms WAKEFIELD:** I might hand that over to Ken. We have gone through this in a very systematic way. We have had increases in funding in Territory Families because we have responded to the need within the community. We are also making sure that the money is spent effectively in a way that is planned and

sustainable moving forward so that we have the most efficient department possible. I will hand that over to the CEO.

**Mr DAVIES:** We have implemented savings initiatives of \$14.6m in 2019–20, following the Northern Territory Government's savings measures. These savings will result in an overall reduction of 14 full-time equivalent staff, including one contract officer position. It is really important to emphasise that those savings have been redirected—\$12.62m of those savings have been redirected internally to fund out-of-home care services. We had a base problem in out-of-home care services. We did not have sufficient budget to fully run the out-of-home-care system. We had a base problem in out-of-home care services. We did not have sufficient budget to fully run the system of out-of-home care, so we have been re-based and now have a budget to deal with reform in rolling out out-of-home care.

The whole-of-government savings we have been targeted with will be \$2.09m and they will comprise an efficiency dividend applied to grants of \$1.22m, an increase in the efficiency dividend of \$0.38m. We will apply some fleet lease efficiencies across our fleet of \$0.28m, and a reduction in the CPI rate of \$0.21m.

The corporate efficiency we are saving is \$4.1m, which comprises a \$3.5m reduction in the Territory concession scheme, which is being redirected to the out-of-home care program; a \$0.3m reduction to streamline clinical and treatment services through a reduction of three full-time equivalent staff; and a \$0.3m reduction to restructure the reform management office, reducing by two full-time equivalent staff.

We have some program savings we are targeting of \$4.52m comprising a reduction and scaling back of a range of small-scale programs that will aggregate to contribute to the \$14.6m savings target.

In regard to employee expenses, we will run a staff funding formula at 98%. Currently we fund the department's employment numbers at 98% because of turnover and the way we manage the system. Because there are vacancies we will fund it at 95% of total staff allocation, and we manage that by turnover and efficiencies. That is how we will manage the savings measures. They are being largely redirected back into the base to deal with the out-of-home care problem. It is not being taken out of the agency; it is being redirected internally.

**Mrs FINOCCHIARO:** There is money being saved from some areas and being put into others, but the money that has to go back on the Territory's books to general revenue—for the purposes of servicing debt, one would hope—is \$2.09m.

**Mr DAVIES:** That is correct.

**Mrs FINOCCHIARO:** And that will be generated through a reduction in grants, fleet efficiencies ...

**Mr DAVIES:** That is right—efficiency dividends, fleet lease efficiencies and reduction in CPI rate.

**Mrs FINOCCHIARO:** How many executive contract officers have been offered the voluntary pay freeze?

**Mr DAVIES:** All executive contract officers in the department have been offered the opportunity to take the voluntary pay freeze.

**Mrs FINOCCHIARO:** How many is that?

**Mr DAVIES:** Twenty-two positions.

**Mrs FINOCCHIARO:** Did the department seek independent legal advice before making that offer to the ECOs?

**Mr DAVIES:** We took advice from the Commissioner for Public Employment.

**Mrs FINOCCHIARO:** Are you aware of how many are taking the freeze?

**Mr DAVIES:** I do not have the specific number at this stage. We are not required to report on that until the end of the month, but there is a substantial number of executive contract officers who have taken the voluntary reduction.

**Mrs FINOCCHIARO:** Minister, in your view it is a voluntary option?

**Ms WAKEFIELD:** Territory Families is a department where everyone is aware we are under difficult circumstances and want to contribute. I think that is why people join Territory Families in the first place. I would hope that the executive team would want to be part of the solutions.

**Mrs FINOCCHIARO:** Will you be cutting any programs or services other than the 14 FTEs and one contract officer to achieve budget efficiencies?

**Ms WAKEFIELD:** We have been very strategic in the way we have managed this. We have not cut any services or programs. One of the difficult things I have done this year is to ring each CEO of the receivers of grants from our agency and tell them that we are applying an efficiency across all NGOs.

The feedback I had from the NGOS was that whilst that would be difficult for all of them, they understood that everyone needed to be part of the solutions to the long-term structural problems that the Territory is facing in the economy. I think everyone is aware that this is a long-term problem and that it will require the discipline right across the economy to come up with the solutions. That is why I think this plan that we have in place is very clear and is about getting everyone to contribute to the long-term sustainability of our service system.

We have also looked at where we have efficiencies—as we have been planning and reforming, it has been clear that there are some areas we have not been able to duplicate. For instance, we had a plan for family group conferencing. However, as we have started to apply our new clinical framework in Signs of Safety, we are aware that that same mechanism is applied through Signs of Safety, where families who are part of that framework have to meet and contribute to a plan. Therefore, we would have been doubling up by our original plan of doing family group conferencing.

There are multiple examples through that as we have structured up a really good clinical and allied health team within the youth justice system. There has been some doubling up of physicians, so we have made sure that those have happened. As we are working more effectively with other agencies in a sustainable way, we have also been able to save. Whilst where we would have needed maybe three caseworkers there, because we are working so effectively with Education, Police and a range of other services, perhaps we need two.

That is where we have been looking at those line-by-line items, making sure we are achieving what we are setting out to achieve, but making sure we are being very efficient and effective with it.

**Mr WOOD:** Minister, on the back of your annual report there are 20 pages of where your department gives money to—I think it adds up to \$145m last year. When you said none of these bodies will be affected—what percentage cut will they all receive? Will it be equal across the board?

**Ms WAKEFIELD:** It has been, across the board, a 1% efficiency contribution to the economic situation.

**Mr WOOD:** So, you have contacted these very large ...

**Ms WAKEFIELD:** Most of them, yes.

**Mr WOOD:** Not you personally?

**Ms WAKEFIELD:** I know most of them—not all of the multicultural groups, which is where all of our smaller grants go, but our large ones. I have spoken to all the large NGOS. I made a high number of phone calls that day.

**Mr WOOD:** Are advisory services included in here, or are they separate?

**Ms WAKEFIELD:** What do you mean?

**Mr WOOD:** You do have some advisory services that provide advice to Territory Families ...

**Ms WAKEFIELD:** Yes we do. Advisory panels—boards, are you talking about?

**Mr WOOD:** Yes.

**Ms WAKEFIELD:** No, they are separate to those.

**Mr WOOD:** According to the root-and-branch review, it said advisory and corporate services will be rationalised through restructure of work units and functions to deliver efficiencies. How would you do that and will any groups of people no longer have that advice?

**Ms WAKEFIELD:** We have been focused on partnerships the whole way through as a group. We have not established the women's and men's group that were under the previous government. We have gone for different ways of working with Territory men and women on issues of gender. We are just about to start a large process on consulting on the sexual violence prevention framework as well as the gender equity framework. We want to do that in a way that gets many Territorians involved, rather than having a small panel.

I think it is important to have the Minister's Advisory Council for Senior Territorians, I have found them helpful, particularly as we have had a large reform. We are now looking at ways they can be effectively engaged to inform on the next set of issues.

I am now no longer Minister for Multicultural Affairs—much to my distress, as it was a pleasure to represent that community. That was another consultative group which gave us some important advice on particularly employment opportunities and making sure we are providing advancement opportunities for people of non-English speaking background.

The other ones which are important are the Tripartite Forum, which is part of the recommendations of the royal commission. That has been an effective body. It is made up of members of the NGO sector, the federal government, at an officer level, as well as Northern Territory Government representatives—because it is a government level.

That will provide some great opportunities to effectively make sure resources are hitting the ground the way they should and the way that is most effective for communities. They have had a couple of meetings so far—Michelle Landry attended the last one, and I acknowledge Minister Dan Tehan, who was a big supporter of this process.

We feel it will be an important process, moving forward. Michelle Landry is still assistant minister, which I am pleased about. She is from Townsville and understands many of the challenges we have. The new minister (inaudible) and I look forward to involving her. I think if we can coordinate the federal money that is going in, that we have no vision of, going in to NGO and health services as well as coordinating our money to at least fund to the same outcomes, we will have much better results across the Territory.

**Mr WOOD:** A point of clarification—there was a men's and women's advisory council? It used to be in the budget, did they not operate?

**Ms WAKEFIELD:** In the last-minute scurry before the election, the previous minister had appointed a couple of advisory committees. The men's committee had said to me that they had met several times but had not felt listened to by government. I did not want to set up another committee where people were not having meaningful engagement. Moving forward, we are making sure that as many Territorians as possible have meaningful engagement in those issues.

**Mr WOOD:** Where would men's issues then be raised?

**Ms WAKEFIELD:** Within the same forum. We have an Office of Gender Equity and Diversity, and gender implies both genders.

**Madam CHAIR:** Are there any further questions on the opening statement?

#### **Agency-Related Whole-of-Government Question on Budget and Fiscal Strategy**

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriate Bill 2019–20 that relate to Territory Families. Are there any agency-related whole-of-government questions on the budget and fiscal strategy?

That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategy.



**OUTPUT GROUP 1.0 – CHILDREN AND FAMILIES**  
**Output 1.1 – Family Support**

**Madam CHAIR:** The committee will now proceed to Output Group 1.0, Children and Families, Output 1.1, Family Support. I will note that while the Minister for Territory Families has overall responsibility for the care and protection of children under the *Care and Protection of Children Act 2007*, the Attorney-General and Minister for Justice is responsible for Part 3.3 of the act relating to prevention of child deaths and answered such questions last week.

Are there any questions on Output 1.1?

**Mrs FINOCCHIARO:** Can you please explain why there is a decrease in the family support output on page 235 of Budget Paper No 3, which according to footnote 2 reflects a budget repair measure? How does reducing the family support output actually align with your government's priorities?

**Ms WAKEFIELD:** There has been a long ongoing issue of how we have been working with our family support agencies. When we came to government, there was significant concern within the sector on how that system was working, how they were getting referrals, how the NGO sector and the department were working together.

We have gone through a large piece of work proactively with the Family Support Services to ensure that we are getting the most effective services to the most vulnerable family at the earliest time.

For instance, there were some major barriers to referral under the previous government where you could not get a referral while there was an open case. If an agency was working with a child and their family—and this is where we often get people asking what is happening with the family—this is the area where we are most working with families to sustain families moving forward. If there was another notification about that child and the case was opened that family support would have to stop.

Clearly a very ineffective and inefficient system, it meant that cases were getting stopped and started, and workers were not able to manage their case load very effectively. As we got rid of those barriers and made the sessions more efficient, we have found efficiencies in the way that those contracts are delivered, so more families are receiving family support services than previously.

However, we had some money that we were looking at further investing. At this stage we want to stabilise what we are doing now and then we will look at the opportunities moving forward.

The important point is the system is more effective and efficient. I am getting very positive feedback from the NGO sector about how that is working as well as better management of the contracts to make sure that the NGO money is being spent as efficiently as possible—and we are enabling that because the issue was most definitely on Territory Families side. We have now resolved that and we will wait and see what the outcomes are, but more children and more families are receiving support.

**Mrs FINOCCHIARO:** The footnote says that due to an increase in out-of-home care, youth justice and domestic family and sexual violence outputs mean that money is being moved to additional service delivery in the out-of-home care space. That is quite a different and distinct way to spend money compared to family support. I certainly do not intend to anticipate debate on the care and protection bill, but a feature of that bill is support to families.

It is undeniably an important platform of government policy, so to see a reduction in that specific output raises a question around whether the government will be able to deliver on this policy point.

**Ms WAKEFIELD:** Looking at the reforms as a whole is a more effective way of looking at that. Looking at that one input has been, I suppose, a simplistic way of looking at it.

One of the ways that we are managing that—and those efficiencies are happening—is that we have much more effective management when referrals come through the system with a significant reform in our central intake program. It means that we are making better decisions.

The input of the one-child one-case policy is also having a flow-through impact around efficiencies to ensure that where we are putting care it is working more effectively, and that is flowing in to the family support program.

Many of those programs are funded by the federal government so that figure does not reflect what is being delivered within the Territory. We are also ensuring through processes like tripartite, and a range of other things, is planning to make sure that we are not duplicating services where we were previously.

I will see if Jeanette has anything to add to that large bit of information.

**Ms KERR:** The key issue here for us is that the whole system has become far more integrated as opposed to be siloed. This year to 31 March, we had 759 families that were doing Strengthening Families and family support cases with compared to 613 last year. That is in addition to a range of areas where there has been significant reform in family support. The Families and Children Enquiry Service has had an increasing take-up and a couple of hundred referrals out to family support services and a significant investment with NTCOSS on an online directory which is very comprehensive and publicly available. The one-child one-case has been a significant improvement in work. In addition, the remote expansion, we would submit, has had a significant response.

We are now in 19 remote communities in quite a number of new communities. We are also doing ward-based work where our care and protection staff are the same staff in the same location, on the ground, working with families. There is early intervention, where we have families coming to staff and staff doing community engagement and community capacity building activities in all of the remote communities that we work on and that is intervening early and nipping issues in the bud that would otherwise become notifications and investigations because of a stagnating system that we had previously. Now we can respond quickly and responsively and at a far higher level of quality.

**Ms WAKEFIELD:** I add another point. It is important to note that we are restructuring how we deliver services as a government. One of the important things that offsets that spending is that we will now have \$7.37m in our child and family support centres, which is run through the RMO. Some of this is because we are restructuring and wanting a whole-of-government approach to make sure we are intervening early so the end-point child protection services are reduced. We are putting those family support services in early and that will be delivered through those children and family centres.

**Mrs FINOCCHIARO:** How do you then justify the KPI, on page 239—for family support cases commenced to support families with identified needs—reducing?

**Ms WAKEFIELD:** I will hand to Luke Twyford, who is our statistics whiz.

**Mr TWYFORD:** The measure of family support cases was something we introduced two years ago. We changed our CCIS computer system that our staff use when they record family support case work through particularly the Strengthening Families case type. That had two significant impacts on our ability to record our work in that important area.

The first was, we could see it for the first time as a stand-alone body of work separate to child protection investigations. They used to be mingled in the same case type. What that meant was we had to base this current financial years projections on less than three months' worth of trend data. In my team, we gave it our best shot of projecting the cases that would be occurring this financial year and we have had to revise that down based on the data we have seen.

The second important change we introduced was counting new family support cases in our budget paper. Historically we used to count any open case but we were concerned that some cases were taking longer to close than would be desirable. The intent of family support is to go in, work with the family, address the root cause issues and then step out so that family can continue on. By having a measure that is only about new cases started, we are signalling that within that financial year you should be starting more cases than closing those cases.

Another critical reason why our estimate was higher than what we have delivered, was that we based it on new cases started and we were only able to project on that very short amount of time.

**Mrs FINOCCHIARO:** Does that mean if support was provided to a family and closed out and then maybe six months down the track, issues arose again, would that second interaction be counted as number two? It is a brand new case of family support being provided?

**Mr TWYFORD:** Yes, that is correct. We would be monitoring that around the opening and re-opening of cases because that would be a quality measure indicating out the level of our intervention and the outcome of our intervention.

**Mrs FINOCCHIARO:** Separately?

**Mr TWYFORD:** Separately.

**Mrs FINOCCHIARO:** It is important for people to understand—the numbers become skewed if you are having to go back and repeatedly support families if you are not counting that as new cases. That looks like, ‘Oh look, we have had this wonderful drop in family support’, when really, you are still providing a high level of family support.

**Mr TWYFORD:** That is correct. There is another critical factor there, Member for Spillett. That is the bulk of our family support work is done through our NGO partners. Whilst this measure counts what Territory Families’ Strengthening Families staff are doing, there is a range of other family support occurring out there that our staff are connected to.

The Families and Children Enquiry Service is making upwards of 250 or 300 referrals per month. When a parent, uncle or grandmother rings and asks for support in their family, we are making an active referral to an NGO. We are not capturing the work of that NGO at this stage in these numbers for government, but there is a range of family support occurring at greater rates. We are seeing that flow-through into the child protection data.

**Mrs FINOCCHIARO:** If Territory Families is the referrer to the NGO, would that stat then be captured in the family support cases commenced? You do not necessarily have oversight of it, but you are aware that the NGO is undertaking it?

**Mr TWYFORD:** No, it is not captured in the statistic. This is about capturing the work of our FTE staff who are in Strengthening Families, the Remote Family Support program and the cases they are actively managing.

**Mrs FINOCCHIARO:** Okay.

**Ms WAKEFIELD:** The complexity of this conversation shows the ongoing challenge we have in Territory Families with how we measure outcomes and not just outputs. For so long we have measured outputs. We have increased transparency by putting in new KPIs. We are working out whether they are a reflective measure of success or not. That is one of the things we are working on, particularly in the Tripartite Forum, about how we all—as the NGO sector, federal government and the Northern Territory government—ensure that the data we have reflects outcomes rather than just counting how many people we see.

There are significant complexities and we are continuing to have that journey. This is a good example that when we measure something we are doing so much reform on, it is difficult to get a sense of what it is actually measuring.

**Mr WOOD:** Can I piggy-back on that question?

**Madam CHAIR:** Yes.

**Mr WOOD:** You said you had 250 to 300 referrals from phone, I presume, and they went to NGOs. Do you know how many of those people—and it may be hard to say—were Indigenous or may have come from remote communities? Is there any way you can see where these referrals are coming from?

**Mr TWYFORD:** I would have to confirm that. I do not believe, at this stage, our capability is able to record the caller. The FACES call line is set up as a proactive hotline any member of the community—including the workforce of social workers and NGOs—can ring and indicate that a family needs the service and they are unsure of what service would help.

We have introduced an online directory so families, or anyone, can access that and see what services are available. The hotline is there to support that. It is generally the provision of information to a caller. Someone like a grandparent would call and talk about their troubled teenager, the fact that they suspect there might be drugs and alcohol involved in that teenager’s life. Our professional staff in the FACES centre, can then give advice to that grandparent on ways they could talk to the teenager and which NGOs are available in their community. We are not at the stage of collecting the demographic details of the caller at that point, it is more an advice line.

**Mr WOOD:** I was trying to find out about access to this hotline. Would families out bush know about the hotline in the first place? We know the majority of people in care are Aboriginal.

**Ms WAKEFIELD:** Yes.

**Mr WOOD:** Are we targeting the people who might need this hotline?

**Ms WAKEFIELD:** The line has been in operation about 12 months now. We have been working on the best way for that uptake to happen. I had the pleasure of going to the call centre and meeting the two workers who are doing that work. They have been working hard at giving the NGO sector information about the call centre. I would say that at this stage we do not have the reach out bush, but it is every early days and we are starting to make sure we are getting the effectiveness.

I know that they were particularly focusing on Palmerston to make sure that there were people—because the feedback I was receiving from people in Palmerston was that they were not sure which NGOs were operating in Palmerston. I know they had a large number of calls and that is ongoing. I would say most from the urban centres that it is something that we need to have ongoing.

I suppose that in communities it is often the health service that plays that role, and other services. We need to make sure our staff are on the ground in remote communities where we are finding the effectiveness. I do not think a phone line is ever going to work effectively for remote communities. That is my experience of working in the Territory for 15 years, however ...

**Mr WOOD:** Except you would be surprised at the number of people who have mobile phones these days.

**Ms WAKEFIELD:** I know, but people are tending to use that more for text and as a data source. I think there might be ways we can get better information there. I know from my experience working at the women's shelter, women used their phones to do Centrelink business and banking business, so there is a whole range of ways they use their phone as well as keeping connected with family through social media.

One of the things that I think where we will do more effective work is having more workers on the ground and making sure we are doing that in a way where we have workers based with Health staff and with other government services so that we have a much better collaborative process. Having workers on the ground on the 19 communities is having some extraordinarily strong impacts.

From communities such as Ali Curung, Papunya, Ntaria, in my Central Australian area, I have been getting very good feedback about having those workers on the ground and the impact it is making.

**Mr WOOD:** My question was related to Output 1.1, Family Support—the Families and Children Enquiry and Support hotline. I was asking about whether that hotline was available in remote communities.

**Madam CHAIR:** That concludes consideration of Output 1.1.

### Output 1.2 – Child Protection

**Madam CHAIR:** The committee will now consider Output 1.2, Child Protection. Are there any questions?

**Mrs FINOCCHIARO:** There was a recommendation from the royal commission on service mapping. Will service mapping be conducted this year?

**Ms WAKEFIELD:** I can get the specifics for that to you, but we have been working very hard with the Tripartite Forum on that. We need to do that in a collaborative way. One of the things that I have to say, and I have said this to federal ministers, as a minister having to make strategic decisions about where precious money goes, nothing is more frustrating than when you get a duplicate.

I think of a good example I have given all of the federal ministers I have met. As somebody who lives in Alice Springs and has been part of the service sector there for over 15 years, we are planning on where to put some precious early childhood dollars because we know they are the most effective.

I was making decisions for last year's budget, and I opened the *Centralian Advocate*. There was an advertisement for the Brotherhood of St Laurence, who do not have a large footprint in the Northern Territory, wanting to partner for delivering the HIPPY program, which is very different to the FaFT program.

I could have screamed, because the federal government has a national program that is delivered nationally by the Brotherhood of St Laurence, which is a very effective NGO. I worked with them when I worked in Melbourne many years ago—I have a lot of respect for them. We have another NGO playing in that space in Alice Springs which has a large number of NGOs. I had no vision of that money coming, I had no idea what it was for. In the week before that, we had the Finke River Mission money cut by Prime Minister and Cabinet.

The Department of Social Services is putting out this money, bringing a new NGO into the space in Alice Springs, and we have a long-term established playgroup being cut—which has all Aboriginal staff who lost their jobs from another part of the federal government.

This is the bit that we need to be working on. We are doing it through the tripartite one. We know what we are doing. We were able to provide to the royal commission where we were spending our money. The federal government was not able to do that. That is why the tripartite and the Productivity Commission are very important studies. We need to understand what the federal government is spending, as well as where and why. We have no vision of that at the moment.

**Mrs FINOCCHIARO:** The mapping will be conducted this year?

**Ms WAKEFIELD:** That is my understanding.

**Mrs FINOCCHIARO:** I have some questions based on the KPIs in Budget Paper No 3, on page 239. How many child protection notifications have been received by the Central Intake Team from 1 April 2018 to 31 March 2019?

**Mr TWYFORD:** There have been 17 615 child protection notifications this financial year to 31 March.

**Mrs FINOCCHIARO:** How many of those proceeded to investigation?

**Mr TWYFORD:** A total of 4405 proceeded to investigation. And if I follow the budget KPIs, there were 1156 substantiations in that same period to 31 March.

**Mrs FINOCCHIARO:** What accounts for that difference, that gap?

**Mr TWYFORD:** Are you referring to the gap between notifications and investigations?

**Mrs FINOCCHIARO:** Notifications and investigations.

**Mr TWYFORD:** Perhaps I can start and Jeanette Kerr can talk from the operational lens. Historically we do see a significant number of notifications not proceed to investigation. They are treated as information sources around what is occurring in a family or a child's life but do not meet the threshold for a child protection investigation.

Through the reforms we have rolled out, informing Territory Families, we are dealing with those notifications differently now. We are referring them to the FACES team for NGO support. Through our core triage process, they might be referred to a remote family support office where our staff visit that family, but they are not dealt with through a child protection investigation.

**Mrs FINOCCHIARO:** How is that separated out? How, at that point of the notification, does it get referred to FACES?

**Mr TWYFORD:** Statistically, in design, the notification will be recorded as a child protection notification. It will have an assessment done by our staff in our Central Intake Team. They will conduct inquiries; call the health clinic, the police, the school and see what historical information is on our records and other government records; and will then make a decision to either proceed to investigation, or to close with no action possible, or to close through other action. Close through other action can be a referral to any of our NGO partners or our own staff.

**Mrs FINOCCHIARO:** Do you have the breakdown then of the 17 615? If 4405 went to investigation, how many went to other action and how many went to no action?

**Mr TWYFORD:** I do not have that before me. There is a technical issue there, I will just flag. The recording of no further action has historically been used in child protection investigations to close cases where there

are duplicate cases for a child. That was one of the matters that was causing a lot of confusion for our own workforce around when did they need to respond to a family or not.

That is something we have addressed this year through the one child, one case policy, which is a significant reform that has changed the way our workforce receives cases for children who are assessed as being at risk and has created efficiency for them. That has also driven that number of investigations open and the substantiation numbers down, because of that administrative impact of how that is recorded on the system, not because we are seeing fewer children or doing less work.

**Mrs FINOCCHIARO:** The no actions may have gone up?

**Ms WAKEFIELD:** No, more likely to have gone down.

**Mr TWYFORD:** More likely to go down, because they were being used to record administrative closures.

**Mrs FINOCCHIARO:** As an example, if you have a child who has an open case and you are actively working with the child and family et cetera and a notification comes in—after it is looked at and they say, ‘That is child X; we are already looking at child X’, does it get recorded as a no action? Are you saying it does get recorded as an investigation?

**Ms KERR:** Historically that would go in as a new notification, a new intake, and the other case would be closed with no further action because there is a new investigation.

It is a huge amount of work to close a case and open a case. With the one child, one case policy, if we have an open investigation it is the same type of situation. It is still a notification but it goes into that investigation as further information, and there is a higher level of quality. It goes out quicker and the staff who are already doing the investigation—it might go into the Strengthening Families case—they will then add that information to their assessment and continue to work with the family.

**Mrs FINOCCHIARO:** Which makes an abundance of sense. I wonder what then happens to it. If you are the little notification blip you are in that statistic pool, but you are a piece of information which is contributing to an open case, which is completely legitimate. How are you counting that, what happens to it?

**Mr TWYFORD:** We can now count that. Through the one child, one case policy we have rolled out we can record that.

**Mrs FINOCCHIARO:** Do we call it something else. Is it too simplistic to ask for the 17 000 to be broken down into three—does it need to be broken down into four?

**Mr TWYFORD:** What we can count this financial year—I have the numbers here—is the child protection notifications which were assessed and screen in but were closed because they were addressed within an open case.

**Mrs FINOCCHIARO:** They are our four categories essentially?

**Ms KERR:** Yes.

**Mrs FINOCCHIARO:** Mr Twyford, was that 17 715?

**Mr TWYFORD:** It was 17 615.

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#### Question on Notice No 10.2

**Madam CHAIR:** Member for Spillett, please repeat the question for the record.

**Mrs FINOCCHIARO:** Of the 17 615 notifications received by the Central Intake Team, how many proceeded to investigation; how many were screened and connected to an open investigation; how many were marked as no action; and how many were marked as other actions?

**Madam CHAIR:** Minister, do you accept the question?

**Ms WAKEFIELD:** Yes.

**Madam CHAIR:** Thank you. The question asked by the Member for Spillett has been allocated number 10.2.

**Mrs FINOCCHIARO:** From 1 April 2018 to 31 March 2019 how many children had been subject to assault that the department has been notified of?

**Ms KERR:** There were 192 substantiations for physical abuse and 24 for sexual abuse.

**Mrs FINOCCHIARO:** Is that up or down on the year before?

**Ms KERR:** I can say that substantiations for unique children, the notifications are down 322, investigations are down by 1000 and substantiations are down 440. Our assessment is that it is largely to do with the increased family support front-end work.

**Mrs FINOCCHIARO:** Could you give me numbers to compare against the 192 substantiations for physical and 24 for ...

**Mr TWYFORD:** I will clarify, Member for Spillett. You are asking about the harm types of substantiated investigations.

**Mrs FINOCCHIARO:** There are probably more categories than that.

**Mr TWYFORD:** There are four categories. I can provide them for you to 31 March for this year. In terms of providing the year before I can either provide it to 31 March last year or the full year.

**Mrs FINOCCHIARO:** You can compare apples with apples if that is more ...

**Mr TWYFORD:** I will walk you through. As at 31 March last financial year, 2018, there were 41 substantiated cases of sexual exploitation; to 31 March this year there have been 24. In terms of physical harm to children, last year to 31 March there were 290 substantiated cases; this year there have been 194. In terms of the neglect of a child, last year to 31 March there were 844 substantiated cases, and this year to 31 March there were 451. In terms of emotional harm to a child, last financial year to 31 March there were 633 substantiated cases, and to 31 March this year there were 487 cases.

If have seen a reduction in the number of substantiated cases. That in part is due to the one child, one case policy I talked you through, whereas previously there may have been a single child with a single event recorded multiple times because of multiple notifications. We have now streamlined that and the number for individual children who are subject to those substantiations assures us that we are still dealing with, roughly—with no material difference—the same levels of demand for child protection in the Northern Territory.

**Mrs FINOCCHIARO:** It is not necessarily a reduction in presentation per se, but it is a better understanding of how that information looks.

**Ms WAKEFIELD:** When we introduced the one child, one case reform, which is a really important reform and something that our frontline workers have been calling for, for a long time, we had to make sure that we were able to satisfy ourselves that we were keeping an eye on the true problem as well as providing those efficiencies. We spent a fair bit of time making sure that was possible to track and so far we are comfortable that the demand for the child protection services has not changed. The demand change is purely administrative efficiencies.

**Mrs FINOCCHIARO:** Minister, how many people have been prosecuted for failure to notify under section 26 of the *Care and Protection Act*?

**Ms WAKEFIELD:** None.

**Mrs FINOCCHIARO:** How many children have been removed from their family for the period 1 April 2018 to 31 March 2019?

**Ms WAKEFIELD:** We are continuing to do the work on that. All of these reforms we have been working very closely with the Children's Commissioner to have complete oversight of this to ensure that have that independent review to ensure that the figures are reflecting what is happening.

**Mr TWYFORD:** This financial year to 31 March there have been 201 children admitted to out-of-home care compared to the full figure for last financial year was 297. We are on trend to see a reduction in that total number.

**Mrs FINOCCHIARO:** If we are on track to have fewer children placed in out-of-home care but our level of substantiated harms largely remain the same, what attributes to that difference of what in the department's view—is support being provided to families so children are able to stay at home despite substantiations?

**Ms WAKEFIELD:** Clearly, as this is a trend we need to continue to do the work to look at what is causing those figures. Our initial sense is that the workers on remote communities is making an ability for us to monitor at-risk families more effectively. If you are flying in and out of a community you are going to need to make a decision based on safety because all of our decisions are based on safety. If you are living in a community and able to visit a child every day and provide support to the family to maintain those safety concerns, we are less likely to remove. However, those decisions will still be made and will continue to be made.

We also believe that the referrals to the NGO sector are impacting on those, because we are having more families with increased support.

**Mr TWYFORD:** I will just make a comment, Member for Spillett—just to reinforce this, the number of children in care has not change. In fact, it is up by 1.2%. I just want to make that point that we still have over a thousand young children, 1080, in care at the moment.

**Ms WAKEFIELD:** Sometimes that input and output ...

**Mrs FINOCCHIARO:** The projection—you are saying we are at 201 now, and we are projected to exceed the 297 from ...

**Ms WAKEFIELD:** No, that is about children removed—it is children in care. The point we are making is that we have not got a reduction in the number of children in care. There is no indication that demand for our service is reducing. However, we are saying that we are working hard to make sure that we are making decisions based on safety and making sure there is family support in place wherever possible, particularly having those family workers out on remote communities.

**Mrs FINOCCHIARO:** That 1.2% increase of children in out-of-home care is to 31 March?

**Mr TWYFORD:** That is correct.

**Ms WAKEFIELD:** I suppose that it is about the number of children exiting care as well. Also, we are providing support for young people after the age of 18 on more occasions now because we recognise that the transition to adulthood is a difficult thing. Parents do not just stop providing support to their kids at 18, as anyone with a child over 18 will know, and we are providing that support.

**Mr WOOD:** I know.

**Ms WAKEFIELD:** I see some nods on the panel. I think it is important that we are increasingly providing support for people over the age of 18 through that transition.

**Mr DAVIES:** It is fair say that children are staying longer with us in care, and that is why we are putting so much effort into shifting children who are in care to kinship carer arrangements. If they are going to be in care for long terms, we would like to have them as much as possible with their own families. We are putting a lot of effort into where there are long-term arrangements into shifting those children, providing it is safe, to family.

**Ms WAKEFIELD:** I think one of the goals—when I have been at national meetings over the last 12 months, there has been a lot of focus on stability of placement and making sure you make the right decision at the time a child has been removed to a stable placement.

The most damaging thing we can do is have child cycle through multiple placements. If we making those decisions better at the start, and that a child is more likely to go in for long-term care, we are doing the kinship. Our numbers of kinship carers has significantly gone up over the reporting period.

**Mrs FINOCCHIARO:** What is—I think I might have the question here somewhere ...



**Ms WAKEFIELD:** We will get to that, it is good news ...

**Mrs FINOCCHIARO:** On average how many case does each case manager have?

**Ms WAKEFIELD:** Caseload is an ongoing—it is certainly something we have been working at. I think as a social worker, it is one of those things where I have jobs where I have 80 cases and I have had jobs where I have had 15. It is really a different case in terms of how many cases, but we do know that in child protection we need to make sure that where we have kids with urgent needs, that we keep the focus and the workload effective for our frontline workers.

There certainly has been a lot work happening in the Big Rivers region, because that has been a pressure point for the organisation over many years now. We are continuing to do that work. There are some improvements in that office. But we continue to do that.

I will hand over to Jeanette to talk about some of that work we have been doing, as well as the ongoing goals.

**Ms KERR:** In terms of case load numbers, the average caseload for child protection cases for the agency at 31 March was 25.3, and that ranges across the various locations. It is quite different now, because of the remote footprint and expanding the work done remotely also now includes carer support, kin finding, having case management for children in those communities and some statutory CP work in addition to family support cases.

The cases remotely which previously might have been one, two or none are rising to remote—currently at 12.4 and in other locations a little higher. At that point in time in Darwin, it was a 45 caseload for case workers there. However, since that time, there has been a significant amount of work in administrative finalisations and it is lower. So, across the board, it would be fair to say we are sitting at about 25 cases per case officer.

**Mrs FINOCCHIARO:** Do you have a split for remote and what you class as urban? How do you characterise that?

**Ms KERR:** We have greater Darwin; northern, which is broken down into East Arnhem, Arafura and Big Rivers; Barkly; Central Australia; and Alice Springs. Alice Springs is broken up into wards aligned with the local government regions. So we have Mbantua, Luritja Pintupi—five wards in total.

**Mrs FINOCCHIARO:** Are you able to provide that average case load for those?

**Ms KERR:** I can tell you what they were on 31 March.

**Mrs FINOCCHIARO:** Yes, thank you.

**Ms KERR:** There was 12.4 for remote, Barkly was 20.7, Alice Springs was 14.4, Greater Darwin was 45.2, Katherine was 24.6 and Nhulunbuy was 22.75.

**Mr TWYFORD:** And remote?

**Ms KERR:** Yes, 12.4. Since then, however, it has changed significantly in the transition of work to remote officers.

**Mrs FINOCCHIARO:** Why is Darwin significantly—in most cases—about double the other area or region caseloads?

**Ms KERR:** There is a range of reasons. Some is the implementation of the Strengthening Families cases and how they have been integrated in. Also there have been some—I will not say delay—but their change to a different generic type of model has not happened in the same way it has happened remotely because there are different needs in Darwin.

In addition to that—Darwin has a significant number of long-term care cases—children who are in long-term care. Of the 1080, a lot of those children are in stable, long-term care so you can manage a higher case load.

**Mrs FINOCCHIARO:** Okay.

**Mr DAVIES:** Member for Spillett, when I came into the department when we formed up the agency, we had 500 Darwin-based staff. That was the old model and we tried to run the world, literally, from Darwin and our

big regional centres. We now have a more distributed professional workforce and we are seeing these caseloads now start to roll in in a way which is much more supportive of families and young children—and on the ground. It is an on-the-ground presence. We largely had a fly-in fly-out workforce.

We think this is a great change. In regard to our workforce and retention rates and that sort of thing, it is making a difference on the ground ...

**Mrs FINOCCHIARO:** Yes, I wanted to ask about the number of workers who had to take stress-type leave, which may or may not be attributed to the intensity of the workload. Do you have those from ...

**Mr DAVIES:** We can go to HR. Yes, we do.

**Ms WAKEFIELD:** Yes, we do. Overall, we have worked significantly to stabilise the workforce. It is a workforce that has high turnover across the world. It is challenging and difficult work, particularly when you are talking about significant travel and a range of other things within the work, as well as the nature of the work.

However, we have seen, on some key indicators, a stabilisation which we are very pleased about. We are very much focused on investing in our frontline staff because it is about ensuring we have the most skilled people possible on the front line. By supporting them—even the administrative changes were causing a lot of frustration and keeping people from their jobs. We need to ensure we have done simple things. I have to say I was almost embarrassed in 2018 announcing that we were giving our frontline workers tablets and smart phones. But that was the reality for the child protection workforce. They did not have smartphones but they now have that equipment. We are investing in them to make sure they are getting the right training, and that will lead to further stabilisation.

**Mr DAVIES:** I will refer you to Luke because in regard to these caseloads there is a tool we have developed to make sure we have a line of sight at the regional level regarding the number that staff had. You would often hear individual staff saying, 'I have this many cases and another has less'.

**Mr TWYFORD:** We invested a significant amount of effort in our data team last financial year and have seen the impact and improvement this financial year to build reports that would tease out and demonstrate to frontline managers the actual caseloads of their staff. Historically the child protection department determined its caseload by looking at the total number of cases in the office and dividing it by the total number of staff employed by that office.

There was no IT capability to tease out if any of those staff had higher or lower than what their office average was. That led to consternation amongst staff who felt like the public reporting of caseloads for their region was misleading. It did little to assist managers to manage the workload from an evidence base, so we put a lot of effort into building a new system that can, at the request of a manager—regularly reports are pushed out to executive directors, frontline managers, office managers and team leaders. It will show the individual staff member's name and the number and type of actual cases that staff member has opened, as well as the age of those cases.

We are growing that sophistication in that reporting to also show some of the red flag issues that might exist within those cases. It might be an alert that a court order might be expiring or that the case work needs to be done by a set date. We are being much more proactive in a reporting sense to assist our team leaders and managers to manage their work load in the office as well as the case load.

**Ms WAKEFIELD:** The important side to that is that we are trying to build a learning organisation. That tool is not used for HR management; it is used to support the workers. If a worker has a higher caseload, it might be a sign that they have some complex cases and are not keeping up with the administrative side of the work. Giving that worker administrative support for a week can make the biggest difference for the outcomes of the children they are working with.

Perhaps it is some additional support and supervision; perhaps a senior worker through our clinical governance directorate which we put in place last year—which is about not providing line management but clinical supervision and support. Having one of those senior workers talk about how their case load is going from a supervision and support process, rather than as a line manager saying they have to close some cases—which is not helpful to a social worker on the front line. They need additional support.

Clinical governance and support, along with clinical practice improvement, are important sidelines from using that evidence base to support the workers who most need it.

**Mr DAVIES:** The department had 29 workers compensation claims open during the period 1 July 2018 to 31 March 2019. I want to make the point that of those, 20 were in the youth justice area. Some of those were historical claims that had come across to us, at which point the workforce transitioned from Corrections to us.

The number of social worker staff on the front line who are in the workers compensation frame, I could count on one hand. They are an incredibly resilient, professional workforce. That social worker degree, coming from a different background into this role—I have been very impressed with the workforce. They are in difficult situations and they stay the course.

There is no greater example than the terrible incident in Tennant Creek two years ago. All the staff there stayed through a very difficult situation and we had no workforce related claims come out of that. They are a fantastic team.

**Mrs FINOCCHIARO:** What is the breakdown of your frontline child protection staff who identify as Aboriginal?

**Ms WAKEFIELD:** This is an area we continue to do work on. Clearly, the majority of the clients accessing Territory Families services are Aboriginal. Therefore, it is our goal that our workforce reflect that population. We still have significant work to do here. We are doing some significant work on the cultural safety framework within the organisation. We are also working closely with Aboriginal-controlled organisations. That is the way to make sure that we are getting services delivered by Aboriginal-controlled organisations. That means that the community is directing and driving that care. Wherever possible we are making sure those services are delivered. However, we need those statutory bodies to also have Aboriginal workforce.

I will hand to Ken to talk to this but it is an area of effort. We are not where we want to be yet, to be honest with you. We need to grow our own workforce. Having workers based on community will help that as we go forward. We need to make sure that we are providing—because it is also a very difficult area to work in for someone outside of the community. Working from within the community in child protection services is incredibly challenging. We need to make sure we get all those support systems right before we further expand that workforce.

**Mr DAVIES:** Aboriginal employees accounted for 159 staff on a 900 staff base, or 17.5% of the workforce. Going to the minister's point about the regional footprint and growing our Aboriginal workforce, over the last 12 months, we have increased our Aboriginal workforce by 17.6 full-time equivalents, compared to the previous year in terms of numbers of Aboriginal employees. It is a big focus for us.

We have two very senior Aboriginal people—Helena is one and Dorrelle Anderson is another—in our own senior executive team which I am really proud of. Also, my executive officer who supports me is an Aboriginal person as well. She is part of the executive team as well. It is a trend up and we want to keep going.

**Ms WAKEFIELD:** We need to make sure that growth is in all areas of the organisation. It is important that in the executive team we have people who identify as Aboriginal, but right throughout in the professional stream and on remote communities. I know that most of our safe houses on remote communities are staffed by Aboriginal women. It is a really important workforce for us, but we need to make sure there are opportunities within the organisation for movement and for professional development.

**Mr DAVIES:** To help drive that we have introduced special measures in the agency. Part of our recruitment process—as the Member for Nelson previously articulated, a large majority of our clients are Aboriginal families. We want a workforce that is reflective of the Aboriginal community. Special measures is part of our employment and recruitment scenario. Any Aboriginal person who is considered, is considered on the basis of priority in the first instance—merit-based—but we are very keen to drive an increase in Aboriginal employees across the board.

**Mrs FINOCCHIARO:** In relation to child protection, how do you define cumulative harm?

**Ms WAKEFIELD:** This has been an area of significant work and it was one of the things that the Children's Commissioner, in her report, has asked us to do more work on. Last year, the investment into a clinical practice directorate within the organisation has really driven a lot of that work. Having that expertise that is not line management to then go and provide that support.

We have also been focusing on that particularly in our reviews of children who have had multiple notifications. That is something we commenced as a result of the incident in Tennant Creek. We have continued to do that

because we have found it to be a useful quality assurance process and has shown us where staff may be making decisions—it gives us a bit of systemic information rather than looking at the individual practice of individual workers—how, as a system, we are not supporting this type of decision-making.

We have done a range of different works. We have adopted a consistent definition of cumulative harm and ensured that is updated throughout the policies. I have had feedback from frontline workers that we have had delivery of practice sessions so that staff are getting current refreshing professional development. It is now a part of our core training. We have changed the way we do inductions for Territory Families staff. It used to be that you would start then do bits and pieces and people would often miss induction.

We now do three weeks for child protection practitioners before they can start work because once you get in to that office it is a crisis driven environment and it is very hard to then go back and do the induction. Cumulative harm is part of that process and the way it presents particularly in the Northern Territory. We need to ensure that if we have practitioners coming from elsewhere they understand how that might present within the Northern Territory context.

We have changed the way we do some templates. It sounds really simple but there are constant reminders throughout the templates—have they assessed for cumulative harm—so that we have a range of triggers to look for.

The most consistent work that happens in child protection services across Australia and the world is the intersection between DV service delivery and child protection delivery. One of the areas where we have been missing cumulative harm is the assessment of the impact of ongoing exposure to DV. There has not been enough work between the DV sector and the child protection system—something I am very passionate about. Having worked in the DV sector it was one of my largest frustrations working from outside with the department.

We have put a lot of focus on how we improve support for non-abusive parents who are experiencing DV to allow their parenting to be supportive as well as ensuring that children are safe and not witnessing DV because most of the cumulative harm that we have been seeing is related to that.

We have put domestic and family violence practitioner specialists in each office. For instance, in Alice Springs we have someone who has worked in a domestic and family violence service for at least five years in the NGO sector and has now come to work in the department. They will oversee the work and provide the child protection workers with help in risk assessment of a family, and ensure that they are assessing the cumulative harm on that child by the exposure to DV—making sure that the safety planning fully accounts for domestic and family violence risk, neglect, or any other issues that are considered the speciality of the child safety practitioner.

By putting in that extra expertise, working more closely with the domestic violence services, we are starting to get a better picture. There is still more to do, but by doing the case reviews, reviewing the critical incidences and doing the ongoing clinical governance and support, we are getting much better in giving our frontline workforce the information and tools to assess cumulative harm.

**Mrs FINOCCHIARO:** Currently it may be that there are no notifications arising out of a domestic violence incident relating to children—DV services might be responding to ...

**Ms WAKEFIELD:** No, that is not true. All domestic and family violence services are required to mandatory report. That report would go into there. What I think has happened in the past is that the child protection service is focused on the child and the DV service is focused on the mother. We need to look at the whole family and that means that those services need to work together. We will continue to do that work.

We have been working with the closely with the DV sector, and later in the other outputs we can talk about the extensive investment—we have put additional money into the domestic and family violence sector. It is a huge issue facing the Territory and it is the biggest reason children are referred to child protection services and domestic and family violence services.

If we can tackle domestic and family violence and more effectively respond, we will have a significant impact on our child protection services.

**Mrs FINOCCHIARO:** You mentioned that you now have a consistent definition of cumulative harm. Are you able to advise us of what that is?

**Ms WAKEFIELD:** I am more than happy to hand that to Jeanette, who has the policy and procedure and all those details.

**Ms KERR:** I will precis some of it, but we have a two-page practice guidance in our policy in regard to cumulative harm. It is important to note that the identification of cumulative harm requires an in-depth review of the child's case history that is not limited to reviewing notifications that have been investigated or to cases of substantiated harm or exploitation.

It goes on to discuss how that analysis is done. The Signs of Safety harm analysis matrix is a useful tool to assist practitioners in assessing harm and making a determination about the likelihood of future harm to a child, the degree of that harm and the probability of cumulative harm.

There are seven key factors that need to be considered: frequency of harm: the number of incidents—then it goes into more detail; type of harm; severity of the harm; source of the harm; duration; the probability, estimating the likelihood of future harm; and vulnerability, estimating the risk of a child to future harm, taking into account and any disabilities, medical conditions and social isolation.

There has been identified through youth research that high likelihood of harm, including cumulative harm occurring, includes if there have been multiple reports over time; if there is a history of multiple sources of notifiers alleging similar problems, concerns relating to multiple harm types, and/or multiple persons responsible for harm over time; if reports include incidents of inappropriate parenting in public; if there is evidence of children not reaching developmental milestones; and if there is a child protection history for the parents and/or other siblings.

Then we have a specialist practice guide for cumulative harm. We have been rolling out professional development sessions across the agency.

**Mr DAVIES:** Nobody wants to see a child witnessing multiple cases of domestic violence. Previous Children's Commissioner, Howard Bath, has done some terrific research in this regard. He has done a lot of work on cumulative harm and there is a lot of evidence to say that young children who are in home where they are seeing repeated incidences of domestic violence—it has a massive impact on their wellbeing. Nobody wants to see that happening.

We have to be really vigilant on this and work with the domestic violence providers to make sure that we are supporting families where it is happening, but also supporting those children in those instances and making the necessary decisions.

**Ms WAKEFIELD:** We are very fortunate to have Howard as part of our clinical governance committee.

**Mr DAVIES:** He is working with us very closely on this.

**Mrs FINOCCHIARO:** How many calls has the NT Child Abuse Hotline had in the past six months, but your data might be to 31 March.

**Ms WAKEFIELD:** I will hand that to Luke.

**Mr TWYFORD:** To 31 March 2019 there were 18 285 calls to the Central Intake Team, and of those there were 17 615 were child protection notifications. That represents roughly 96% of those calls.

**Mrs FINOCCHIARO:** What are the other calls for then?

**Mr TWYFORD:** They will be referred to either our FACES team or our Connect team. Jeanette Kerr may be able to speak in more detail to the reform to our Central Intake Team, but some of the significant reforms have been taking away from the Central Intake Team the professionals that are there to assess reports about potential child abuse and harm, matters that can be dealt with by other arms of our department or other non-government organisations.

Historically, that team received a lot of calls from children in care, looking to speak to their case manager—implementing new ways for children in care to contact the people they have relationships with and taking that work away from Central Intake team, who have a significant role to perform as the front door to the child protection system.

**Ms KERR:** As Luke said, 18 285 calls to Central Intake. In addition, there are 471 calls to FACES and around 2300 calls to Connect. That service, Connect, is where family service providers and children can call—similar to a switch but a bit more sophisticated—and find their case managers. In addition to that, we are rolling out smart phones, most are out to our frontline workers, which is not particularly surprising, but new for us, and tablets so people can work infield.

That, in addition to having people on the ground in remote locations, gives us one front door into the agency—being CIT hotline. There are now multiple ways you can contact the people you are working with, or case managers, or even for administrative responses.

**Ms WAKEFIELD:** Many of the young people in care are teenagers. Texting is now a very popular way of keeping in touch with young people. It is an important way we continue to keep in touch.

**Mr DAVIES:** This is the front door to our agency and it is important that this is done well. Jeanette and her team have invested heavily in this team. Last year we had 29 staff, we have increased it to 34.6 full-time equivalent staff. It has a structure in there for supporting staff who are taking frontline calls. It is interesting, when I talk to some members of the public about this—they think it is just a call centre, where calls are taken and then referred off. It is a much more sophisticated operation than that. It is a 24-hour service. There are people in it 24 hours a day dealing with calls constantly coming in.

To reinforce that, all our staff have been given training on customer support. It is not just a professional dealing in a professional way; it is training in how to walk in other people's shoes—the reporters. It is giving feedback to reporters when the notifications are made.

The whole point of this exercise is to make the experience of notifying one where people are listened to, heard and valued and where there is feedback to those notifiers as well.

**Mrs FINOCCHIARO:** What was the average wait time for callers before their call was answered?

**Ms WAKEFIELD:** We have that information. One of the things which has happened to the call centre is we have been able to scale up to respond to emergencies, such as the cyclone response. Territory Families provided the emergency relief. That is now done out of the Central Intake and that can expand to manage those periods.

We have taken on board, through a national agreement, the national elder abuse hotline. Any calls to that from the Northern Territory are referred into Central Intake. There is a response from Territory Families in that space, as well as responding to child protection.

We have not only invested in the frontline staff, but we have a more stable workforce, one which is well supported to do that work effectively. I will pass to Jeanette for the numbers.

**Mrs FINOCCHIARO:** For the purpose of the numbers, the numbers will not include calls about emergency response or elder abuse?

**Ms WAKEFIELD:** Just so you understand, because of the size and role of the agency has changed, we are not just a child protection agency anymore; it is whole-of-family. We do emergency response and after the cyclone last year and this year, we did an amazing response. I take the opportunity to thank staff who stepped up and provided emergency payments in that process. We have a much wider remit of service delivery.

**Mrs FINOCCHIARO:** I wanted to make sure the numbers I use—I can refer just about child protection?

**Mr TWYFORD:** Yes.

**Ms KERR:** Okay. Specifically in call wait times for the entire nine months to 31 March was four minutes, 58 seconds. The average length of calls has gone up to three minutes, 52 seconds. But our latest data has that going up to over six minutes, which is a really good indication of a far greater quality response in terms of the information that is being gathered. That is directly related to the implementation of the Signs of Safety practice model in Central Intake.

The proportion of calls abandoned is down almost 3% and the percentage of call-backs is up 3%. Although the number 3% does not sound like a lot, when you look at over 18 000 calls it is really quite significant.

**Mrs FINOCCHIARO:** Is that a system whereby it says something like, 'If you want us to call you back press the hash and put your number in'?

**Ms KERR:** Yes, that is right.

**Ms WAKEFIELD:** Member for Spillett, it is important at this time to also say we have changed the way professionals can notify to the organisation. As someone who was a professional often notifying to the department, I found that process frustrating. I could have had more information to give them than was asked for. It was often difficult to do.

I have had feedback, particularly from doctors and nurses who are on a 24-hour roster, of their frustrations at different times, particularly in getting information back. They found that difficult, as did schoolteachers and Public Housing Safety Officers.

We have set up a portal so that professional notifiers can send information, and it is restricted to who can do that because we want to ensure the quality remains at a high standard. It means they can attach documents. If they have a report it means they can type in additional information. This is about improving the quality of information from other professionals across government.

Child protection is the responsibility of everybody within government and it is important that other government employees provide as much accurate information as they can about why they are referring. We will continue to do that. I might get Jeanette to talk about when that commenced and how that is tracking so far.

**Ms KERR:** Sorry, minister. The portal commenced for trial last November with a small number of locations and agencies. It then kicked off in February or March with Education and Health, then 1 May for Police. Given that police are 45% of our notifications that has resulted in the closure of referrals from support link from police to us. Then the uptake of professional notifiers and online portal notifications has resulted in a much higher quality of information aligned to the legislative, practice and assessment requirements for our agency.

That was then probably also a contributor to the lower number of intakes going across because at the front end we can do inquiries in the Central Intake service now, as opposed to before the call would be answered, they would work it through, have 24 hours and at the 24-hour point make a decision not to intake or send to investigation—not particularly high quality when you cannot get collateral information from the Department of Education, Housing and Police et cetera.

Now, in that process a lot of that information comes in early and a much higher level of inquiry and assessment happens within the Central Intake. There is triage and high priority goes straight through on really important matters. Then there is an assessment team of professionals who assess and do that additional work. In addition to that there is a senior practice leader in Central Intake who has comprehensive oversight in helping with professional development, as well as the manager.

**Mrs FINOCCHIARO:** On this online professional reporting tool, will that be expanded outside of government?

**Ms WAKEFIELD:** At this stage we want to see how the quality remains. One of the risks with that in other jurisdictions is that they have had a higher volume of information that then cannot be verified. We do not necessarily want someone sending off an email at 2 am because the kids next door are screaming, and not including a full name, information or proper addresses. There are a range of things that could come through which are high risk.

We want to keep it with the professionals. We will assess it then and very carefully step out, but there are risks with someone who is not a professional making an assessment about a risk for a child—not being able to have a one-on-one conversation with a professional to ensure that we get all the information we need. No one rings child protection if they are not worried. It requires a conversation to pull out all the information from someone who is not a trained professional. We will see how this goes and then look at the options.

**Mrs FINOCCHIARO:** Why is the risk higher for someone to report on the online environment than it is to pick up the phone and do it? Using the 2 am example, you can just grab your mobile and ring.

**Ms WAKEFIELD:** It is important to have those conversations with someone. For instance, every department has induction around child protection, what your responsibility is in regard to legislation, what might assess risk and what the remit of child protection is. When you go to the broader community there is a different understanding of that.

We want to make sure people can refer. We understand that the public is our best referrer in regard to picking up children at risk who are not being picked up by the system. If a grandma is worried about her grandchildren, I do not think it is responsible for us to say, 'Fill out a form on a computer', rather than having a human on the other end of the phone saying, 'Of course you are worried; here are some of the things you can do and people you can talk to.' That requires a more interactive and supportive intervention than a teacher who—but those people can still ring if they want to have a discussion.

Sometimes when you are making an assessment as a professional you might want to seek other professional guidance on it. They might then choose to have a conversation. This is about giving trained professionals an option of providing a range of information. For the general public we need to provide a much more supportive and positive environment that also acknowledges that the person reporting might need support as well.

**Mr DAVIES:** The officers who notify, and the professional reporters online, are part of a broader government information-sharing structure. When a report comes in, if there is a need to network immediately with the Health or Education departments, that is all facilitated as part of this process. It is also about connectivity, so if a professional online portal allows that, once a professional has made a notification the links are immediately made.

**Ms WAKEFIELD:** That is increasingly clear; this is not just a Territory Families issue. Police, Health and Education all have a role to play to ensure Territory children are safe, and we need to work together. The portal shows that information-sharing, collaborative working and allowing everyone to work together in a productive way is an important step for us.

**Mr DAVIES:** It has definitely helped to stop the tick and flick of, 'I have reported it; that is it.' There is a reconnection made. You have to fill in fields in the online report that require you to give the right information, so it makes follow-up much easier.

**Ms WAKEFIELD:** We have been clear as a government that child safety is everybody's responsibility. We have driven a whole-of-government response and are ensuring that all departments meet their responsibilities. Some of them are statutory; Police and Education have statutory responsibilities in the child safety area. We will continue to make sure everyone is not only meeting their statutory obligations but work collaboratively in the best interests of Territory children.

**Madam CHAIR:** We might take a five-minute recess.

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The committee suspended

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**Madam CHAIR:** Just to remind everybody, we are on Output 1.2, Child Protection. Are there any questions?

**Mrs FINOCCHIARO:** Just back to the child abuse hotline, what was the longest period of time someone waited for their call to be answered?

**Ms WAKEFIELD:** I will refer that to Jeanette. What were the extremes?

**Ms KERR:** I cannot specifically give you that number for the individual longest call. It is something we could probably take on notice.

**Mrs FINOCCHIARO:** I was keen for a bit of a breakdown. I am not sure what you have in front of you but would you be able to say how many people waited for this period of time, for example 20 people waited for 10 minutes, 100 people waited for 20 minutes. Do you have that?

**Ms KERR:** I can give you the average call wait time, the average length of calls, proportion of calls abandoned and percentage of call-backs.

**Mrs FINOCCHIARO:** I got the other ones so I will take the percentage of calls abandoned.

**Ms KERR:** That was 18.2% down from 21%.

**Mrs FINOCCHIARO:** And that is where people hang up, is that correct?

**Ms KERR:** That is right. That is for all calls to Central Intake.



**Mrs FINOCCHIARO:** That is including elder abuse or other?

**Ms KERR:** No elder abuse is something else.

**Mrs FINOCCHIARO:** So all calls to Central Intake are for the child abuse hotline. Okay, that is fine.

Could I then put on notice some of my other questions about the call times?

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### Question on Notice No 10.3

**Madam CHAIR:** Can you please restate the questions for the record.

**Mrs FINOCCHIARO:** In relation to the child abuse hotline, can you please provide the percentage of calls that were answered within 10 minutes of the call, within 20 minutes, and provide the maximum amount of time a caller waited.

**Madam CHAIR:** Minister, are you happy to accept that question?

**Ms WAKEFIELD:** Yes, I am.

**Madam CHAIR:** The question asked by the Deputy Leader of the Opposition of the minister has been allocated the number 10.3.

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**Madam CHAIR:** Are there any further questions on Output 1.2?

**Mr WOOD:** In regard to schools—and we are looking at early intervention—my understanding is that quite a long time ago in Queensland they introduced a system where teachers were able to be trained to see if a child, based on their behaviour, was at risk. Do you get notifications from schools? How do you then handle that?

**Ms WAKEFIELD:** Yes, so according to the figures in the year to date to 31 March, we have 3132 notifications from school personnel. Clearly this is an area we have been working on. Minister Uibo and I have had a couple of conversations since she has become minister about how we can better support. Our focus has been the first 1000 days as a government policy. We now know that within that primary school age in particular we need to be doing some additional work and working better with the Department of Education.

I have had feedback from teachers about kids who are in care. We are working collaboratively with the school as a parent would for a child who is in care and making sure that where someone is receiving residential care from the NGO sector there is a responsibility taken by those residential care workers to provide that type of support.

We are trialling a couple of things. One of the programs that I am very pleased about—it is not so much in the child protection space—is our youth outreach workers working in Bakewell School with the Grade 5 and 6 boys to provide positive role models for those young men.

I know that the Clontarf and Stars programs have been rolled out—especially in Tennant Creek, in the primary school. We also will have in Tennant Creek the child and family centre based in at the school. Where the schools and the early child and family centres are working together, it is about making sure that early childhood space also becomes a strong early intervention point for child protection services as well and making sure too that domestic and family violence services are delivering in sideways to some of those child and family centres.

We are working closely with the Education department. There is more to do. I have spoken at some teachers' conferences—there was a middle school conference last year. We need to be working collaboratively and supporting those teachers. It is a difficult job being a teacher. When there are kids with complex needs in a class, and kids the teachers are worried about, we need to make sure we are working collaboratively with that teacher. As I said there is more to do, but we have some good starting points.

**Mr WOOD:** Could I just find out, I will not say where this issue was raised a few weeks ago in the press, but whose responsibility is it to inform you, the teacher or does the teacher have to go through the principal, or does the principal have to go through the department?

**Ms WAKEFIELD:** It is an individual responsibility. The legislation in the Northern Territory is very clear that each individual adult in the Territory has a mandatory reporting responsibility both for child protection and for domestic and family violence. Where an adult is concerned about the safety of either a child or someone through exposure to domestic and family violence, we have a responsibility to act as an individual.

**Mr WOOD:** That is clear. In relation to neglect, and especially cumulative neglect—I did not quite write down one of the definitions of neglect there—if a parent is not sending their child to school on a regular basis, is that neglect?

**Ms WAKEFIELD:** I think that as our CEO often says, this is a problem shared between Education and child protection. If there is investment in Education into truancy programs, or school disengagement programs—I prefer to use that term. That can stem from problems within the family. That might mean additional family support and ways of supporting a family. If that support has been put in place and a child still is not consistent in going to school, that is where child protection may become more involved.

We have been working more closely with the truancy team—in Alice Springs I know of the interagency cross work that is happening. But again, I think we can coordinate those things better.

**Mr DAVIES:** This is a big issue for us, particularly with the young people in care. Of the 1080 young people in care—children in care—there are over 800 who are school aged. Given that the agency and I are responsible for them, I am particularly keen to make sure they are attending and enrolled in school.

That is why the government has invested in this new management system, the CMSA project. That will help us line up our datasets. For me to check whether or not the child is actually attending school is a clunky process. It means that we have to interact manually, we do not have systems that can talk to one another to find out whether or not a child actually is attending school on an immediate basis. The new system will enable us to do that.

Making sure that young people are attending and enrolled in school, particularly when they are in care, is an essential part of the care arrangement. Where they are not, and I see that from time to time, we are really concerned about that and there are immediate questions that go to Jeanette about what the case manager is doing about it.

Separately we have entered into a partnership with Anglicare, with the Education department, where they are now supporting a trial program we have going where they are supporting schools and the teachers to deal with and to teach young people in care, to get them additional support outside of the classroom as well as part of their broader education spectrum.

It is important that young people attend school but, as the minister said from the outset, this is everyone's responsibility and Territory Families work very closely with the Department of Education around this. There are a range of other officers, including attendance officers, who have a role to make sure that they are working with families to get young people to school.

**Mr WOOD:** Who is actually responsible for the child to attend school, as required by the act?

**Ms WAKEFIELD:** Attendance is a statutory part of the *Education Act*.

**Mr WOOD:** From the department's point of view, where a child is now under your protection, where does the buck stop when it says that child should be at school?

**Mr DAVIES:** If the child is in care and should be at school, the buck stops with the caseworker and the carers, in terms of trying to get them into school. It is fair to say, some of these young people have not been at school for a long time. Particularly when you start to get to the youth side of things, we have to look at alternative programs. That is why the Malak Re-engagement Centre, those alternative education centres are an important part of getting young people back on track. For younger children, particularly in the early childhood area, it is essential they are going to school. That is an essential part of their case plan and case plan management, when they are in care.

**Mr WOOD:** I know that carers do a great job; there are some in my electorate. It is not saying this is easy but it can help reduce the issue of neglect, if they get to school.

**Mr GUYULA:** Talking about education and keeping our language, identity and culture with children, when they are living away from home, how are you going to communicate with parents, especially elders, in communities about maintaining language as well as education, what they learn, where they are living?

Maybe, in their younger lives, if they can be encouraged to go back to who they are, they might want to participate in some ceremonies, or whatever?

**Madam CHAIR:** Minister, are you happy for this question, under this output, at this time?

**Ms WAKEFIELD:** Yes. I am sure there will be other parts, throughout the day, that we touch on this issue. Thank you for the question, Member for Nhulunbuy. I know this is an area you are passionate about. We have had regular conversations about this.

I think the best way we can ensure that young people have a strong identity and are connected to their language and culture is, if a child does need to be removed because of safety concerns within that family, we are first of all placing children with kinship care. That has been our most important piece of work and we have increased the number of children who are being cared for by an Aboriginal carer and who are in kinship care. That is our first point of ensuring that kids are with family as the best option, if they cannot stay within their original family.

We have been doing some work on the cultural safety program—we have had a fantastic Aboriginal worker lead that within the organisation—making sure there is, within a child's individual care plan, an individual cultural plan which ensures they have contact with language speakers, family and culture.

We accept we have not done this well historically, we know this is an area where we need to significantly improve. It is something we get feedback about, particularly from individual children. We continue to focus on that improvement and make sure that kids have access to family and important ceremony where necessary and are attending family events, such as funerals, as required.

I acknowledge there is more to do in that area, but I think we are making important steps. The best way to ensure people are connected to family and culture is for family and kinship carers to be the first option for kids in care.

**Mr GUYULA:** Yes, because I have heard family members have been told that their children have not been allowed to speak to their family in their language and that they are learning a language of their foster parents—which is good. It would be good if they could learn the foster parents' language and culture as long as they keep up their identity and culture and their own languages.

**Ms WAKEFIELD:** Yes. I know you raised a specific complaint with me—I think it was a couple of years ago—about a specific incident where a child was told not to speak language. We stepped through that complaint. It is not something we would support—that a child is not allowed to speak language. That is not what we are wanting. It is important that we continue to support those because we know that children who speak and learn in their first language will do better in education and a range of other outcomes—and a strong sense of identity.

I might hand to Jeanette, who probably has a bit more to add to this. I want to be clear that we investigated that specific circumstance. We have worked through with you that that is not what we would expect of foster carers.

**Ms KERR:** Member for Nhulunbuy, there is a range of initiatives that are happening practically on the ground that I would like the opportunity to share. As you know, we have the cultural authority group, the Mikan Reference Group. We are also working with Larrakia, Ngurratjuta in the Western Desert and Tangentyere on family and kin finding, but also carer support. Tangentyere is about to release an Aboriginal family and kinship care model for us to roll out across a range of communities with Aboriginal community-controlled organisations.

We have prioritised family contact on country. One recent example is a young boy who is in Darwin in care because of significant medical and health needs. One of his parents was in palliative care, so the agency brought four aunts over to work with Health and us to be able to take that boy back to community so they

could care for him so he could spend time with his father—what time he had. We are committed to this. It is a central core of our out-of-home care transformation.

In addition to the cultural plans the minister has outlined, we are doing some very exciting work with the Department of Local Government, Housing and Community Development's Aboriginal Interpreter Service. We have an ongoing forum where we are working together to, for example in Darwin, with the Aboriginal Interpreter Service to work with our young children in care so we can promote and encourage the use of language and culture so that kids, while they are in Darwin, can still learn and speak in language.

We also have an Aboriginal practice leaders group in the agency, which is a key part of leading our practice reforms so that it is culturally secure at every point. All of our significant reforms—practice, policy et cetera—goes through that group. They are a significant leadership group for us. There are a number of senior Aboriginal practice leaders and adviser in the clinical and professional practice directorate. All of our work now goes under that lens, in addition to the cultural security work.

Sorry, one more thing which I should not forget is the Aboriginal out-of-home care strategy that has been done in partnership with ACOs across the Territory and SNAICC.

**Mr WOOD:** I have a question on Output 1.2, Child Protection.

**Madam CHAIR:** I will allow another question, thank you.

**Mr WOOD:** In relation to the implementation of science and safety, for which you have a contract worth \$1.06m for a period of 30 months, I have a range of questions, so I will ask in blocks.

Why is Signs of Safety being introduced now? What framework is Signs of Safety replacing? Has the Signs of Safety approach in Western Australia reduced the rate of Aboriginal children being placed in out-of-home care?

**Ms WAKEFIELD:** It has been a long-term criticism of child protection in the Northern Territory that there has not been a clinical framework in place. It was raised by the Children's Commissioner and was raised in the previous term of government. It has not been delivered.

The previous CLP started to look at this and it was cut by that government. We have looked at a range of options regarding how we support our workforce to make consistent decisions as well as having consistency of practice across the Northern Territory from practitioner to practitioner. That is what the Signs of Safety process does.

It is extremely well evaluated. It has been in place in Western Australia for a period of time and they have seen significant increases in the number of children in kinship care with a range of positive outcomes. This will provide us with the ability to have consistency of framework.

The copyright for it is held and then transferred to us. The company provides all the training to workers. They are child protection experts who have provided this service in Queensland and Western Australia, as well as internationally. It is very well assessed. It gives workers a structure in which to make decisions. It sets expectations about their level of practice and provides a framework for us to provide consistent, professional development and oversight.

The most important thing for me in this process, and as a practitioner, is that it provides opportunity for group decision-making within child protection, but it is also about working with families and giving them the opportunity to be part of the decision-making. It provides opportunities for other agencies to have input as well, so you are not putting one decision on one frontline worker, which is what we have done in the past. We have often put workers who are not from the Territory in a situation where they alone are responsible for making a life-changing decision.

This provides much more support for that. It has a lot more triggers where there are more people who have eyes on those decisions. It will show those impacts.

**Mr DAVIES:** What this practice framework does, apart from being internationally recognised as a framework that provides consistency in the Territory—as well as training our own workforce we have been able to build a common language within Signs of Safety. What is in a name is everything. We have been working with the Department of Health, Anglicare, Legal Aid, Charles Darwin University—which is using this as part of its

teaching framework to teach new social workers—and the North Australian Aboriginal Justice Agency, NT Police and Kalano.

We are networking with all our stakeholders to build a common language around Signs of Safety and a common practice framework. It is about bringing the system together in a way that engages with families and children up front. Case managers used to go in thinking they know best. We have learned some lessons, particularly when we have engaged with the Mikan group in Nhulunbuy, that sometimes families can add significant value and also know best.

It is about how practically on the ground you engage with the child's family holistically up front. In straight, practical terms, that is what it is about. The model has rigour, is internationally recognised and has built a common sense of purpose around children and families in the Territory. That is the biggest bonus. Jeanette, you can go in to the detail around that.

**Ms KERR:** In terms of the cost—that is over three years and it is an extremely cost effective way to implement a model. It does not have licensing fees ongoing. It does not require huge expensive consultants to come in although they are extremely generous with their time. We have so far trained 595 staff in the foundation training and the extended training. We have leadership days with our leadership team from the CE and the minister's office down to our team leaders which happens every quarter.

Resolutions Consultancy have a full-time staff member in the Northern Territory essentially working with us on this—an expert who has trained at the highest level. The other advantage is that the IP or the copy right will go to—or is in the process of going to if it has not already—the international body of knowledge, or the international community of practice.

We now have access to that knowledge bank, which has all of the practice improvements from over 200 jurisdictions around the world. For example, the UK has just spent almost GBP10m implementing local authorities there. They are doing evaluation framework, there is apps, there is work being done to align computer systems and policy and we get the benefit of that at no cost, and that is ongoing.

**Mr WOOD:** Has it been a saving to the department financial or will it be?

**Mr DAVIES:** It will be measured in terms of support for children and families. Absolutely, in terms of efficiencies us being able to tow, getting in early and working with families early over time there is no doubt that this practice framework will drive a better practice model.

**Mr WOOD:** Do we need to change legislation to allow Signs of Safety to operate efficiently? Does Territory Families' policy on confidentiality need to be changed to allow parents and families to be involved in discussions about the child?

**Ms WAKEFIELD:** No, it does not. That is one of the advantages of implementing this particular framework. We have things before the parliament that are part of the recommendations from the royal commission. The philosophy of what changes we have made are very much in line with the Signs of Safety, which is really about us as a government driving reform that is child focused.

As a government we are saying that kids are at the centre of all of our decision-making. The legislation we have put through reflects that and Signs of Safety is the practical implication of that.

**Mr WOOD:** Territory Families has entered in to a three-year contract for over \$100 000 on a licence and training for Viewpoint software. Can you say what the Viewpoint software is used for and what has been the outcome for children in care resulting from the use of this software?

**Ms WAKEFIELD:** I will hand that to Luke. It is really important that we are investing in not just putting systems in place but ensuring there is the proper implementation. It is one of the things that has happened right across the Territory. The implementation of new changes has not been thorough enough. As minister, and someone who has watched that happen over many years, I have been giving the CEO very strong direction that the implementation of all our reform has to be sustainable and ensure our workforce are well trained so that we get the maximum value of everything that we are doing.

**Mr TWYFORD:** The Viewpoint software tool was rolled out nationally. All jurisdictions adopted it as part of the Australian Institute of Health and Welfare national survey of children in out-of-home care. AIHW provided a one-off funding for that tool to be used for that one specific survey.

To backtrack a little—through the royal commission and the reforms that this government announced and is driving, it is very clear that the voice of children is central to how we design our system and how we measure the success of our system. The Viewpoint tool through that national survey, it was very apparent to us that it provided a vehicle for us to survey children in out-of-home care and children in detention facilities, and seek their feedback on the quality of services and the experiences they were having in our system.

We made the decision to expand the contract and to engage in that relationship with the Viewpoint provider so that the tool could become part of the quality assurance process, something that we will do regularly—annually—with each cohort to ask those in out-of-home care particularly some really fundamental questions such as, ‘Do you feel safe?’, ‘Do you feel like there is a trusted adult that you could confide in and talk to?’, ‘Do you get to see your family as much as you would like to?’, ‘Are you engaged in education?’, ‘Do you have sufficient support?’—really fundamental questions that help us then deliver a better service to that child.

We have adopted it as a quality assurance tool. In out-of-home care we also have adopted it as an operational tool. Every six months as a case manager creates a new care plan for a child, they have the opportunity to do the survey with that child, or allow the child to do that survey, and then assure that the outcomes they are getting form part of the operational response to that child.

**Mr WOOD:** Is it being used?

**Mr TWYFORD:** It is being used. It was recently used for the ARHW repeat of the survey. I do not have the current figures, but about 27 surveys have been completed this financial year. My team will go through the process of doing the whole of system view on the performance outcomes that the survey tool gives us later in July as a back-cast to the year.

Other capability or capacity this tool provides us is actually to introduce new surveys. Jeanette and her team are already looking at how we build in quality evaluation surveys for families and parents who have been subject to child protection processes. In particular through the Signs of Safety practice model roll-out we want to get a baseline and then in the future do a quality evaluation of how our engagement with those families is leading to better outcomes in the long term.

We are exploring the in-build of a survey for foster and kinship carers, so we can get quality feedback from that critical part of our system and ensure that that feedback is systematised so that we can look across the regions and our offices and try to understand, from a whole of cohort level, where we are seeing improvements or deficiencies and what they might look like in different places.

The survey tool, just by a very short way of explanation, we own and have on our staff’s mobile devices. It is another key part of why staff have mobile devices. But we can also push a link to the online system to a child in care’s mobile phone, we can send it to a carer’s house so they can access it by themselves. It is a really capacity building way for us to hear the voice of the child within our system.

**Ms WAKEFIELD:** We have some baseline data from the first lot of surveys. It shows that we have room to improve. From the national ARHW survey, 92% of children felt safe and settled; 92% felt satisfied with the type of contact they had with family members, and that goes to the Member for Nhulunbuy’s question—we are very clear that we have more to do in that area; and 66% felt they got to have a say in what happened to them.

However, when you then go to the next level, 78% reported they have a say in what happens either all of the time and most of the time. I think my child might have an opinion whether he got a say in things as well there. Eighty-five per cent also feel that people actually listen to what they have to say, and 84% of respondents felt safe where they lived.

It is some baseline data for us to work with. As Luke said, we now have a tool where we can do that. Being able to send a survey to a child’s phone so that they can do it privately, without any pressure from a case worker being there or without their foster carers perhaps even knowing that is happening, means that we are going to get accurate data. We need to make sure that we are supporting kids to have a say in what is happening, but also acknowledging that also is a normal part of being a teenager as well—not feeling heard at times—if you can remember back Member for Nelson.

**Mr WOOD:** I can remember that.

**Mrs FINOCCHIARO:** I wanted to ask some questions about the royal commission implementation plan. What is the total budget allocation for Territory Families to implement the royal commission recommendations this year?

**Ms WAKEFIELD:** I might ask David to come up. He is the head of the RMO in Territory Families and has done an excellent job in bringing together all departments to be part of the response to the royal commission.

The rough figure is \$229m. That was what we committed to with the Safe, Thriving and Connected plan. That is starting to roll out and is within this budget. I will give David the opportunity to give more detail.

**Mr AH TOY:** The total budget for Save, Thriving, Connected is \$229.6m over five years. Of the \$229.6m, in 2018 there is \$25.7m allocated to the reform programs across agencies. We are tracking expected expenditure across that reform program for 2018–19 of \$25.6m. We are coming in just under budget.

**Mrs FINOCCHIARO:** What are you anticipating spending in 2019–20?

**Mr AH TOY:** The 2019–20 budget across the reform program increases to \$38.5m.

**Mrs FINOCCHIARO:** How many of the recommendations will be completed this year?

**Ms WAKEFIELD:** We reported in November last year on the outcomes. The next formal reporting will be in August and then we go to yearly reporting to make sure that we are continuing to be public in the outcomes.

In November 2018, we reported that of the 218 recommendations, 33 were completed, 169 were under way and 16 were not yet started. As of 31 March, agencies—and again this is across government, not just a Territory Families responsibility—have indicated that a further 34 recommendations have been completed, taking the total to 67 recommendations completed, which is 31% of the total of the Northern Territory Government recommendations.

We have also commenced work on 13 of the 16 recommendations that were not commenced at the last formal report, and there are a remaining three recommendations that are not yet started because we need to finish one thing for them to commence. To have 30% within the first 12 months is a significant achievement for this government and we will continue to work through those. There are some large ones, there are some that are dependent upon working with the federal government. The tripartite and the Productivity Commission are important parts of those.

When we get the bills that are before the house that means that another 23 recommendations will be completed as well. A significant amount of the recommendations were on legislative reform. At the moment we are wanting to push past those recommendations. We will complete them. The whole of reform is much bigger than that. This is about making sure we are delivering quality services to Territorians, and many of what we have talked about today—the reform process—are well and above what the royal commission has asked us to do.

**Mrs FINOCCHIARO:** What are the three that are not started?

**Ms WAKEFIELD:** I will hand that to David for the detail.

**Mr AH TOY:** The three recommendations not yet started are recommendations 40.4 and 40.7, which relate to the commission for children and young people. Those recommendations will be commenced once the progress on the implementation of the commission continues. The other recommendation not yet started is recommendation 43.2, which requires evaluation of the outcomes of the reform program, which obviously will be commenced once the reform program is delivered.

**Mrs FINOCCHIARO:** Could you please detail the expansion of access to diversion and bail support which has been delivered to date?

**Ms WAKEFIELD:** Is that part of youth justice?

**Mrs FINOCCHIARO:** Would you prefer to answer that in youth justice?

**Ms WAKEFIELD:** Yes. We will have Brent up and organised.

**Mr PAECH:** Could I ask one question on the Reform Management Office? Minister, could you provide us with an update in relation to the establishment of the child and family centres?

**Ms WAKEFIELD:** Yes. That has been a big piece of work for the department, particularly the RMO. I know David has done a lot of work and travelled to the areas where we are looking at establishing the first.

One thing we did was choose the locations. We had a look at what data was available and wanted to focus this investment into communities with the most need. Tennant Creek was identified as one of the first sites, as was Katherine, because there was significant gaps in the early childhood delivery. We have also looked at Wadeye as an important community.

As minister, I will know they are assessed when they are different in each location. We want these child and family centres to reflect the needs and specifics of those communities. You and I know, working mainly in remote communities, that communities are different across the Territory. What is going to work in Tennant Creek is very different to the northern suburbs of Darwin.

We saw this as an opportunity to be led to implement our local decision-making. As a government we are keen to make sure that communities lead the solutions to their own problems and that has been the process in which we have worked to set up the child and family centres.

A good example is Tennant Creek. There was community consultation on the best ways to set up that service, where that coordination point will be based, how we ensure that whilst it is on education department land, it is a whole-of-community service that everyone can access, and that it is seen as a centre point of service delivery within that community.

We often hear, even in Tennant Creek—it was highlighted in the Children's Commissioner report—that coordination of service delivery is still a struggle to us. That is not necessarily a Territory issue. My job in Melbourne was doing exactly the same thing, case managing people who had road accidents, coordinating the services. That is a challenge within the Territory.

We will have the opening and commencement in Tennant Creek soon—I will get David to talk through the details. We will have some news in Katherine soon. Wadeye community has made some decisions about how it wants to implement that process, and we are still working through those.

We have identified the northern suburbs as an area of need, but that might look quite different to a service in Tennant Creek. We are working with Aboriginal-controlled organisations in the northern suburbs.

**Mr AH TOY:** We are employing a position in Tennant Creek, under the Reform Management Office, but it is sitting with the Department of the Chief Minister. We are also in partnership with the coalition of Aboriginal organisations in Tennant Creek, Anyinginyi, Julalikari and Papulu Apparr-Kari, which are working with us to set up that child and family centre.

I do not think we have picked a date for the opening, but the building is now finished and we are working towards getting it up by Term 3 of this year.

**Mr PAECH:** You and the minister have both spoken in depth about the partnerships with Aboriginal organisations. Is there a Commonwealth contribution to these centres?

**Ms WAKEFIELD:** Not formally to the centres, but we are making sure that the services which are funded by the Commonwealth are part of the coordination. That is one thing that has been missing. My frustration of watching that new service come into Alice Springs was that it was replicating existing services, and it is replicated across the Territory.

The central coordination point is aiming to make sure the services that are funded within the community are being delivered, that people are aware of them and that there is that coordination between workers. Where you might have one early childhood program working with one family, there might be no service delivery happening to this family. That coordination point will mean much more effective service delivery.

Certainly the Commonwealth have been interested in how we move forward. I think there are opportunities and that this will provide a mechanism for the federal government to invest further where it is required.

**Mr AH TOY:** If I might just add to that, minister. The Commonwealth officials has also accompanied the Reform Management Office on much of our community engagement consultation. It has not allocated



additional funding to the program, but is very willing and are supportive of us rolling out the child and family centres and the role that Commonwealth funded services may play in the child and family centres.

**Ms WAKEFIELD:** I think that has been an important example of the Tripartite Forum. Whilst that appears to just be a meeting, the form has been much more than that. By having Commonwealth officials from PMC and others attending those community consultations, we are not doing two sets of consultations, as we know communities are consulted out. But also it means that the Commonwealth has strong visibility. We are being very transparent about what services we are delivering, where the gaps are and where the opportunities are for the federal government to be part of the solutions in the Northern Territory.

**Mr GUYULA:** I am aware that the current Care and Protection of Children Amendment Bill has not yet had a widespread community consultation. I am bringing the voice of the Yolngu community to you and I thank you that you make time to listen. I think that we need to make more time to take these discussions to the communities. What provisions are you making in this budget for consultations with remote communities about the changes that you are making in child protection?

**Ms WAKEFIELD:** That is an important part of what we do, and some of that is through the department, but also some of it is through my ministerial office and my responsibility as a minister to be spending time with communities. For instance, you and I were both at Galiwinku not that long ago meeting with the community. I thank you for the opportunity to hear from community members.

We are finding that community consultation needs to look very different in different locations. For instance, in your region, in the Nhulunbuy electorate, the Mikan Reference Group is providing really strong leadership to our child protection practitioners about the best way to work within that region and it is really showing the way. I have to say that Yolngu leadership in this area has been significant. We are very grateful to those elders on that committee who I met with when I was there a couple of weeks ago. I think that is the practical application.

Where the legislation is going through. Legislation needs to reflect philosophies in many ways and give a practical implication of how you do that. There are several key provisions to that legislation and it is really about—the strongest part is strengthening that principle of connection and the test of the least intrusive intervention. That has been something we have to be doing more collaboratively with families.

As a minister I want to see, for our reform process, that we listen to the community and it is then led by the legislation, but then it is practically applied in ways like Mikan. There are different mechanisms in Central Australia. I certainly have had multiple meetings with Grandmothers Against Removals. We have a range of other mechanisms like those David has been talking about. In Tennant Creek we are working with a coalition of Aboriginal-controlled organisations. That is providing some leadership in Tennant Creek. In Katherine it would look very different again with some leadership from Aboriginal-controlled organisations as well. How we do that needs to be different from place to place.

We will see some other changes where we are looking for a family and child centre in the northern suburbs. The input from Aboriginal communities within Darwin will be quite different again in how they provide leadership for that service.

There is lots to do and it needs to be done in a lot of different ways. There is no one solution to this. We need to acknowledge that there are many Aboriginal nations in the Northern Territory. For us to say there is one way to do that and legislation enshrines that way of doing it is not the way to go. What is enshrines is the principle that we should be listening to and led by Aboriginal communities.

**Mr GUYULA:** I have said previously that I want to see independent facilitators for family conferencing. I do not believe that family conferencing that relies on department facilities will work. I would like to see Balanda and Yolngu facilitators working together to bridge the two cultures' space. How is this issue being addressed?

Before you answer my questions, I will show you this diagram again. I have shown this to the Chief Minister about local decision-making. This is the space of two governments—the federal and the Northern Territory. This is the space where our organisations are working, including Yolngu Indigenous organisations and people who work for the people out there. The independent facilitator we are talking about need to be independent in this area where they can work with the departments and maybe with the organisations—but mainly mostly with the people on the community.

This is where I have always said that any department coming in—whether it is Territory Families, Education, Health, law and order, whatever—concerning the issues of Indigenous communities. People out here need

to come to find an organisation here or an independent organisation, or our people to come and sit down with these people on the ground—camp by camp, clan by clan.

This diagram can be for different communities—Maningrida, Milingimbi, Ramingining, Galiwinku, Yirrkala, Gapuwiyak and elsewhere in the Territory. We do not say we will get an organisation here to work on an issue and that it will work for all the communities. No, we need to go and sit down community by community, clan by clan and try to work towards the closing of that space where we can work closely and efficiently with those people.

**Ms WAKEFIELD:** Yes. We are in agreement that that is the way we need to go forward with the local decision-making tool. The Chief Minister is on Groote today signing an agreement with the Anindilyakwa. Child protection and youth justice services are a part of that local decision-making agreement. Also, as I said, Mikan has provided much of that already in the Yolngu nation, providing independent people who understand who needs to be spoken to.

I do not want to pre-empt debate but there are mechanisms within the legislation. I know you met with the people writing the legislation yesterday to provide further feedback. We are more than happy to accommodate that and look at ways we can do that. I had a conversation with Luke and Seranie after they met with you and we will progress some of those ideas and I have directed them to do so. We will continue to do that. I take this opportunity to thank you for your wise counsel at different times through this. We have more to do, there is no doubt, but we have some good signs of a willingness of this government to work towards and continue to facilitate with local decision-making and mechanisms within our department.

**Mr GUYULA:** Like I said, whether it is an organisation that is already in this space—we need to see those people come with Education or Territory Families, and the organisations there, in between supporting Indigenous issues, need to come to the ground. People need to remember that I am there as well. I have a voice for the people and we want to work together. Come together and sit down.

This here is a Balanda view and I still feel that I am not really comfortable sitting here. If you came and sat with me on the ground, that is how people would feel, sitting face to face, diplomatically, with the elders.

**Ms WAKEFIELD:** I thank you for the opportunity to do that in Galiwinku and next week we are heading to Tiwi. We will continue to have those community meetings where we are sitting and listening to people on the ground. We have more to do.

**Madam CHAIR:** Obviously there are opportunities outside of estimates for those conversations.

**Mrs FINOCCHIARO:** How many complaints have been made against Territory Families, split into carers, clients and families?

**Ms WAKEFIELD:** I am happy to get you that figure. That is something we take very seriously. There are a range of mechanisms for people to make complaints about Territory Families services. We have the Children's Commissioner who can take complaints, and I am sure she answered those questions when she appeared earlier in the estimates process.

There is also an internal complaints process within Territory Families. I will get that information for you. It is something that we have worked on improving in the time I have been minister. I think it is important that complaints are seen as opportunity to improve practice and that we make sure they are implemented. I have some oversight of complaints that come up to me in the form of flash briefs, and then we can follow through.

I will give you some actual figures. At 31 March, we had received 350 formal complaints about services. There were 144 complaints about child protection and out-of-home-care services including seven referred by the Children's Commission, 30 from foster and kinship carers and one direct from a child in care. I would hope that would happen more once we start to use the survey tool, we will get complaints directly from the child. That is a really important part of hearing their voice.

We had 129 complaints related to the NT Concession Scheme and Seniors Recognition scheme. Most of those were around timeliness and the way the vouchers were used; the clunkiness of that and people's inability to be flexible. We had 67 youth justice complaints including 38 referred by the Children's Commissioner and 10 directly from young people in the youth justice system.

We also had 10 complaints that were related to payments to carers and providers. That has improved over the time I have been minister. We had constant complaints from carers about the administrative payment. I

would like to publicly thank Kim Charles, our CFO, who has done significant work to make sure that carers are paid in a timely way for their expenses and the important work that they do.

**Mrs FINOCCHIARO:** You said there were 67 youth justice-related complaints. Can you give me that breakdown again please, minister?

**Ms WAKEFIELD:** It was 38 referred by the Children's Commissioner and 10 directly from young people. There is a mechanism for children when they are in detention to make a direct call to make a complaint to the Children's Commissioner or internally.

**Mrs FINOCCHIARO:** What is that mechanism—you mentioned there were seven from the Children's Commissioner that related to child protection—how does that process work? An individual has approached the Children's Commissioner and provided information—if you could go through how that ...

**Ms WAKEFIELD:** The Children's Commissioner then assesses that complaint and they will then seek further information from Territory Families. She writes directly to the CEO with those complaints. We then have a process of following through with that. That is part of her report every year about those complaints and any systemic issues that she sees. I meet with her quarterly. If she says I have had a range of complaints about this particular systemic issue we will deal with it in a more systemic way rather than just as an individual complaint.

**Mr DAVIES:** Member for Spillett, if I can just comment—when the Children's Commissioner refers a complaint directly to me it goes to our practice investigation team, which does a very thorough assessment of the complaint. The Children's Commissioner may request additional information. At any time she can write about any individual child in care and seek information which we provide. We will provide a formal report back to her about what we have found and she will either continue to investigate the matter or close the matter.

In terms of the complainant, the person who has made the complaint, her office deals directly with them as well. There is a loop there that is closed and we have a statutory obligation to respond to her and treat all things she refers to us as a maximum priority.

**Ms WAKEFIELD:** If she, for instance, had a range of complaints about a specific issue she can also set in motion her own investigation into that specific issue and there has been examples of that in the last 12 months.

**Madam CHAIR:** Are there any further questions on Output 1.2?

**Mrs FINOCCHIARO:** Yes. Going back, it is the same output but if we go back to notifications and substantiations. How many of the investigations—is it a 21-day statutory time line? I am trying to get out how many were completed within the required time frame and how many were not?

**Ms WAKEFIELD:** I will pass that question to Jeanette.

**Mr TWYFORD:** While we look for the data I will respond. There is no legislated time frame to complete or commence investigation. Both time frames are set through policy and or are the outcome of national reporting requirements. Generally, our system operates in that an intake team is provided 48 hours to receive the call and conduct their assessment, including through conducting inquiries which would be contacting those third parties that might have information on the child and family.

Matters that then screen in to investigation are provided to a child protection office and have full priority response times—one or four priority response times attached to that case. That sets the time frame by which meaningful commencement of the case must occur then generally in policy the expectation is that within 28 days the investigation will have been conducted and completed.

We have been looking at that investigation time frame to assess it in the context of the reforms that we are driving through Safe, Thriving and Connected and the evidence before the royal commission to really make sure that child protection investigations are done to a high quality.

We did not want to see the churn of open a case, close a case. We are seeing significant improvements, particularly through the one child, one case where as we have slowed down the number of cases opened it is allowing practitioners more time to do the meaningful investigation work within that period.

Also, picking up from the Member for Nhulunbuy's comments, providing family support throughout the course of investigation—not seeing it as a forensic fact-finding mission only, but actually starting those supporting conversations, to have the family conversations and bring families together at the point of investigation—that has impacted on the time frame. I will now go to Jeanette for the time frames.

**Ms KERR:** It is important to note that the time frame starts when the call comes in. There is an assessment and inquiry time that we now have in between. Of the different priority response times, priority ones commence within 24 hours. As at 31 March that was 82%. Priority two was 74%; and priority three, at five days, was 78%. In the Territory we also have a priority four, which is not in other jurisdictions. Many of those will go across to FACES as we move forward, but that was 75% response time. Overall it was 77%.

**Mrs FINOCCHIARO:** Just so I have it correct, you are saying that for P1, 82% of notifications were dealt with within a 24-hour time frame; for P2, 74%; for P3, 78%; for P4, 75%; to an average of 77% of notifications dealt with in the required time frame.

**Ms KERR:** Yes, and that is over the reporting period.

**Mr TWYFORD:** Can I just jump in—it is not that the notification has been dealt with in the time frame; it is the time frame for meaningful commencement of the investigation. P1 is commencing investigation within 24 hours of receiving the notification.

**Ms KERR:** A phone call comes in, the clock starts ticking ...

**Mrs FINOCCHIARO:** The 24-hour clock if it is a P1?

**Ms KERR:** Yes, even though you might not know at that point unless it is obvious. Then the information is taken through triage. It is then given a potential response time. If it is very clear that the safety of the child, which is the priority—it will go straight through to the team leader. Then it will go for assessment and the inquiry assessment process will start: contact the school; make various inquiries; ring the notifier back if there is not enough information ...

**Mrs FINOCCHIARO:** It is that period between phone call and investigation ...

**Ms KERR:** Then, once there is an intake, it goes to investigation in the regions. You have 24 hours for a P1. It is 72 hours for a P2 and five days for a P3.

**Mrs FINOCCHIARO:** That is just to work out how to triage it.

**Ms KERR:** That is the initial inquiry.

**Mrs FINOCCHIARO:** Then the 28 days kicks in after that point, once the full investigation is happening.

**Ms WAKEFIELD:** Yes, as you get more information that classification might change.

**Ms KERR:** In addition to that, there is a child abuse task force, so any high priority—they are all high priority, I apologise. Any physical or sexual assault matters are referred immediately to the CAT. If we have matters where we think there is a criminal case, a crime being committed, that is immediately referred to police.

Safety being the predominant factor, any time there is concern for safety we have 24-hour staff on call across the Territory to respond, and we report to police. When a matter comes in and does not require an immediate response, it goes to the child abuse task force meeting, which includes police and Territory Families. That is then assessed and a joint investigation is commenced.

**Mrs FINOCCHIARO:** It could be that when a phone call comes in it gets classified as a P1 to P4, or it goes to the CAT, or it goes to police.

**Ms KERR:** Yes.

**Mrs FINOCCHIARO:** Say we are 28 days later and have had a look at the situation; how many of those investigations are completed within the 28 days?

**Mr TWYFORD:** As of 31 March there were 1322 total child protection investigation cases open. Of that, 798 had passed the 28 days. That compares to the same time the year before where there were 1011 cases older than 28 years out of a total of 2081 investigation cases open.

We have seen a reduction from 1011 total cases past the 28 days to 798, but it is important to note that is in the context of doing a greater level of investigation and work within those investigation cases.

**Ms KERR:** With one child, one case, it might be that an investigation is nearing a conclusion and a notification comes in on the same matter. Essentially that extends the time frame out. We have been doing some significant work in cross-jurisdictional analysis and the 28 days is the shortest in the country and probably not an adequate time frame. We are looking to revisit that while keeping the safety assessments right up front.

**Ms WAKEFIELD:** As minister I have asked the department to make sure we have—like we did with the one child, one case—significant ways of measuring that we are still effectively providing the support and the outcomes that we want before we make any changes to that. That is where a significant amount of our data work and review is happening.

**Madam CHAIR:** Are there any other questions for Output 1.2?

There being no further questions that concludes consideration of that output.

### Output 1.3 – Out of Home Care

**Madam CHAIR:** The committee will now consider Output 1.3, Out of Home Care. Are there any questions—Member for Spillett?

**Mrs FINOCCHIARO:** I know you have provided this number before, but it is probably a good opportunity to give it again, given we are looking at the output. How many young people are currently in out-of-home care?

**Ms WAKEFIELD:** As of 31 March there were 1080 children and young people in out-of-home care in the Territory. This is 19 children, or 1.8%, more than 30 June 2018. There has been turnover of children in out-of-home care than the total number of out-of-home care numbers suggest. It is not the same children from year to year necessarily; although, as the chief executive said, we are seeing children stay for longer. To the 31 March 2019, 201 children have entered out-of-home care, but 183 have exited.

We are projecting that there will be possibly another 1085 children at the end of this financial year, but it is one of those things we cannot estimate accurately.

**Mrs FINOCCHIARO:** Could you break down, of the children in care, what type of care they are in—kinship care, foster care?

**Ms WAKEFIELD:** I think that is an area where we have been very much wanting to make significant improvements and have put in some significant support to ensure that we are improving the numbers. From 31 March 2019 there were, 298 children in foster care; 265 in kinship care; 331 in purchased home base care; and 115 in residential care.

There are some other care types which include boarding schools and a range of other institutions for children with disabilities, that type of service delivery, and there are 71 children in that type of facility.

We have made significant improvements in that there is nearly a 19% improvement in the number of kids in kinship care. That is a significant change. For instance, on 30 June 2015 there were 213 children in kinship care; there are now 265.

**Mrs FINOCCHIARO:** You mentioned purchased home care—something to that effect. What does that mean?

**Ms WAKEFIELD:** We have had a range of contractual family day care put in place—where that is purchased. That is a significant part of our out-of-home care reform. We want to ensure that those children are in kinship and foster care. There is a significant body of work we are doing. I will get Jeanette to speak about the out-of-home care reform. We know out-of-home care costs are going up for every jurisdiction across Australia. We also know the outcomes for kids in kinship care are significantly better in school attainment in just about every measure.

We are starting to see one of the things we announced this year—as we see by the number of kinship care and kids in foster care. We want to ensure the majority of kids are in those two types of care. We have funded a range of organisations—Larrakia Nation being one, Tangentyere Council another, Ngurratjuta in Central Australia another—to help us identify kinship carers. We need to acknowledge that it is not a skillset our staff are skilled in. It goes to some of the things the Member for Nhulunbuy has been talking about—making sure we are getting the right people to provide that and who are given the option.

It is also quite daunting to go through that kinship care process. The Aboriginal organisations are working alongside families to get that application in. There has been concern that if they have an outstanding fine from 10 years ago or something that it would be part of that process. That is not what the process is about, but we need to make sure they are the right and safest people for that child. There is an assessment process but the Aboriginal organisation are helping people step through that.

We are also proactively identifying people within communities who may be foster carers. They may not be direct kinship carers but it means that child is able to stay in their remote community. Everyone who has worked on remote communities knows there is a handful of women who are doing a large portion of the work in informally caring for a range of children. We want to ensure that is then formalised and those women are given the financial support to do so.

It is important to note there is a bit of a myth within the community that kinship carers are paid differently to foster carers. That is not the case. We need to make sure we are also providing that ongoing support.

One thing we have not done as well—and we are working through this process—is that those Aboriginal organisations also provide support for kinship carers. The foster carer association has done an amazing job of supporting carers within the foster care circumstance, but we also want to ensure that Aboriginal kinship carers on remote communities get access to that support as well.

There is no doubt it is one of the most challenging things anyone can do—to put their hand up to care for a family member. Many of the children who are going into care have complex needs and we need to provide that support, particularly where people might be going to live on an outstation where there is not as much access to service. We are providing that support to successfully sustain those placements.

We will be continuing to work through the reform of ensuring we have well supported those kids in residential care. That is a part of the process. When we came to government the out-of-home care system was quite chaotic. There was no consistency in decision-making and no standards.

As minister, I was shocked to learn that no one was visiting residential care homes regularly to assess them from our point of view. That was one of the directions I gave very clearly—that we will be going out and we will set standards. We have done that. I thank the NGO sector, which has been very cooperative. In saying that, I do not want to imply that anyone was not reaching those standards. But unless we are monitoring and setting a standard, we will never know that. There have been examples interstate where those standards have not been met.

We also need to ensure that those residential care workers are getting the training support from their organisation that they need to do very complex work. That will also be an important part of the reform system.

For me, the most important part of the reform of out-of-home care we are putting in—that is why there is \$20m to rebase out-of-home care in this budget—is to ensure we are going out to our next round of contract negotiations with providers of out-of-home care so it is done in a way that is focused on the child.

We will be changing the way contracts are looked at. Each child will have a package of funding for them and for their therapeutic needs, and that will be done on their assessment of their needs. It might be that there is some NDIS funding in that as well. We will also be acknowledging that different kids need different types of care and that is reflected in the funding package that comes with that child, so we are not just purchasing a bed in some ways. That was happening under the previous government's contracts.

**Mrs FINOCCHIARO:** When I asked about purchased home care, you mentioned family day care. Are there 331 children being sent to day care by the department but still live at home?

**Ms WAKEFIELD:** There is a range of different types of providers and it is about the different types of contracts. As I said, when we came to government, there was a complex and not consistent system of

different types of contracts for different types of care. There was no consistency and no standards, and that is where we are going.

I will also hand to Luke about those particular circumstances.

**Mr TWYFORD:** The definition we use in terms of pulling the data out and categorising it, is that foster carers and kinship carers are households that are assessed, approved and paid for by the department, Territory Families. They are approved under the placement regulations as part of the *Care and Protection of Children Act*.

Residential care is an institutional setting where we fund an institution to provide a facility and that facility is staffed by staff on shift work, so there is not the concept of a parent within that institutional setting. That is intended for time-limited, interventions for young people who cannot stay safely in a home-based environment.

Everything else between institutional residential care and carers approved by us is called purchased home-based care. They are, to categorise them, payments we make to companies such as Darwin Family Day Care or Life Without Barriers, which fund adults and parents to provide home-based care to children in out-of-home-care.

It is part of our sector that has arisen out of our historical inability to recruit and retain sufficient numbers of foster and kinship carers. Many of them are accredited and authorised under education legislation relating to family day care. That is the governance structure around that type of care. Both royal commissions recently have looked into it and have suggested it is not an appropriate way to structure the out-of-home-care system and noted that all jurisdictions are using this as the capacity gap when demand for placements is high—yet insufficient foster and kinship carers.

One of the key reforms that we are doing through our transforming out-of-home-care is looking at a couple of things. One is the concept of specialised foster and kinship care and what it might be for a child who is unable to be placed in a foster and kinship care home, not desirable to place them into a residential care facility—what is that service gap? More importantly, the concept of purchased home-based care—how can we bring that to a standard and consistent set of approvals, authorised environments so that they are accredited or governed by the out-of-home-care system?

**Mrs FINOCCHIARO:** So, there are 331 young people in this purchased home-based care. When you say the department has contracts with Darwin Family Day Care or Life Without Barriers for example, where is that child residing? Not at the facility, obviously. They might be at home and during the day they go to Darwin Family Day Care?

**Mr TWYFORD:** No, those organisations fund a home. A person can be registered with any of those organisations to be a carer and they are assessed, approved and supported by that organisation. They are a home in the suburbs or in community, and the child lives there and has their own bedroom like in any normal situation.

**Ms KERR:** For all intents and purposes, they would look like foster carers to the community. It is a commercial-based model. They are sub-contractors to the agency.

**Mr WOOD:** Minister, as you would know, there are a couple of people in the rural area who are in a residence. Obviously they are cared for by your department, so how do they fit into this?

**Ms WAKEFIELD:** Residential care.

**Mr WOOD:** Do you have any idea how much that costs the department to run that section?

**Ms WAKEFIELD:** It depends on the needs of the individual person. We have some people who need 24-hour, two-person support, which would be the most expensive. That is around \$1m per year care for that individual. Usually that is a child with a significant disability. With the roll-out of the NDIS, we need to make sure we are getting the right support for those young people, it is usually a lifelong disability and under the current system they then transfer to disability services.

We have significant challenges with that. It is one of the difficulties in the costs of out-of-home care, you do not know what the needs of children coming into the care system are going to be. If we are intervening and

providing that support earlier, we are going to have better vision and we can better plan. There is some work to do.

There have been reports from Victoria where people have not been able to get proper NDIS plans. They have been relinquishing children to the out-of-home care system. There are concerns. It is generally with young people with disabilities and ongoing needs that we provide significant care until the age of 18.

**Mr WOOD:** Does that include young people with FASD?

**Ms WAKEFIELD:** It is too hard to say if there is anything in particular, we are not seeing more of one diagnosis in particular. We have children with foetal alcohol syndrome turning up in the out-of-home care system—but we are doing much better. One of our reforms is making sure we are funding therapeutic responses for young people.

The driver, in the past, has been cost of placement. We need to be looking at the quality of placement and making sure we have the right people providing that support. Unlike previous governments, where there had been cuts to this area, we know the outcomes from those cuts has been poor and has meant we are not being as proactive as we need to be.

Residential care is never the best option for a child. If we can prevent that happening by making good decisions early on kinship support—community support to make sure that there are multiple people who are responsible for that young person—and put the right supports in for young people in their community, we are going to do much better.

**Mr WOOD:** What happens if those residential care people go past the age of 18 years? Who is responsible?

**Ms WAKEFIELD:** We have been doing significant amounts of work on the transition from care. The royal commission into child protection in South Australia commissioned a range of research which showed that children leaving care are more likely to have children young and their children are likely to turn up in the out-of-home child protection system. We know if we invest in that period of time, when they are between 18 and 25 years of age, we are going to get better outcomes in the next generation of young people.

We have been doing that; we have been working with Anglicare in particular and another organisation—which is on the tip of my tongue—to make sure we are providing that additional support. We have also put more transition-from-care officers in place.

We had some feedback from the Guardian, last year or the year before. She wanted to see better collaboration between Territory Families. Where we have a child with a disability in our care, planning the transition from the care of the CEO to the care of the Guardian, because young people do not have the ability to make their own decisions.

We are working better and starting that planning at age 16 as well as the ability to go past the age of 18 years to provide support. Some of that support has been straightforward.

We have funded some young people's university expenses, because we need to make sure we are supporting those kids who have been through the care system and have ended up in university. We have also funded some of those expenses. We also need to be looking at the kids that need that additional support moving forward and have a good strong plan about what we are doing with them.

Just to give you a sense of numbers, on 31 March there were 183 children aged between 15 and 18 in out-of-home care. That is about the number of kids that we are working with to plan for their adulthood.

**Mr WOOD:** When you are saying out-of-home care, are you saying residential care?

**Ms WAKEFIELD:** They could be in range of setting those 183. Out of the 1080 that are in care, 183 are aged between 15 and 18 and we are starting that transitional planning.

**Mr DAVIES:** For those young people who have disabilities, we work very closely with the Public Guardian as they transition through to the age of 18. They are engaged in this transition process. We also work very closely with schools like Henbury, where some of these people are attending. Acacia Hill is another one, in Alice Springs. There is a very comprehensive planning process that is focused on these young people.



We have a partnership with the Housing department on making sure they have appropriate housing when they leave. There is a package that is focused on these young people.

Just to give you an example, the minister mentioned the expense of keeping these children in residential care. We have one living example on what does this look like. In Galiwinku there is a young boy who would be in residential care who has really high needs. He needs constant behaviour managing. He is staying with his grandparents. We are providing some significant support to give them a hand to keep him on an outstation. He is now 13 and he is starting to move around, but he is staying with his grandparents. We have given them a car to support them. It is a much better and more appropriate option—and cheaper option in hard terms—than bringing him into town and putting him into a facility here, which would be completely foreign to him.

We are focusing individual packages on these children and trying to work out, particularly in a remote context, where the best place is for these young people. When families want to take these young people on and look after them, we are helping them rather than bringing them into an urban context or a residential care facility. It is a big challenge for us.

**Mr WOOD:** I just get concerned that you have some in the rural area, a long way from any services, and I am worried about what happens in the future. They are obviously getting care now and people are looking after them, which is very expensive.

**Ms WAKEFIELD:** Ensuring that the federal government is properly investing in the NDIS is an important advocacy for us all within this place because it is a significant issue as we move forward. We need to make sure—particularly for kids in remote areas, and I know the Member for Namatjira has spoken extensively about this—that we are getting not just the packages with the funding for people and their individual needs, but that there is the service system to deliver those services. It is certainly a challenge.

I think right across Australia the implementation of the NDIS has not been a straightforward process, but it is particularly a challenge in the Northern Territory. We do not have a large service system that you can call on when you have that individual package of funding coming through.

I think it is a concern, Member for Nelson, but it is something that we need to be working on with the federal government to ensure that we get the right settings and supports through the NDIS.

**Mr PAECH:** In terms of the advocacy and the lobbying on behalf of young children who have a disability, is that something that your agency is responsible for, or is that the responsibility of the minister or the Attorney-General?

**Ms WAKEFIELD:** As someone who worked in disability before I came to the Territory, it is an area that I have been following closely and working on very strongly with the Minister for Disability. In the last couple of weeks I have directed the CEO to make sure we have a specialist position ensuring the proper assessments for helping young people, and that they are getting the right packages of support. It is a significant issue and I am concerned that young people in care might miss out on those opportunities for lifelong support because those needs are being covered by the out-of-home care system. We need to make sure they get the NDIS plans in and that their disability is recognised in that system.

**Mr PAECH:** The reason I ask is that, representing a remote division of the Northern Territory, there are a number of children in the care of the disability service provider. One of the failures of the NDIS is that there is a young child in my electorate who cannot use the NDIS to have formula because it is deemed as an expense every child has to have. Given the remoteness and the level of disadvantage it is difficult to do those things. I am trying to pinpoint whether that would be the advocacy of your department or the Attorney-General's department under disability.

**Ms WAKEFIELD:** If they are under the care of the CEO our responsibility is to advocate on behalf of those young people and children.

**Mr PAECH:** But it would be your department covering those costs, essentially, under the department and not accessing the NDIS?

**Ms WAKEFIELD:** We would be wanting to access the NDIS. Just because a child is in the care of the CEO that does not mean they forfeit their right to access to service delivery through the NDIS.

**Mr PAECH:** Would it be safe to say these are potential issues you are raising with ...

**Ms WAKEFIELD:** Every jurisdiction is talking about these issues. I think the states were concerned that we would become the provider of last resort if NDIS failed. We are not seeing any evidence of that here, but we are hearing from other jurisdictions that it is starting to happen. I have directed the CEO to make sure we have specialist skill in this area so Territorians have access to services they are entitled to.

**Mr PAECH:** Mr Davies, you mentioned that it is comparatively more beneficial in a cost analysis sense to have a child in foster care or kinship care. I want to unpack that a little further. Is that because residential care has a commercial component to it where they have overheads? What is the process? Why is it far cheaper? Is it the wages that are paid?

**Mr DAVIES:** Within foster and kinship care there are categories of care and placement based on the needs of the child. In a resi-care situation it is an institutional setting. You are looking at three shifts of eight hours a day, so that includes number of workers—you are looking at kids with very high needs.

In the example I gave you have a young lad who is on an outstation with his family; all the family is contributing to his care, and we are contributing significantly more to keep that young boy in a place with his family. It is much better than bringing him into a 24-hour resi-care model that means you have three teams of workers circling through. They are people he is unfamiliar with, in a location that is way away from his home and where there is no cultural context.

Resi-care is an expensive operation, much more so than keeping a young person with family.

**Ms WAKEFIELD:** We also need to consider that much of what we do in Territory Families is about investing in the future. If we can keep a young person on country, connected to culture, speaking language, with access to their role—just because a person has a disability that does not mean they do not have an important role within that community culturally and in the family group.

It is important that we maintain all those things for young people with disabilities as well. Kids who go through the residential care process are less likely to achieve at school and fulfil a range of other long-term measures. It is best if we can keep young people on country, connected to culture. We need to make sure we are providing the right support for that community to do that in a way that is best for everybody.

**Mr PAECH:** Has there been any research undertaken to look at the larger remote Aboriginal communities across the Territory, if it would be possible to have residential facilities in those spots across the Territory? I am picking up Maningrida, Wadeye and Yuendumu—potentially large places where it could be an option.

In the event that a child in a remote community needs to have particular infrastructure in their home, is cost absorbed by the department or is that passed on to the Housing agency to remedy?

**Ms WAKEFIELD:** Part of that is Housing. If a child has disability needs and they are in public housing—that is part of Housing. However, we have been working closely with housing to facilitate kinship care placement through the Room to Breathe program. We have had some great examples and Maningrida is one of them.

In other communities where we have identified kinship carers who are keen to take a child but they do not have the infrastructure because there are standards that we put in place in terms of children needing their own bedroom and a range of other requirements for kinship care. We have worked closely with the department of Housing to deliver Room to Breathe funding and that has enabled some young kids that would have been looking at residential care to go in to a kinship care facility. That is about departments working well together.

What was the first part of your question?

**Mr PAECH:** Have any scoping studies been undertaken for the larger communities to look at residential care?

**Ms WAKEFIELD:** It is also a workforce development issue and potentially an important economic development driver. NDIS is identified by the federal government as an important economic driver in to the future, as is the service industry.

One of the things we have not done very well, and we are working at how we can do that, is pooling all of those jobs in to one community. In a community there might be aged-care jobs, there might be out-of-home

care jobs, there might be NDIS jobs or there might be health jobs and some of the school assistant jobs in supporting kids with disability. They are a very similar skill set.

There are some opportunities to pool that and look at that as an economy within a remote community. We are starting to do that work. What happens too often in remote communities, even in a place like Alice Springs, is you have skilled workers who are often cannibalised by different organisations hiring them and if we can have a more collaborative community focused outcome—but it is a big piece of work that we are continuing to do.

The levers for that will be pulled through local decision-making and people identifying how they want the service system to operate within their community. With Galiwinku, today we will see some great outcomes in youth justice and the community investing in youths. That is also working alongside our youth justice system and we will see more of that as we move forward.

**Mrs FINOCCHIARO:** We know that across the Territory—perhaps you could provide me the number of homes—the department contracts out to a service provider to provide a home in which a number of children might live and they provide supervision, and they are just homes in the suburbs or wherever they might be.

How many of those home across the Territory are there, and under how many contracts? How many service providers do you have delivering that model of care?

**Ms WAKEFIELD:** Over all, across the whole of the Territory, there are 49 different types of facilities.

**Mrs FINOCCHIARO:** Is that the homes?

**Ms WAKEFIELD:** Yes.

**Mrs FINOCCHIARO:** At a total cost of ...

**Ms WAKEFIELD:** I do not have the cost with this particular one, but we can provide that to you.

**Mrs FINOCCHIARO:** What is the best way—what are those homes called? Residential care.

**Ms WAKEFIELD:** Would you like a split of how we spend the out-of-home care budget from residential foster care?

**Mrs FINOCCHIARO:** Yes. That might be the way to do it.

**Madam CHAIR:** Do you want to take that on notice?

**Mrs FINOCCHIARO:** Yes, please.

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#### Question on Notice No 10.4

**Madam CHAIR:** Could you restate the full question for the record, please.

**Mrs FINOCCHIARO:** Please provide a breakdown of the cost to the department of out-of-home care, broken up into all of the areas of out-of-home care, including foster, kinship, purchased, home-based, boarding school—you listed it. I will leave it to you to expand on that.

**Ms WAKEFIELD:** We would probably be able to have that for you after lunch.

**Mrs FINOCCHIARO:** Great. Particularly residential care, breaking that down further because there are a number of types of residential care.

**Madam CHAIR:** Minister, do you accept that question?

**Ms WAKEFIELD:** Yes.

**Madam CHAIR:** The question that has been asked by the Deputy Leader of the Opposition of the minister has been allocated number 10.4.

**Madam CHAIR:** Are there any further questions on Output 1.3?

**Mrs FINOCCHIARO:** On residential care or a number of the care options, has there been any review or analysis done where the department is getting value for money? If it is contracting, you can probably leave aside kinship and foster, but where the government is entering into contracts with NGOs or third parties to deliver out-of-home-care, how is the government working out whether or not that level of care is meeting expectations? Obviously, these are young people who are in the care and protection of the CEO, you are acting as the parent. You are outsourcing that parental responsibility.

**Ms WAKEFIELD:** Yes, as I said, before I became minister, there was no such process in place. One of my very clear directions, as soon as I was made aware of this was to do so.

In 2018, a quality assurance program, which is part of the team that does a range of work for us to ensure we are meeting the standards, completed 78 unscheduled site visits covering all general residential care properties and a 25% sample of purchased home care providers. No service providers were rated as not met against a standard in 2018.

Whilst I was alarmed that we did not have a process in place, it does not mean that there were significant problems; however, I do think we can do better with providing therapeutic support to young people and making sure that staff are adequately trained to deal with some of the complexities that they face within this setting. We will continue to do that work with the out-of-home-care providers to make sure they are meeting those needs.

**Mrs FINOCCHIARO:** It would also be a contract management responsibility of the department. I know I have had those homes in my electorate from time to time, and you receive different feedback from constituents about activities around them. Perhaps Territory Families does not have direct oversight of that because you have outsourced that responsibility. How does Territory Families ensure that it has that level of oversight or understanding of what is actually taking place within a community?

**Ms WAKEFIELD:** I think that is the same for any contract that we provide to an NGO for any service. When we set into the contract, those checks and balances—one of the challenges in the out-of-home-care sector is we inherited a whole lot of long-term contracts where we did not feel that we had the levers that we wanted to provide that.

The NGO sector has been very accepting of us imposing new expectations outside of its contract because those contracts were assigned under the previous government and we just did not feel they had the right levers in place. We will continue to do that. It is a challenge having out-of-home-care homes within the community. I have one within hearing distance of my home, and I am sure the NGO provider did not realise that they were moving in near a minister when they hired that house. It is a challenge; you have many staff changing over and there are different qualities at different times.

People often see a point-in-time moment within the community that can be challenging. We have been working with community members and neighbours on any concerns, and with elected members on any concerns that are raised with them. The reality is that these children are in the care of the CEO because they require the community to step up and provide them with additional support.

I might just hand to Jeanette about any other contract management processes we have put in place. Before I do that, the other thing to acknowledge is that the Children's Commissioner, through the reform management process, has additional staff. Part of that is to be monitoring the detention centres. It has enabled her existing staff to do more work on monitoring out-of-home care facilities. As well as us, she also visits to do an independent oversight of out-of-home care.

**Ms KERR:** The significant move is that with regionalisation of our services and devolving responsibility, we have regionalised contract management to the regional executive directors, directors and managers on the ground in locations to work directly with those service providers.

Specific to what is general residential care now—we are transitioning to intensive therapeutic residential care—those contracts in residential care houses are managed by, for example in Alice Springs, the executive director there who has a designated support position to do that. It required on-the-ground, face-to-face contact.

We have monthly service provider meetings and quarterly whole-of-Territory forums, which I lead, where the accountability and expectations have changed significantly because it is face to face, where we share and develop shared case planning and caring with children—not just with Territory Families and the providers, but also with the Department of Health and other government agencies.

The quality assurance program for the operation support section is an initiative basically, that is the going in and, over time, will become a registration-type model. They go in. There are standards in accordance with national requirements and they work with the providers on that. We provide a report—we sit down together.

As part of the out-of-home transformation project—which has been pretty much the research you are talking about—it has been 12 months of very intense work working with Deloitte and other consultants. A minimum of 100 staff in our agency have been working quite intensely on that, many in addition to their other work. That has developed a design model, design, program specs, costs and resource modelling, procurement advice, and procurement approaches in addition to the wider model, which does not include purchase home-based care in the model.

It is very focused on Aboriginal family and kinship care at the centre, local decision-making, working the ACOs and service providers in meaningful partnerships. Then residential care, which is now general residential care, will become intensive residential care, which should be time framed for only certain children after a comprehensive, holistic assessment of somewhere between seven and 12 weeks that will give them a life plan, as opposed to, 'Here is a bed or placement and we will respond to crisis and try to manage it'.

**Ms WAKEFIELD:** I will give you a practical example, Member for Spillett. When I first became minister, there was no expectation that out-of-home care residential providers would provide a holiday program over school holidays. There now is because any parent has to work out what they will do with their kids over the school holiday period. It is now an expectation of those NGO providers that they have a full school holiday program with activities and things to keep children active over those school holidays. This is about us having rigour and oversight of what is happening, rather than what was happening before, which was, under the previous government, just looking at least cost.

**Mrs FINOCCHIARO:** I have one last question on that before lunch.

**Madam CHAIR:** Sure. I would rather keep it together in the record.

**Mrs FINOCCHIARO:** Under the contracts for residential care, if one of these homes, invariably, has to move location for one reason or another—which I understand happens—whose cost is that? Does Territory Families then have to pour more money into that exercise, or is that covered as part of the contract?

**Ms WAKEFIELD:** I will hand that to the CEO.

**Mr DAVIES:** Member for Spillett, when a lease is broken we have to work with the provider and we supplement some of those costs. Understand that from time to time, the residential care location does need to be moved. When that occurs there is a break in lease and there are costs that are required for that. They are not always picked up by the provider—we have to step in and help. There is a cost to the community and to the agency in that regard.

It is important to emphasise if I can, as the Chief Executive of Territory Families, that we can refine this system—and we are going to do this with great case planning and that sort of thing—but going to the minister's point about the role of the community and the role for these young people to have a place in community is important.

We cannot isolate these young people in a different world and put them somewhere where no one can see them. They are going to have to be in a place where they can go to school, where they can access services and they have to be part of a broader community. We understand the impact and we respond, but it is important to emphasise that everyone has got a role to play around these young people.

**Mrs FINOCCHIARO:** There is not always a negative impact. I am trying to understand the mechanism, how it works and what those types of costs are.

**Ms WAKEFIELD:** There are often positive impacts. The Member for Karama has some great examples in her electorate of communities providing additional support to an out-of-home care house. I feel fortunate that I have one so close, it is lovely to see those kids being engaged in the community by their carers, who appear to be doing a terrific job. It is challenging work, but I hear lots of laughter from that house.

**Madam CHAIR:** Ladies and gentlemen, I note that the time is 12.10 pm. We will now take a 30-minute break before the committee returns to continue questions relating to Territory Families.

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The committee suspended.

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**Madam CHAIR:** We will resume at Output 1.3, Out of Home Care. Are there any further questions?

**Mr WOOD:** Recruitment of foster carers and kinship carers is an ongoing issue for Territory Families. What is the department doing to increase the number of foster carers and kinship carers available to care for children who are in need of care? Can you please provide an update on the length of the assessment process for foster carers and kinship carers?

**Ms WAKEFIELD:** I touched on some of this before, saying we had funded Tangentyere, Larrakia Nation and a range of other organisations to identify kinship carers and provide ongoing support. It is also important to recognise—as I did in my opening statement—the work of the Foster and Kinship Care Association in the Northern Territory. They have been strong partners with Territory Families for a long time. We have been working positively with them not to just help recruit new carers but to support existing carers in a way that is much more positive.

They have a funding of \$882 000 a year to do that work. They run regular training sessions and ongoing support services. We also have a person seconded into that organisation from the department to make sure that we are making sure the links between the two organisations work really closely.

Overall, in terms of budget, there is \$5.4m over four years for grants for growing Aboriginal carers and kinship carer skills through there. We are in very early stages. The increase has been an increase of 15 foster care households to 294 now, and an increase of 31 kinship carer households to 285. We are seeing some early results, in particular with the Aboriginal organisations.

I know that, particularly with Larrakia Nation—this is their first time in this type of work. It is a big step for them as an organisation. They have had some strong advocates on the board for making sure they are taking leadership in terms of Aboriginal kinship systems and making sure those kinship systems are adequately represented in the assessments by the department. But there is more to do.

In terms of the length of time for assessment. We did put some things in place as a result of a coronial several years ago about making sure all members of the household are adequately screened. We continue to do that, as safety is an ongoing priority, but we also need to make sure that that is effectively done. I know there were some significant waiting times—can we take that on notice to get an average time?

**Mr WOOD:** Yes.

**Ms WAKEFIELD:** It is also about making sure that we get the right person as well. Once we have identified the right person, we make sure the household is safe and that there are not any regular issues.

I have just been reminded that we can do interim approvals as well, but we want to make sure that is done in a very controlled way.

**Mr WOOD:** Madam Chair, could I ask that question please?

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#### Question on Notice No 10.5

**Madam CHAIR:** Could you restate the question for the record, please.

**Mr WOOD:** Minister, could you please provide an update on the length of the assessment process of foster carers and kinship carers?

**Madam CHAIR:** Minister, are you happy with that question?

**Ms WAKEFIELD:** Yes.

**Madam CHAIR:** The question asked by the Member for Nelson of the minister has been allocated the number 10.5.

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**Mr GUYULA:** You have probably been asked this question before, but I will just put it for my records anyway. Over the past 12 months for each region, could you provide information on how many children are currently in out-of-home care? How many Aboriginal children have been reunified with their families? How many Aboriginal children under child protection orders are in kinship care? How many Aboriginal children under child protection orders have been placed with Aboriginal carers? Does Territory Families have a pool of approved Aboriginal kinship carers and how many are there in each region?

**Ms WAKEFIELD:** In terms of the regional data, I will take that on notice. If I can just speak broadly to some of the points within there. I think it is important to recognise that the kinship care is not just about Aboriginal children.

If my son needed to go into care, I would want him to go into the care of family members first, rather than a foster care situation. A number of grandparents have taken on that responsibility across the Territory, from a range of cultural backgrounds. I am more than happy to follow that up for you.

We have ongoing work to do in making sure, but in your region of Nhulunbuy, all the figures on out-of-home care—and the number of kids I have seen in the past—have been much higher than other places in the Northern Territory. That is a reflection of the work of the Mikan Group over the last two to three years, providing that cultural leadership within the region of Nhulunbuy.

We will provide all of that. I will get you to read that again so we can put that on notice.

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#### Question on Notice No 10.6

**Madam CHAIR:** Could you restate the question, Member for Nhulunbuy.

**Mr GUYULA:** Over the past 12 months for each region could you provide information on how many children are currently in out-of-home care? How many Aboriginal children have been reunified with their families? How many Aboriginal children under child protection orders are in kinship care? How many Aboriginal children under child protection orders have been placed with family carers? Does Territory Families have a pool of approved Aboriginal kinship carers and how many are there in each region?

**Madam CHAIR:** Minister, are you happy to take that question on notice?

**Ms WAKEFIELD:** Yes, I am.

**Madam CHAIR:** For the record, that question asked by the Member for Nhulunbuy of the minister has been allocated the number 10.6.

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**Ms WAKEFIELD:** One of the goals of the Aboriginal kinship grants is to make sure we start to get a pool of already identified workers. Also, through the new clinical framework, we have started planning to look at broader families that are supportive much earlier in the process.

One of the issues we have had in the past is that a decision would be made to remove in a crisis situation with a fly-in fly-out workforce. They would remove that child and have no options within that community to deal with placing that child safely with the least disruption. That is often when children were removed from community to either Darwin or Alice Springs and put into a non-Indigenous foster care placement. Then the work would start to identify a supportive family who can then provide that kinship care.

A range of things are in the Signs of Safety framework, the out-of-home care reforms, the quality assurance process, the cultural safety framework and the kinship care reforms we are doing. All those things should work together so we are identifying supportive families—and also the regionalisation—so we have workers on the ground in communities who have an understanding of who is in that community and who is the proper family to take on that kinship care.

That will be identified early along with that first investigation so that a strong family is identified as first support to the nuclear family to do better and maintain the family structure. If it is not possible to do that, we have already identified potential kinship carers so that, hopefully, when there is a decision for a child to be removed, there is already a set-up—and there may be a family decision about who is best placed to do that. That is the goal of Signs of Safety.

That will not always work in a perfect world. We all know that. We know there will be times when we have to remove a child urgently because of safety matters that day. That is usually in concert with police and criminal matters. If the work is done over a period of time it will make the decision-making less fraught and more likely to sustain a child in their own community with other family. It is less likely to cause disruption to that child—and remove children away from remote communities where they are not in contact with country and language.

All those pieces of reform are working together to get the outcomes we all want but it is about each of those pieces of the reform process working. It is an extensive reform. Broad but with a focus on always ensuring we have the best outcomes for children.

**Mrs LAMBLEY:** During my time it has been recognised that a significant proportion of kids who are out and about on the streets, at least in Alice Springs, at night residing in out-of-home care situations, which has never been ideal. What direction does the Department of Territory Families give the providers of out-of-home care about trying to contain kids at night and stop them from going out, getting themselves in to trouble and making problems in the community?

**Ms WAKEFIELD:** There is a range of things in there. First, in January this year we conducted an audit of who the kids are that were on the street because prior to that lots of people have lots of theories about who was on the street and would say it is the kids who have come in from Papunya—there was always a theory but no one could tell me exactly who was out at night on the streets of Alice Springs.

We did that activity over the January period to talk to kids about who they were and why they were out on the streets. There were a couple of myths busted by that exercise. There was not a large proportion of out-of-home kids in that group that we were seeing and most of them had somewhere to go—it was a social activity being out on the street.

That has informed our next steps in terms of extending the hours of the youth centres, that you know well, in Alice Spring. Also, the youth patrol bus in Tangentyere is now running until 3 am. In the next couple of weeks youth workers are working until 3 am as well.

We are clear that the vast majority of those kids are not in out-of-home care. We also have data from the couple of years of the bus that was run through Congress and the council that would also suggest that. However, when I came to government there were contracts set up under the previous government that did not have the levers where I could go and say to the out-of-home care provider our expectation is that children are in bed at night. It is not a high expectation and we should be able to manage through our contract.

The NGO services have been very willing to take on standards outside of the contract that was negotiated by the previous government to improve the standard of care and to comply to those standards that we as an agency want to imply.

My expectation is that those services are making sure children are home at night. If they are having issues in managing that I would expect them to raise those in the regular meetings that Jeanette mentioned before lunch. We are having monthly meetings with all the providers in Alice Springs in particular. Dorrelle Anderson runs those meetings. We set high expectations.

I have recently met with the new manager from Anglicare. She was going to meet with you around the same time. We are also looking at other ways that we can provide those services to ensure that kids who are in their care are (inaudible).

Before I became minister there was no expectation that there was a holiday program run by these NGOs. No one was checking on that. This is basic contract management that was not happening under the previous government that we have had to put in place. We are very fortunate that we have had a partnership approach with the NGOs because it was not under their contract but we have asked them to improve that standard with us working in partnership.



**Mrs LAMBLEY:** You mentioned a study that was done when you first came in. Is that publicly available, the data, to look at who the kids were on the street?

**Ms WAKEFIELD:** In January 2019 we turned on the lights on Anzac Oval for a week or two weeks?

**Ms KERR:** It was five days leading up to include the weekend, then a couple of days off and then up to Australia Day.

**Ms WAKEFIELD:** Towards the end of the school holidays, which is often a high-risk time in Alice Springs for antisocial behaviour, across the board not just from youth. We did an informal survey because we wanted to understand there were kids out on the street at night, who they were, why they were here. There were some interesting results, they were from a wide range of remote communities. There was not any one community—I think it was about 25 different communities. They were mainly there for holidays. There was a range of work that we would be informed by. It has not been publicly released, but I will have a look at where it is up to.

**Mrs LAMBLEY:** I can see some merit in people having that information. If you say people's perception has not been particularly accurate, that would probably assist our community.

**Ms WAKEFIELD:** We will have better statistics as well. For instance, the Gap Youth and Community Centre, which had significant cuts under the previous government, is now operating for the first time seven days a week. They were seeing about 30 kids, and now they are seeing on average 70 kids. Those kids know that it will be open every night and there is food available every night. We are seeing similar results in the Brown Street youth hub.

We will have better results in terms of data collected by the Tangentyere Night Patrol and better information about who is on the streets. We are using the coordinated approach with police, the Department of Education—particularly the truancy area—and Health, and making sure we are working together collaboratively with coordinated meetings which happen once a week, I think.

**Ms KERR:** They meet a number of days a week.

**Ms WAKEFIELD:** Those kids are getting identified by that process. We have also put recently a Territory Families worker to be co-located with police in Alice Springs. That is an important step forward with us working closely with police. All those bits of work will pull together into us having a better understanding of where things are happening.

Already, we are seeing significant changes with people on the streets. You and I both know that around the Bridgestone shop area, for many years—when I was running the women's shelter I was raising concerns about that area—we would sometimes have 200 people congregating there at night. That is not happening any more. We have moved some of those antisocial problems on.

**Mrs LAMBLEY:** Going back to out-of-home care, in terms of your informal study, approximately what percentage of those kids were in out-of-home care?

**Ms WAKEFIELD:** It was a small percentage, I cannot remember the exact number. I think we ended surveying about 130 kids. I think most of them were not.

**Ms KERR:** From recollection, it would be about 120 to 130 that we surveyed. The most on any given night out, was 70 to 80. The key attractions and keys to success were food, and social and recreation activity. I was actually there a number of nights and I saw three children from residential care. It was very late and some of the children who were there were with kin, who were working on some of our partner agencies.

**Mrs LAMBLEY:** If kids are attending an activity, it is a bit different to just hanging out on the street at night, which is what I was referring to.

**Ms WAKEFIELD:** It was not an activity it was a way of doing an audit of the kids who were wandering around. It was not planned.

**Mrs LAMBLEY:** Did you not say you turned the lights on?

**Ms WAKEFIELD:** Yes, but it was not advertised or any way; it was about attracting the kids that were just wandering around. I was there most nights until about 2 am. We fed a lot of kids a lot of sausages. My immediate thought was that if they were not getting fed, where would they be getting fed? There are some

basic things we can do and those things are now being provided by the youth centres with their extended hours, as well as the bus services that make sure kids get back home from those activities.

It is a much structured and planned way, but we wanted to do something that gave us a snapshot of those kids who were just walking around. I have to say Talice Security were fantastic in helping us identify—the local youth police were fantastic and were very clear that this was a fairly normal snapshot of who they were seeing. It was not because we were having a special event that there were extra kids there.

**Mrs LAMBLEY:** You cut the funding for the Alice Springs Youth Centre. They provided a once-a-week service. On Saturday night they used to get up to 200 kids there. Why did you do that?

**Ms WAKEFIELD:** Because we wanted it to be, rather than just a one-off event, which is what that service provided ...

**Mrs LAMBLEY:** For many years.

**Ms WAKEFIELD:** For many years—and it is a great service I have to say. I have been a big supporter of that service. But it was a one-off event on a Saturday night. They provided no case management. They provided no other activities for those children who presented to that disco every night. It meant that it was just a disco.

**Mrs LAMBLEY:** It was not just a disco; it was a whole a range of activities. I have been there several times.

**Ms WAKEFIELD:** I know you have also been to Brown Street on several occasions.

**Mrs LAMBLEY:** It was not much different from Brown Street, actually.

**Ms WAKEFIELD:** Yes—but the difference is that there is a seven-day-a-week service there that those kids can access. There are case management workers who access service, so there is a direct referral line, which was not there under the previous service. It also means that other service within that organisation can do the follow up and work with child protection services during the week.

If they are seeing a kid every night that they are a bit worried about, there is the opportunity to follow up, whereas there was a Saturday to Saturday opportunity to do that. We did want the Alice Springs Youth Centre to expand that service. That was not something that they were interested in doing as an NGO. We cannot make NGOs take on a service.

Those services are now being provided, in a similar way, in different locations in a much more nuanced and supported way that provides long-term support which is about making sure we are heading off problems before they happen, stopping crime before it happens, and having a sustainable service system that moves forward rather than having a piecemeal approach because so many of those services were cut under the previous government. Then, under panicked situations, there would be some money put somewhere and it was not part of a strategic, whole-of-government approach.

This is what we have been doing over the last two years—building a service system that is sustainable, integrated, with everyone being involved, making sure there is coordination, and is led by community-run organisations such as Tangentyere and the Gap Youth Centre. We are listening to the community about what those needs are.

**Mrs FINOCCHIARO:** I understand for the youth services as described. I am just wondering if youths are out at youth services at 3 am, are we measuring if they are going to school the next day?

**Ms WAKEFIELD:** They are not all open to 3 am during the week. The hours of operation during the week service delivery is not until 3 am. I can find out. But the youth patrol is out until 3 am. We will also have our youth services out until 3 am.

The reality is that many of those kids who are wandering the street are disengaged from education, so ...

**Mrs FINOCCHIARO:** But is there—we talk about linking things together ...

**Ms WAKEFIELD:** That is why we are doing that in a way that is run by organisations that can also provide the next steps for youth case management and referral. They are part of that broader meeting, so they are at the meeting three times a week, which ramps up over school holidays to five days a week. That information

is being fed back in so we have meaningful results. For too long, we have had a haphazard system with bits and pieces everywhere with nobody talking to each other. What we are showing, particularly in Alice Springs, is that we can pull those things together and we are starting to see some strong anecdotal outcomes for young people because of that.

**Mrs FINOCCHIARO:** We talk so much about the importance of school.

**Ms WAKEFIELD:** It is the key link. We were disappointed to see, when federal Labor did not win the election, that the Youth Foyer model was not going to be funded. We will be talking to the federal government about ways we can have that funded. We need to have a range of engagement systems for young people. We will also have further announcements in this area of training and education through the Back on Track process.

**Mr WOOD:** Where do Clontarf and Stars fit into that re-integration with kids on the street coming back to school?

**Ms WAKEFIELD:** They are part of the school program and education has invested in those programs significantly. Territory Families has ongoing contact with them. I see them regularly at meetings and different forums. Their goal is to be part of the reasons why kids come to school and stay engaged in school. Part of our job is to get the child through the door and into the right supports at home that can enable school. We have Clontarf and Stars programs to make sure that they are staying engaged in the school program.

**Mr WOOD:** There are all these different things happening. There is St Joseph's flexible learning school, Clontarf and you have Stars—and there are kids on the street. Then you have the Gap Youth Centre, Anzac Hill Youth Centre, Tangentyere and OLSH. I have been to most of them.

You have all these things happening, but are things improving? That has to be the outcome of all this.

**Ms WAKEFIELD:** That is the key. We have a range of different things happening. The coordination is the key because the risk is, if they are not coordinated through a central point and things like regular meetings between all the departments is important and making sure that we are focusing. Change is long term. We already had a conversation about data in previous parts of the hearing.

We are engaging more people. We know that there are good results in terms of outputs, in that we have numbers of kids going through the program. The Gap was seeing 30 kids regularly, and now 70. That is 40 more kids that are positively engaged in the evening. In a town the size of Alice Springs, that is significant. Then when that leads through to crime statistics we will take some flow-through as we move forward.

**Madam CHAIR:** Are there any further questions on Output 1.3? There being none, that concludes consideration of that output.

#### **Output 1.4 – Youth Justice**

**Madam CHAIR:** The committee will now consider Output 1.4, Youth Justice. I note that while the Minister for Territory Families has overall responsibility for youth justice under the *Youth Justice Act 2005*, the Minister for Police, Fire and Emergency Services is responsible for Part 3 of the act relating to the diversion of youth; and the Attorney-General and Minister for Justice is responsible for Part 4 of the act relating to youth justice court. Consequently, questions regarding such have already had an opportunity to be answered.

Are there any questions on Output 1.4?

**Mrs FINOCCHIARO:** Page 238 of BP3 states under youth justice that one of the clear outcomes is:

*Provide early intervention and targeted youth programs and services that contribute to community safety and reduce offending and re-offending by young people.*

When you go to KPIs on page 240 under youth justice, there are no measures relating to reducing offending or reoffending. They are all just different forms of measures.

**Ms WAKEFIELD:** As we just said, one of the challenges in the human services across the world is the measurement of outcomes. There is a range of ways we could measure that. It is an important outcome.

We know from a significant body of research that if we have young people engaged in meaningful activities, school and a range of pro-social community activities, and they feel a part of the community in which they live and valued by that community, there is a lower level of crime in those communities.

We know that these are the important elements of having a safer community. As the royal commission said, the previous system we had did not contribute to community safety. In fact, it made safety in our community worse. That was a very strong outcome from the royal commission.

We have a range of activities. There is also some split between the departments on who is responsible for reporting reoffending figures. We are working at having a whole-of-government data system. What will be very helpful is our new computer system, which was being kicked down the road by many previous governments. We are very aware that we need to have a range of data to measure that. It needs police, court and Territory Families data.

DCIS reported on some of this extensive work happening across government. The police, health and child protection databases are all being updated, and that means we will be in a much better position to measure the outcomes of these.

Reoffending is clearly an important measure and we will continue to do that work. But some of the responsibility for those figures is, at the moment, sitting with—as the Chair said—the Attorney-General, as well as the responsibility for diversion sitting with police.

**Mr DAVIES:** Can I add to that, minister?

**Ms WAKEFIELD:** Yes, please.

**Mr DAVIES:** It is a challenge for us, Member for Spillett. The new CMSA project will help. We are working on the integrated offender management system, which sits with AGD. We have police data as well, which we need to bring into this space. Once we build this dataset it will enable us to get the in-time measurements that we need. But it is a work in progress. At the moment it is a challenge aggregating this data across these old systems.

We understand that it is important that we get there. We are hoping to have that done by the end of this year so we have a better dataset.

**Mrs FINOCCHIARO:** So, future budgets should really be showing offending and reoffending as a KPI.

**Ms WAKEFIELD:** It would be ideal to get to that point. What that time frame is, I would not say. It might be the next budget ...

**Mrs FINOCCHIARO:** No, fair enough.

**Ms WAKEFIELD:** ... but we need to. What measures we have, though, give us an indication of how we are going. For instance, I highlight the performance data about proportion of youths successfully completing community-based orders. That means they have not offended in that time of that order, or else they would not have successfully completed the order.

We have seen some significant changes in that. In 2015–16, 51% of youths were successfully completing orders. As of 31 March, 61% are successfully completing orders. We are seeing some improvement in the figures, even in these early days of the reform system. We are seeing some good figures coming out of the individual evaluations of programs. The wilderness camps run by Operation Flinders are showing good outcomes in the children who have gone through that process not reoffending. We know that through the Jesuit Social Services, their evaluation data is showing that there is a significant number of children not reoffending after being through that process.

We also know that through the Saltbush program, the kids who are going through that bail accommodation are at a high rate of completing their bail successfully.

Whilst we do not have whole-of-system data at this stage—that is a big, clunky beast that we need to pull together—what we are seeing in the data that Territory Families has carriage of is encouraging and we are starting to see some 12-month data from some of those programs we put in place last budget.

**Mrs FINOCCHIARO:** The KPIs, for example—receptions into the youth detention facility are budgeted to go up; the average number of youths in detention in any one day is going up, albeit by one; the proportion of daily average detention population who are Aboriginal is going up. They do not look like strong indicators that things are turning around.

**Ms WAKEFIELD:** We are being conservative in our budget moving forward. We are basing it on the figures we have in front of us today. We do not want to underestimate the cost in the budget of young people in detention.

We have seen in other jurisdictions that if you are not properly planning for youth justice facilities—I think that is where we ended up with the royal commission, a badly planned and designed system—we are being conservative as we move forward and hope to overachieve on our KPIs.

**Mr WOOD:** How are people selected for the Operation Flinders trial?

**Ms WAKEFIELD:** I will hand over to Brent Warren on this issue. Every time they finish a camp I receive a photo, and that has been really pleasing for me, as a minister. They have stepped up and we have had some good results. I have met some of the young people who have been through those camps and they have been positive about them. Overall, our evaluation is strong and the feedback from our YOREO team is strong. The ones for girls have been particularly successful. There has been good feedback that we are now including young girls.

**Mr WOOD:** The Flinders people are also involved in Loves Creek?

**Ms WAKEFIELD:** It was set up originally for them, but the previous government made a last minute change, prior to the election.

**Mr WARREN:** I think your question was how are young people selected to get on the camps? It is very much driven locally, the Youth Outreach and Re-Engagement Teams in each area takes the lead. They work with their colleagues from the Department of Education, the Department of Health and NGO partners to select kids who are at risk of disengaging, or have been disengaging. It is a joint exercise to identify the kids who are suitable and needy. They then prioritise them on that basis.

**Mr WOOD:** Is it voluntary?

**Mr WARREN:** Correct, we are not sending those kids down on a court order, they are going because they are at risk and we are engaging with them and their family and getting permission to take them there.

**Mr MILLS:** I was pleased to hear the positive story about these programs and how well they are working, and to hear your indication that all the indicators are very positive. Are you able to substantiate any of these figures and show us these reports or programs?

**Ms WAKEFIELD:** As part of any contract, we ask for the NGO sector to do evaluations on the programs, which is part of the contract. We also support them by providing them with data. We give the Jesuit Social Services access to the data on reoffending through the Department of Justice.

We have had to do some work on that, it was quite an extensive exercise. This would be part of a normal evaluation process.

**Mr MILLS:** I want to make sure that the question is being responded to. Every program you spoke of has very positive and very strong results. You often talk about evidence-based decision-making. What we are after is the evidence to support your assertions that these things are actually going as well as you say so that we can all rest-assured.

I use the Jesuit Social Services; there may be positive indicators. In a meeting I had with them probably two-and-a-half to three months ago—I think they do a fantastic job—but they had done very few victim-offender conferences. Those might have been positive, but there was not very many of them. We need some real data. These assertions—great, I feel good about it, but I would like to see the actual figures.

**Ms WAKEFIELD:** I suppose one of the challenges in a jurisdiction like the Northern Territory is that we are always talking about small numbers through NGO programs, particularly when you have a range of different programs ...

**Mr MILLS:** I understand. Just the numbers, whatever size they are.

**Ms WAKEFIELD:** I am more than happy to hand that to Brent, but this is part of a 12-month process of evaluating these type of changes over time. It does take time. The response to the royal commission is more than a 10-year process ...

**Mr MILLS:** Just the data would be sufficient. We do not have to talk too much about it. It speaks for itself, I would assume.

**Ms WAKEFIELD:** I am more than happy to hand to Brent to do that. I thought you redirected your question to me; that is all.

**Mr MILLS:** I just want a clarification. I just want the data to back up what you have just said.

**Mr WARREN:** I think you have asked to have some figures on some of the programs that are running at the moment.

**Mr MILLS:** Backing up the assertions of everything going well.

**Ms WAKEFIELD:** That is a little bit of an overstatement. I said there are some positive signs.

**Mr MILLS:** Very positive, very strong, very good ...

**Madam CHAIR:** I think we can just ask to Brent to respond, if that is alright. We have heard the question. If we do not get the answers you are looking for in specific numbers, then we can always put questions on notice.

**Mr MILLS:** Yes, that is good.

**Mr WARREN:** I will step through a couple of the programs we are running to talk about the performance so far. We have talked a bit about conferencing. JSS is one of providers. We actually have 11 providers that do victim-offender conferencing and family conferencing in the youth justice environment. We have had 283 conferences and youth agreements that fall out of that. Our referrals come primarily from the youth diversion area, which is from police, and we get a smaller number of referrals that come from the court system.

One of the challenges that we have had in terms of those victim-offender conferences in what we call the pre-sentence space, which is where JSS work, is in making sure that the courts are aware that it is available and making sure they are considering it as an option. One of the trends that we have noticed, and in working with JSS to see how they are experiencing the referral process, is that as different judges move through the youth court, we see different sentencing practices from different judges.

We have gone through a period where some key, very experienced, youth court judges moved on from that role, and we have seen new judges step into that space. In the calendar year, JSS are reporting an increase in referrals from courts as those judges are getting a better understanding of what they can offer. That has been quite positive.

**Mr PAECH:** That is 285 over 12 months?

**Mr WARREN:** Over the estimates period, so July to March.

**Mr PAECH:** Would it be fair to say that it is not just a conference call and that there is a huge amount of work behind the scenes in preparation for this?

**Mr WARREN:** That is correct. A victim-offender conference for example requires a piece of groundwork to do with the victim, to do with the offender, and to do with family, and to set up a conference environment that is going to be successful for the victim and ...

**Mr PAECH:** So, there is in excess of a fair few hours involved. I think there is a misconception that it is just getting people together once the courts mandate something to happen. There is obviously a large volume of work by the department and the agencies and NGOs to get the conference together.

**Mr WARREN:** That is correct.

**Mr MILLS:** When we talk about 283, that is the number of those who were held. It is really the data related to the 283 were held and what have been the benefits and outcomes of the 283. It is that kind of data to back up the positive assertions we have just received.

It is probably too much to go into now, but I was noticing all these positive reports, and I think what we need to build confidence is the actual numbers. Is there real data that goes more than how many we had, but what actually happened as a result of those?

**Mr WARREN:** If I can step that into supported bail—that is another program that we have been operating in the last couple of years. What we are seeing in the supported bail space, which is an area where since we activated the program we have seen an increase in willingness by courts to order kids to be bailed or sentenced to reside at the supported bail accommodation. What we have seen is that as that uptake has increased—to the point where today we have about 20 kids in supported bail between the three facilities.

Across those facilities we are seeing about a 75% success rate for kids on bail. So, 75% of kids who have been ordered to reside there are successfully completing their bail period.

**Mrs FINOCCHIARO:** Who is determining that success rate? For example, is it not taking into account breaches of bail that are not reported to police?

**Ms WAKEFIELD:** It is a requirement of the service to report to police. We have an expectation and we have done work with both services and police so that if there is a breach of bail it will be reported to police.

**Mrs FINOCCHIARO:** Are all breaches of bail reported to police?

**Ms WAKEFIELD:** That is the process.

**Mrs FINOCCHIARO:** In what time frame?

**Ms WAKEFIELD:** I can hand to Brent on that because we set some expectations of that.

**Mr WARREN:** Sure. The question is in relation to kids who are on bail and have been directed to reside at the bail supported accommodation. The providers have an obligation to contact us and police if a young person breaches a condition of their order. They do that as it happens.

To give you a case scenario, if a young person was to leave the facility during a curfew period, the provider would contact us and police and let them know.

I will go to the other half of your question, which was how we measure success. Success on a bail order is based on the court's decision whether or not to determine that a breach has occurred. So, a successful bail order is one that is closed because a court has not made any decision to find a breach.

**Mr WOOD:** What happens to the people who do not fulfil their bail requirements? I presume one in my area is Yirra House. What happens then?

**Mr WARREN:** The question is, what happens if someone breaches a condition of their bail? There are two parts to that. One is that Territory Families has a case management responsibility to work with those kids and if there are reasons they may not be succeeding on bail, to see what we can do with them to help them succeed.

I will give one example there. We have had young people who might have been bailed to live at a home residence where there is a lack of stability—for example, a parent who is abusing alcohol. That lack of stability in their home environment has an impact on their bail success. We can work with them and the court to have their bail varied to live somewhere else instead.

In a situation where there is a more serious breach of bail, for example I talked about the police being called because someone has breached a curfew, those young people can be referred to court and the court will make a decision about what else is required in relation to their bail, whether a breach of bail conviction should be found and whether there is a requirement to remand them in detention, for example, until the matter has been resolved in court.

**Mr MILLS:** I assume you are going through all of the programs that the minister mentioned and providing the evidence to substantiate the glowing reports on all of these programs? Or is that it?

**Mr WARREN:** I have been answering the questions from the committee.

**Mr MILLS:** Okay.

**Madam CHAIR:** Do you have more?

**Mr MILLS:** Well, this could take too long. I was noting the positive reports on all of the programs. The indicators were strong. I assume this would be a simple matter—you are obviously making that judgment based on data or evidence which you referred to—and that there would be a simple report that you are privy to that gives you the capacity to say what you have just said so we can all see it. Rather than go into a debate about this, I thought is there something that we can see to substantiate what you have said regarding Saltbush, Flinders ...

**Ms WAKEFIELD:** Are you trying to put something on notice for me to table something? I just want some clarity.

**Mr MILLS:** I think I will have to or this will just go on for too long.

**Madam CHAIR:** We need to be very specific. Are there particular programs?

**Mr MILLS:** The minister referred to a number of programs—and members may help me remember them. There was Jesuits ...

**Ms WAKEFIELD:** The victim conferencing, yes.

**Mr MILLS:** You specifically mentioned Jesuits, Operation Flinders, Saltbush and ...

**Ms WAKEFIELD:** They were the three that I mentioned in my statement.

**Mr MILLS:** Okay. Do you have a set of date on the activities on each of these ...

**Ms WAKEFIELD:** Yes.

**Mr MILLS:** ... that substantiate the success or otherwise of these programs?

**Ms WAKEFIELD:** Is that a question you want put on notice?

**Mr MILLS:** Could you provide that data, please?

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#### **Question on Notice No 10.7**

**Madam CHAIR:** Member for Blain, can you please restate the question for the record.

**Mr MILLS:** I request the provision of all data related to the activities of the mentioned programs—Saltbush, Jesuits and Flinders—in the past 12 months.

**Madam CHAIR:** Minister, do you accept the question?

**Ms WAKEFIELD:** Yes.

**Madam CHAIR:** The question from the Member for Blain has been allocated the number 10.7.

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**Madam CHAIR:** Are there any further questions on Output 1.3, Youth Justice?

**Mrs FINOCCHIARO:** Minister, you said that when a breach of bail occurs, Territory Families is immediately and police are notified as it happens. Is that a new policy? I am sure that in the past we have had discussions such as, 'Oh well, if someone has missed the bus and they are only running 10 minutes late we would hate to ring the police about that', which is quite distinct from realising someone is in breach of their bail and pulling the triggers straight away.



**Ms WAKEFIELD:** I have never given that example about someone missing the bus. I have said that the severity of breaches is part of the professional judgment of working with people. We have highly trained staff who are part of that process. We also work closely with police on these matters because ultimately it is a police matter. We inform police; that is one of the reasons we have embedded and co-located a Territory Families worker to the Alice Springs police station. We are hoping that is a model that proves successful and can be expanded throughout the Northern Territory—making sure police are co-located with Territory Families in other settings beyond police stations.

We have had that conversation in the past and have worked closely with police on our expectations with breaching policy. Brent has done a significant amount of work on both sides of this story. I can get him to fill in the detail there.

**Mrs FINOCCHIARO:** I do not know if it is a matter for Mr Warren or you, minister—whether or not there has been a change within Territory Families to this policy and the timing, at which point any discretion is or is not left with Territory Families or when police are notified.

**Mr WARREN:** There are a couple of things to talk about here. The first is to acknowledge that there are different kinds of bail. A young person who is arrested by police and released from police custody would be on police bail usually. If the police made a decision not to grant them bail there would have been contact with a judicial officer who would make a bail decision. They would then be on what is called court bail.

In all those situations, we do not get to determine what the conditions of bail are; the police or the judge do.

**Mrs FINOCCHIARO:** They might be bailed to your bail support facility, however.

**Mr WARREN:** Or they might be bailed without conditions to reside at home with their parents, in which case Territory Families has no lawful power to supervise them.

For those young people who are issued bail by a court, which has some type of supervision component, some of the pathways that can play out in include them being bailed to live at home and be supervised by a youth outreach officer; or they could be bailed to live in supported bail accommodation and are supervised directly by the bail staff and a Territory Families youth outreach officer.

If there is a situation where a young person has conditions on that bail—and there are a range of things that might be a condition, such as residing at a certain address, having a curfew, and not associating with a co-offender or a victim—they are the things we can identify a breach with.

We apply a level of discretion around supporting a young person to succeed. I gave the example before about someone who might be in a place where there is an unstable home situation. Territory Families' role is to support the young person in the family to make sure they comply, or get the order changed.

There are other situations where it is a bit more black and white. If they have missed a curfew, we would see a difference between someone who has not arrived home yet, at the start of a curfew, versus someone who has deliberately and willingly left the bail-supported accommodation at 2 am. There is a layer of grey here, where we need to make a decision about what next.

In the context of supported bail, the staff have an obligation to contact Territory Families and the police if there are breaches of those court-issued conditions. We have had situations where a young person might leave the supported bail accommodation in the middle of the night, the provider calls us and the police and we can respond accordingly.

Police can make a decision about whether or not to take someone into custody, when they find them. They can bring them back home to the supported bail or they can take them to the watch house and implement immediate breach action. Either way, the matter is still brought back before the court again, in the form of a referral back into the court so a judge can make a decision about whether any further action should be taken because of the breach.

**Mrs FINOCCHIARO:** That specifically relates to breaches of conditions, when in bail-supported accommodation. Is the level of discretion provided by Territory Families limited to youths bailed to other places, other than bail-support?

**Mr WARREN:** Some of the conditions that can be put into an order include that a young person must follow reasonable directions from their case manager. One of the places where we do apply discretion is if a young person has that condition and we are trying to re-engage them in education, for example—in the old days they might have had a condition that said ‘must go to school’ whereas we can give a direction that says ‘must attend the re-engagement centre for X number of hours a week’, based on negotiation with education. That is an area where there is a discretion.

We have the court-ordered power and responsibility to make direction, but we can work with the kid and with stakeholders to find the right direction for them.

**Mrs FINOCCHIARO:** Does Territory Families have a list of conditions which it does have discretion on and which ones it does not?

I am thinking of using the curfew situation. A person is bailed to home, they have a number of conditions—it might be curfew and some of the others you mentioned—and are being supported by the YOREOs. If that young person has not complied with curfew, if that came to the attention of the YOREO, is there discretion to look at that? Or is that then, at the point of knowledge—the YOREO would then have to notify simultaneously police and Territory Families?

**Mr WARREN:** Would they have to notify police every time in relation to a breach? Yes. Police is the only agency which can take an immediate arrest action in relation to a young person. Territory Families does not have any discretion in terms of notifying the court about what has occurred.

**Mrs FINOCCHIARO:** Is the government still committed to raising the age of criminal responsibility to 12 years?

**Ms WAKEFIELD:** That is part of the recommendations of the royal commission, it is one we said we would implement by 2021, which is the time frame within the Safe, Thriving and Connected. It is something the legal profession has a very strong view on and has lobbied significantly. However, as a government, we have been very clear that changing the law does not change the problem and we need to make sure we have the right service sector support in place before we make that change. It is a recommendation of the royal commission that we have accepted; however, we want to make sure that the implementation and the supports around that change is significant.

This is an issue across Australia. I met with my colleagues from Queensland and Western Australia recently. It will be discussed at the COAG of Attorneys-General. There will be some discussion about how we would have a national approach to that issue. There is a large body of work which needs to happen, acknowledging that this is an issue across the country.

**Mr WOOD:** Could I follow up on that? I have yet to put my mind to whether this is a good idea or not. But if the government is talking about changing it, surely it would be better to have a uniform, Australia-wide policy on this matter, otherwise a child moved from one state to another is dealt with differently. From a justice point of view in a country like Australia that would be silly.

**Ms WAKEFIELD:** Hence we are having those conversations with colleagues across Australia. Challenges within youth justice are not just a Northern Territory issue. That has been well described in TV coverage in the last month or so. This is a problem shared across Australia and is something that, as a nation, we are needing to have conversations about. I encourage the COAG to have that conversation about how best we, as a country, deal with some of these complex issues.

**Madam CHAIR:** Member for Spillett, I have three other members who are waiting with other questions. I will start with the Member for Araluen.

**Mrs LAMBLEY:** Thank you. Have you been to visit Loves Creek?

**Ms WAKEFIELD:** No, I have not.

**Mr WOOD:** It is a good place.

**Mrs LAMBLEY:** Well, the Member for Blain and I visited there last year, as you know. I am interest to know what has happened there over the last 12 months. Is it still the same as it was 12 months ago? Is the Northern Territory Government still paying someone to keep the diesel engine serviceable and running? How much is it costing the Northern Territory Government? What are your plans for Loves Creek?

**Ms WAKEFIELD:** This is an area of interest to you because you have asked many questions on the record about this facility. As I have said on the record multiple times, there are significant issues with that facility. The first is that there is inadequate water supply for the facility to run as planned.

We also know that there was substantial absconding from the facility when it was being run. As I said in the past multiple times, that is no reflection on the provider. It is a reflection of poor design by the previous government.

Seeing you have raised multiple questions on this, to reassure myself that was the correct decision, I have asked Dick Guit, who I know you have worked with, who is an expert in infrastructure, to do an infrastructure review of the facility and inform us of its suitability. His report came back that it was entirely unsuitable for the use because of no water. He also raised further concerns about whether you could get a plane there if there needed to be a medical evacuation from the site and you needed to do that effectively.

He also raised concerns about the quality of the road. It was a main issue, particularly when it was being used and water trucks having to go up and down it. But it is also susceptible to flooding. If you had a situation where they were flooded out there and were needing a medical evacuation, you could have a very complex situation very quickly. When you have people in custody that is clearly something you need to avoid.

We have been looking ...

**Mr WOOD:** Could I butt in there for a second?

**Ms WAKEFIELD:** Can I finish my response ...

**Mr WOOD:** I just want to correct you. My understanding was there was no one in custody in Loves Creek. There was an independent report done, so the ...

**Madam CHAIR:** Member for Nelson, I remind you we are not debating. The minister was giving a response to a question.

**Mr WOOD:** I understand that, but I ...

**Madam CHAIR:** Let the minister finish and then we can go into more points.

**Ms WAKEFIELD:** I will make my point. I did not say that people were in custody at the time. I said if people are in custody these are all considerations that we need to make. This is about good governance, good planning and making sure we have a youth justice system that is effective.

There is no evidence for me that the Loves Creek facility provides those things. I have sought a second opinion since you have raised questions from a very experienced infrastructure expert to look at those issues and a range of other facilities. We believe those types of services can be delivered in other situations in a much more safe and sustainable way. The bottom line is that was a last-minute decision made in a rush and was not sustainable in the long term.

**Mrs LAMBLEY:** That is your opinion, is it not?

**Ms WAKEFIELD:** That is the advice I received from experts.

**Mrs LAMBLEY:** For someone who has not been there and seen this facility, I think you are missing out. There is a lot of stuff out there, a lot of equipment and high-quality gear out there. It cost \$6m to build, so what will you do with it? What is the plan? The other part of the question that you did not answer is, are we still paying to maintain the equipment out there?

**Ms WAKEFIELD:** I will hand to the CEO—but we are planning to relocate it. We agreed that it is good infrastructure. It is moveable. We are looking to move that infrastructure, particularly through the Back on Track announcements.

**Mr DAVIES:** One of the challenges is the water supply out there. I have been there a number of times. There was a view that horses could be maintained out there and there would be a piggery there, which they tried, but it required constant movement up and down that road with 30 000 gallons of water per day, each week, and the road deteriorated to such an extent that the truck was getting bogged and so on.

There were some basic infrastructure issues and the road remains an ongoing challenge there. Of the 30-plus young people who went there, but the time they had left the facility, 21 of them left with more offences than when they had gone in.

Sending people into an isolated location and leaving them there for some time, not having the facilities or infrastructure to support them properly, led to young people leaving that place. When they did, they went down the road and committed offences. That is the context.

In regard to the facility, there is good generator and infrastructure capacity. As part of this broader work on Back on Track, we will repurpose. We have to work with the land holders. This is part of a negotiated lease at the Central Land Council. We have interacted with traditional owners. It is not freehold land, not government's land to move without negotiation, but we will have those negotiations. I have already been in touch with the Central Land Council about this to work out what we can move and what infrastructure we may leave behind. It will be too difficult to move it.

The generator will be relocated to another location where we can utilise that and some of the buildings. It is not government's intention to leave it and let it become derelict. We will relocate it to a situation where we can use the infrastructure and service it properly then make sure there are adequate programs that are about training and employment outcomes and will keep young people there.

It was never fenced, built as a security facility or built as a prison.

**Mrs LAMBLEY:** How much is it costing to maintain per year?

**Mr DAVIES:** We have a caretaker arrangement with the roadhouse down the road at Ross River. They are doing a caretaking role. We will have to do some more work on the road, it is fair to say. There has been some rain out there recently to extract some of the equipment that is in there. We will need a road to shift the things we need out of there.

**Mrs LAMBLEY:** How much is it costing to maintain per annum?

**Mr DAVIES:** I can provide that; it is a weekly check of the facility, making sure there are no weeds around it. Regular visits are made by the roadhouse to the facility. I can provide that to you.

**Mrs LAMBLEY:** Can I put that on notice?

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#### Question on Notice No 10.8

**Madam CHAIR:** Member for Araluen, can you please restate your question for the record.

**Mrs LAMBLEY:** Can you please provide the cost of maintaining the Loves Creek facility in the last financial year.

**Madam CHAIR:** Minister, do you accept the question.

**Ms WAKEFIELD:** Yes.

**Madam CHAIR:** The question asked by the Member for Araluen has been allocated the number 10.8.

**Madam CHAIR:** Any further questions on Output 1.3?

**Mrs LAMBLEY:** I just have a few more on this topic. There was an independent report done on Loves Creek a few years back. Are you aware of that?

**Ms WAKEFIELD:** My understanding is yes, there was a report done.

**Mrs LAMBLEY:** You mentioned that there was another one done by someone ...

**Ms WAKEFIELD:** On the infrastructure—that was done for the Infrastructure minister.

**Mrs LAMBLEY:** Can we have that tabled?

**Ms WAKEFIELD:** I could request it from the Infrastructure minister. I am more than happy to do that. Obviously we are working with DIPL on the management of infrastructure, roads and a range of other things, but I am more than happy to answer any of yours or the Member for Blain's questions on this facility.

**Mrs LAMBLEY:** The earlier one was done in what year—can you remember? I do not have a record.

**Ms WAKEFIELD:** I would be stretching memory. We are more than happy to check.

**Mrs LAMBLEY:** Was it 2016?

**Mr DAVIES:** I think, Member for Araluen—Luke is just advising that two were done. They were evaluations of the program, not of the facility or the infrastructure. There was one done in 2015–16.

**Mrs LAMBLEY:** I suppose it is an example of a significant waste of government to have it sitting idle for so long, and for nothing to have happened in the last three years since you have been in government.

**Ms WAKEFIELD:** I think it is one of those legacy issues that we had wanted to change. It was done in a rush. We inherited this facility.

**Mrs LAMBLEY:** What was done in a rush, minister?

**Ms WAKEFIELD:** The building of the original facility at Loves Creek ...

**Mrs LAMBLEY:** What do you base that comment on?

**Ms WAKEFIELD:** I have spoken to the person who designed it. I have spoken to a range of people who were involved in that process.

**Mrs LAMBLEY:** Where is the evidence?

**Ms WAKEFIELD:** I am more than happy to provide it to you ...

**Madam CHAIR:** Member for Araluen, could you please just ask questions.

**Mrs LAMBLEY:** I am asking questions.

**Madam CHAIR:** No, you are making statements and then adding on things later.

**Mrs LAMBLEY:** Where is the evidence? That is what I asked.

**Madam CHAIR:** You have asked the minister about a report. We all heard about the report, which were in Infrastructure. Are you asking about any other reports?

**Mrs LAMBLEY:** Every time I ask a difficult question, you step in and bail the government out?

**Madam CHAIR:** My job is to keep everyone on track and asking questions, rather than just statements.

**Mrs LAMBLEY:** So, you do not want to talk about Loves Creek?

**Ms WAKEFIELD:** No, I am more than happy to spend the rest of the afternoon talking about Loves Creek.

**Madam CHAIR:** Do you have a question about Loves Creek?

**Mrs LAMBLEY:** For someone who has not been there you are not demonstrating that. No more questions, Madam Chair.

**Mr WOOD:** I might ask about the youth detention centres. I thought you would expect it today. We asked Minister Lawler the same question about it. We know that the Alice Springs youth detention centre is going to be upgraded. What sites have you selected for public consultation, you might say, for the Darwin youth detention facility?

**Ms WAKEFIELD:** That will be finalised fairly soon. It is before Cabinet and there is some further decision-making and meetings with me, the Infrastructure minister and the Chief Minister to finalise those aspects, as directed by Cabinet. Then we will be in a position to make a public announcement.

**Mrs FINOCCHIARO:** Sorry, could you repeat that—did you say a site has been put to Cabinet?

**Ms WAKEFIELD:** A range of sites have been put to Cabinet. We have said publicly that there is some information—that we would go back to the start and look at a range of options in terms of locations. We have done that. We will be finalising those matters in time. We will be making public announcements about that.

**Mr WOOD:** Just following on from that, originally you were going to build a new site Alice Springs and then you changed it to more or less upgrading that present site. You had a budget of \$70m, and I must admit that I gave the wrong information when I was talking to Minister Lawler yesterday, but obviously the \$70m was for both facilities. If one facility, you might say, will require less money spent on it—so, the Alice Springs one is going to be rehabilitated for \$10m, whereas if it was to be shifted it would have cost more than I presume—to use a new site.

There is \$60m left over. Do you need to build a site worth \$60m because you did not spend as much money on Alice Springs? Or has there been a reasonable figure set?

**Ms WAKEFIELD:** No. That will obviously be through a design process. We have already had some significant design work happening, which is not site-specific.

We have been looking at the design of individual bedrooms within the facility and how they can be best made to be secure, not to have hang-points; maximising the space within the facility; and what type of other break-out areas you might need in terms of classrooms and recreation areas.

Those are the types of things which have been worked on with a committee consisting of a range of people who have an interest in the area, including legal staff and community members. We have been doing that work and once we have a specific site, we will do the specific site costing for how that may lay on a particular piece of land and what the cost would be.

We will look at the way of maximising that budget. As a department, we have been looking carefully at ways we can maximise and spend each dollar effectively and we will continue to do that through that process.

**Mrs FINOCCHIARO:** What consultation has been done on the sites that have been put to Cabinet?

**Ms WAKEFIELD:** That is an ongoing process and I am more than happy to discuss that when we release that.

**Mrs FINOCCHIARO:** Has consultation been done with the people in the various areas?

**Ms WAKEFIELD:** As I said, there have been a range of processes happening. We have looked at a range of sites, we will go through those processes when we are announcing them.

**Mrs FINOCCHIARO:** I want to know if the government has learned its lesson. It went out without any consultation and announced the Pinelands site, and we all saw the seven-month debacle that ensued after that. If the government is reviewing sites now, surely it has learned the lessons of Pinelands and had made efforts to understand the landscape in which it is proposing to put a facility?

**Ms WAKEFIELD:** We have said clearly to the public that we heard the concerns loud and clear, and we have taken those into consideration. We will continue to work through the process, which is what we are doing at the moment.

We will make sure that we have a youth justice system that meets the needs of the community. It is clear from the conversation we have had about the site of the Youth Detention Centres that if we are going to be successful in reforming our youth justice system we need to bring the community with us and have that conversation.

That is the responsibility of everyone within this parliament. How do we make sure we have a youth justice system that is focused on a safer community and has the faith of the community as we move forward?

**Mr WOOD:** In relation to the youth detention centres, I raised this with you in parliament, is the government giving any serious consideration of having an NGO run this facility?

**Ms WAKEFIELD:** It is clear within the royal commission, that they do not support the privatisation of some services. There are some services that should be provided by government. It is not a recommendation of the royal commission.

We have been working with Danila Dilba, and a range of others on some of the providers elsewhere—international models—which you have discussed previously, the Diagrama model. We think we can achieve that with working together through Back on Track.

One of the key announcements in that area has been the funding of a Barkly Work Camp which we believe can be a similar model to what is proposed by the Diagrama model. It is supported by a range of NGOs that it would be the way forward. It may be in the future that that is where it heads, but it may not be. At this stage we believe government is best placed to start working collaboratively in partnership.

More NGOs are delivering services within the facility, and I think that it is important for a range of reasons. First of all, it means services that children are already aware of, such as Congress and Danila Dilba, are part of that process. But it also means they are more likely to follow through and be part of that child's journey back into the community. It also challenges the cultures of correctional facilities, which can become closed cultures.

This is about transparency and having as many people look at the facility as possible, and have as many eyes on what is happening in the facility as possible. It has a range of benefits by having NGOs deliver services within the detention centre alongside government having responsibility for the correctional security side and the delivery of what is, ultimately, a court order. We are holding children under a court order and that has to be done to a certain standard.

We will continue to expand that delivery of services and the different types of services that are available in the detention centre.

**Mr WOOD:** Having visited the private prison in Melbourne, it may be private, but it is certainly well and truly run by the government in the sense that they have the overarching legislation which requires that prison to be run in a certain way. I would have thought the word 'privatisation' is a little harsh here. The whole idea of Diagrama would be to run that using their philosophy, but it still would be controlled by your department.

**Ms WAKEFIELD:** As I said, I am more than happy to continue to have those conversations. We are open to a range of ideas. But at this stage, that is what we are looking at delivering. The range of NGOs providing services within the detention centre has expanded and we will continue to do so.

**Mr WOOD:** Madam Chair, I have a question on the same area ...

**Mrs FINOCCHIARO:** No, it is on a different topic.

**Mr WOOD:** That is what I am clarifying ...

**Madam CHAIR:** If it is a different topic you will have to wait.

**Mr WOOD:** Hang on, I never finished my sentence.

**Madam CHAIR:** No, you will have to wait.

**Mr WOOD:** I was going to explain and ask your advice.

**Madam CHAIR:** No, I am being fair.

**Mrs FINOCCHIARO:** On consultation for the new youth justice facility in Darwin, will that be a consultation process or are you standing by the position that the Planning Commission and DCA process—as per the Pinelands disaster—is the consultation process? Are you still counting that as the consultation process or will there be a true consultation process, separate from those statutory functions?

**Ms WAKEFIELD:** We will step that out in the coming months as we work through that. We will continue to listen to the community about their concerns in this area.

**Mrs FINOCCHIARO:** No commitment about ...

**Ms WAKEFIELD:** As I said, we are working through those issues currently. As I think we have publicly said, we heard loud and clear from the community their concerns and we will continue to do that work.

**Mrs LAMBLEY:** I just have one.

**Madam CHAIR:** Yes, Output 1.4. But if it is a different topic than the youth detention centre then I can come back to you in a little while. If it is on the detention centre, Member for Araluen, please ask your question.

**Mrs LAMBLEY:** Thank you. The backflip on building the Alice Springs youth detention centre—you made a big announcement about a year ago. As the Member for Nelson said, you were going to build the Darwin youth detention centre and an Alice Springs youth detention centre.

People in Alice Springs are still scratching their heads, trying to work out exactly why you changed your minds. Can you talk through that and give some very clear reasons for dumping Alice Springs, particularly given that most of the kids in detention are from Central Australia. It does not seem to stack up in my mind.

**Ms WAKEFIELD:** Member for Araluen there has been a range of decision-making within this area. First, I will start with the fact that the royal commission was silent on the Alice Springs facility, which put us in a difficult position because I know you have recently toured the facility. Anyone who went to that at the time of the royal commission saw a facility that was substandard and had a range of issues, including shared showering and toileting facilities, no privacy, security issues, no classroom, nowhere private for kids to get medical care, safety issues between female detainees and male detainees, and there was no way of managing any conflict within the facility. It was an appalling piece of infrastructure.

Not to have a recommendation on that from the royal commission put us in a difficult position and we needed to make a commitment—we acknowledged that. The infrastructure we inherited was not where it needed to be and was not suitable for the purpose that it was being used for. We have invested significantly in the infrastructure that is there already.

We have done a range of things such as put toilet facilities into the cells so that children do not need to be let out of the cell to go to the toilet in the middle of the night. This is as basic as it gets and this is the type of work we have had to do. We have now got a school room that is better than it was, although one of the aspects is still not adequate. We need to build a better facility, and that will be part of the \$10m spent.

One of the things that has happened is that, as you say, the majority of kids in detention are from the southern region. That is not a historical—the way that the statistics tell us historically. It is a bit of anomaly at the moment. We are trying to understand why that is the case that there is a higher level of offending and sentencing to detention within the southern region.

We are making decisions about a youth justice system that we do not have a lot of historical data on to base what our needs will be into the future. However, it is clear from working with a range of providers and people with expertise in Central Australia that we do not just need a detention centre, we need a range of facilities to meet different needs within the southern region.

That is why we have put \$3m in this budget for a Barkly youth work camp. The most feedback I have had is that we need to get kids back on country learning skills that lead them to a job. That is what that work camp will provide. We already have an infrastructure footprint in that area that provides the support to do so. It provides easy medical access for if we need it and there is adequate water at this site and power.

We can build a facility that is based on practical vocational skills, particularly for a group of young people who have complex reoffending behaviours and need a structured, stable environment over a longer period of time that is focused on them getting into a stable routine and is addressing their issues in a range of areas. We can give them a better chance to go back into the community in a successful way.

One of the issues with the Alice Springs facility the way it is, is that it does not have a lot of room for educational facilities or separating kids where there are cultural differences that we need to manage. We are looking at expanding the current footprint. While we get a better long-term understanding of the success of a program like the Barkly program, we also have some other programs in Central Australia that we will be announcing as part of Back on Track, which are about alternatives to that detention and getting kids back on country, learning skills and getting that support to stop offending.



Once we have those programs up and running and have a good understanding of their success—basing it on evidence, as you pointed out before—we will have a better understanding of the size of the facility that we need to build in Alice Springs and then we will be able to move that forward.

However, we are in a difficult position at the moment in that we have children in detention right now. We have children in the southern region in Don Dale. By expanding the footprint of what we have now in a really sensible way that is focused on delivering services—that is about adding on to the work that we have already spent, and we do not want to give up on that money that we have already spent on the facility now. That will give us better value for money so that in the medium term we will have a better understanding of where we need to move forward.

Brent, do you want to give some details of what we are actually building with the \$10m in Alice Springs to the Member for Araluen, to give her a better sense of where we are expanding and why our focus will be that.

**Mr PAECH:** Before you do that, you send children up here to be away from some of the people within the facility in Alice Springs, is that correct?

**Ms WAKEFIELD:** It has been the case. Perhaps Brent can talk about it. There is a structured decision-making process in regard to why someone might spend time here. Sometimes people request to be in the Don Dale facility, but there are a range of things we can work through.

**Mr WARREN:** I will talk about the proposed expansion for Alice Springs. There are a number of key areas in regard to how that centre operates that we have identified as priorities. We are still early in the design phase and figuring out what can be achieved within the budget envelope, and what feedback we will get from our stakeholders.

We have been using a process where we have been bringing in people as specialist advisers from the sector—people who work in the centres or with the kids, or who are from the local community—to talk about the priorities.

In Alice Springs, more discreet accommodation options is the first priority. We need to accommodate kids in smaller groups, particularly if there is conflict between kids in the centre. Larger education spaces is next on the priority list. We get better outcomes in Don Dale with education attendants because we can break up the kids into smaller groups and deliver education in multiple classes at the same time. At the moment we only have one classroom in Alice Springs.

We have feedback from Department of Education colleagues that they would look for more space for teacher preparation and those types of work areas you would expect to see in a normal school.'

The other priority area for us is program delivery space. For those who have been to the centre, you would know it has the school and one recreation room, and that is it in regard to inside space. We are looking for a way to build a multipurpose space that is secure, gives us a secure play area and spaces to run programs with the providers who come to the centre.

The last thing in regard to key priorities is visitor access options. We have two rooms in the centre that are used for every kind of visit—family visits through to professional contacts. They are small, clunky rooms and are not amenable to good family engagement. In the new design we are looking to fit some more of that space as well.

I think there was another question but I have forgotten what was asked.

**Mr PAECH:** It was about how children do not get sent here just because it is where we send them; there is obviously a process in place.

**Mr WARREN:** There are a couple of components to the transfer. The first is to acknowledge that there is a limit on the beds in Alice Springs. We run a cap of 18, which is 15 boys and three girls. We try very hard to stay below that because we need to deal with new kids coming in from police and court. It is such a variable thing that some days we can have four or five kids coming in in one day who only stay for one day. Keeping flexibility there is important.

We treat the two detention centres as part of a system, and the Alice Springs end of our detention system is a low- to medium-security facility that does not have the same security features as Don Dale. For those kids who need a medium- to high-security response, Don Dale is the place to detain them safely.

**Mr WOOD:** The Member for Araluen and I visited Don Dale last year, as did the Member for Blain. One of the issues raised was that one of the problems with Alice Springs was that it was too compact. They gave us the example of one young boy who came to Don Dale—no problem at all, and he started to achieve. They sent him back to Alice Springs and he became a pest.

I wondered if within your design room you will have more room. There is nothing worse, especially for Aboriginal kids, than having a place where they cannot kick a footy—the long way, not half way, not over the fence like the original Don Dale.

Are you looking at things like that, and places where they can have an animal, like a horse or chickens? The funny thing about chickens is that kids can collect eggs in the morning and have their breakfast. It gives them something to do, something worthwhile. It does not have to be that. In the Top End it could be getting greyhounds ready for rehoming, or looking after puppies from the RSPCA in Alice Springs.

Will some of that be part of that design?

**Mr WARREN:** Yes, a key part of what we are looking at in Alice Springs is creating more of what we could call modular accommodation. In Don Dale, as you are aware, there is a number of different accommodation blocks, which are far enough apart from each other and separately secure that you can have different groups doing different activities at the same time.

At the moment, Alice Springs does not allow for that, so a key for me is getting at least one other piece of accommodation space there that is separate from the current building so that we can the groups that are not getting along with each other still doing their programs in a separate way.

We are very excited about getting animals involved in the centres. The CEO constantly talks to us about different animal husbandry options.

**Ms WAKEFIELD:** He is a fan of yours. He says, ‘Did you hear the Member for Nelson suggest chickens?’

**Mr NELSON:** Can I get a job when I retire?

**Mr WARREN:** Well, we are bringing animals in to Don Dale already. We use providers that bring in horses and dogs and that has been hugely successful with young people. As we expand the space in Alice Springs, we would very much like to create an opportunity to do that kind of thing as well.

**Mr WOOD:** You talked about the Tennant Creek youth facility; have you considered Mataranka if you are looking at getting kids ...

**Ms WAKEFIELD:** Yes, we have looked at Mataranka. There are a number of concerns with site.

**Mr WOOD:** It has water.

**Ms WAKEFIELD:** It has water, it is close to a highway and it is also—we are looking at some similar accommodation elsewhere in the Territory. We are in negotiations with a family at the moment and that will provide the same type of experience, but in a safer environment than one right on the highway near a town.

**Mr WOOD:** At least it gives them training in something they can take with them.

**Ms WAKEFIELD:** We completely support the idea, but it is about making sure we have something set up for success. We know that the key part of those type of programs, particularly on the station, is the people who are running the program and own the station. It takes a special individual—we have identified someone who we believe is that type of individual who wants to be part of the solutions for young people in the Territory. We are working with them at the moment. It is very early days.

We have a lot of—one of the lovely things about this portfolio is that we have many people from all walks of life putting their hands up—for instance, Rusca Bros—to be part of the training and pathways for young people back into the community. We continue to have that and I am hoping to have some further announcements that I think you will be very pleased with.

**Madam CHAIR:** At that point, we will take a quick break.

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The committee suspended.

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**Madam CHAIR:** Back to Output 1.4.

**Mrs FINOCCHIARO:** Minister, why is \$1.4m allocated to the Palmerston youth drop-in and crisis centre under new initiatives on page 237 of Budget Paper No 3? Is that different to the \$8.5m skills centre you announced on 1 May?

**Ms WAKEFIELD:** Yes, it is. My understanding is that the Palmerston Council did a plan of what was needed by the whole community in Palmerston. One of the things that was raised by the community was a youth drop-in accommodation centre. This is about us working in partnership with the Palmerston Council to deliver that to the people of Palmerston.

We have been doing a range of different work in Palmerston. We are doing the work on the drop-in centre and are looking for an NGO partner in that process. The \$1.5m will be for the operation of that facility. We are also looking at where that facility will be. There is ongoing work happening with that.

But we are also looking at a range of other services in Palmerston and have invested heavily in a service sector that was non-existent when we first came to government.

We also have a specialist case management team with the Crossover Families Working Group acknowledging that we need education, police and the community to work together to ensure we are working with our most complex families in Palmerston.

The other thing we funded, which I saw the other day the Palmerston Youth Festival which looks fantastic. They have done a really great job on that. We continue to look at the ways we can support other types of grassroots initiatives.

The Education department talked about Student Voice Positive Choice, the Clontarf program and the training facility, which they have carriage of.

**Mrs FINOCCHIARO:** In your announcement late last year, Breaking the Cycle of Youth Crime or Back on Track—one of those media releases that came out in December—it said there would be a skills training centre and a drop-in centre/crisis accommodation. Is that part of that initiative?

**Ms WAKEFIELD:** Yes.

**Mrs FINOCCHIARO:** What is the council's involvement?

**Ms WAKEFIELD:** Part of the need for that—working with the community and listening to the community—was a community plan by the Palmerston Council that identified the need for the drop-in centre. I am sure as a Palmerston resident you are across what process the council followed to have that plan. This is about us working in partnership with them to deliver that. It is an identified community need.

There is a service gap in terms of youth accommodation in Palmerston. Places like Alice Springs have two youth accommodations such as ASYASS, but Palmerston does have a gap in that area and we will be helping provide some of the support for that.

**Mrs FINOCCHIARO:** Where will that facility go?

**Ms WAKEFIELD:** We are working with the council, looking at the options and the infrastructure spend will be to support any refitting of purpose-built facilities, which is something we are doing with the council.

**Mrs FINOCCHIARO:** I think in that announcement, you said that it would be done by mid this year. We are in the middle of the year, so what is the time frame on the crisis centre?

**Mr DAVIES:** We are doing a lot of work on this with council, with Luccio and the mayor. We are in the process of getting ready to advertise for a provider, to provide the program. It will be delivered by an NGO. It will be a service where young people can be accommodated if necessary, and it will be a youth drop-in service.

We are negotiating with them on a facility which is adjacent to the swimming pool near the Palmerston College. That is what we are working on at the moment. We are also working with the council, Luccio and the mayor about the fit-out process, informing the community about what we are going to do in the service provision that will be operating.

There is a bit of work going on around the infrastructure footprint and there is work that has to be done in the community on the services being provided.

**Mrs FINOCCHIARO:** Has the community been consulted on the location?

**Mr DAVIES:** The council is working with us on the consultation process. There has not been a formal consultation yet, about where the service will operate, but we are in the process of building both getting the work done and making sure the program is put in place.

**Mrs FINOCCHIARO:** Will that potentially be a new build near the pool

**Mr DAVIES:** No, it is use of an existing facility that is current vacant not on the pool site, but next to it. It needs to be fitted out and done properly, but that is the facility we are looking at the moment. We could not build a new facility for a program when we have \$1m to operate. There is not the money in an infrastructure sense to build a brand new stand-alone facility.

There is no doubt that is the best location for the facility in terms of where youths are. There is a school, basketball courts and a whole range of infrastructure there. We think, in consultation with council, this is the best place.

**Mrs FINOCCHIARO:** What is envisaged to happen at this facility? Youth drop-in, as in...

**Mr DAVIES:** A similar operation to the Gap Youth Centre, except there will be the capacity as part of this facility—if there are young people who are at risk, who turn up and need to be accommodated for the night, they will be able to be accommodated and then referred to services in the morning.

**Mrs FINOCCHIARO:** By activities and beds?

**Mr DAVIES:** Yes. That is the idea. We are not expecting the provider to be managing those young people through the next day, it will be referral to school or working with us to make sure they are put in the right support programs. We want a place in Palmerston for young people who are at risk, who are wandering the streets late at night, who can be taken to and properly looked after for the evening until they can be connected with services the next morning.

**Mrs FINOCCHIARO:** How many young people is this envisaged—what capacity does this facility have?

**Mr DAVIES:** This is a fit-out of a new building. This will not be a massive new building. We will grow the service as we go, check the need and evaluate it as we build it. We do not know to what extent yet. At this stage it will be used as a drop-in centre for young people who are looking to stay for the night. That is just part of the program we will work with the provider on.

We want the program to have the capacity to provide some support for young people if there is nowhere for them to go. We do not want them back out on the street.

**Ms WAKEFIELD:** To reiterate, Member for Spillett, this is what the community has asked for and has been identified by the community plan in Palmerston. It might be that once we start operating that there are new ways of providing the same service. It might show that we need to look at a more accommodation-focused service for medium-term accommodation for young people.

That will help us to find the next steps. At this stage, we have listened to the community and the council and we are providing what they have asked us for. We will step through it. A drop-in centre is something that is needed in the Palmerston area. You have talked about it in the past, as has the Member for Blain. We will work with the provider and the community to make sure it is meeting the needs.

**Mr WOOD:** I was also approached by a senior member of the Palmerston council on behalf of the Palmerston and Rural Seniors Association. They have been looking at that facility as a place that, if it was expanded, they could use. I presume youth will generally use it afternoons and evenings. I know other drop-in centres I have seen in New South Wales open it up in the day for other people to use.

Is there a possibility—because you are also responsible for seniors—that this facility could be used for seniors during the day if they wish and could be a drop-in centre at night?

**Ms WAKEFIELD:** I would be more than happy to look at the proposal. The more we have intergenerational spaces in our community where people can interact as a community, the better. There are programs internationally where youth programs and elderly programs for seniors are put together because it has benefits for both cohorts.

We would work with the seniors. Is it the Palmerston seniors group?

**Mr WOOD:** Palmerston and Rural Seniors. They have been looking for a place. They have indoor bowls and they said the facility they have is not suitable. This would be suitable if it was made a bit larger. It could be used for various groups. They would be happy. They do not have to mix necessarily because they would be at different times of the day.

**Ms WAKEFIELD:** I am more than happy to meet with that group. Member for Nelson, if you want to facilitate a meeting, I am more than happy to catch up with them and talk about what those needs would be, and perhaps work with council about how we can meet that.

**Mr WOOD:** I am happy to work with the Member for Spillett, too.

**Mrs FINOCCHIARO:** Thank you.

Minister, can I ask about the time line? You announced this drop-in centre as part of Back on Track in December. Are you saying that at that point you made that announcement is because council had done community consultation and approached government for that kind of facility, and therefore it was announced? Or did you announce it and then council came on board?

**Ms WAKEFIELD:** Part of that announcement was about making sure we are continuing to roll out our reform process across the Northern Territory. The Palmerston announcement included a range of things, including this project. That was about responding to the ongoing needs to reform our youth justice system—but not just the youth system by about our support system for youths who are not involved in the justice system. That is why we announced it at that time. It was also about budget allocation as well. There is money that is attached to this. We have worked through that process ...

**Mrs FINOCCHIARO:** But has council done consultation and approached you prior to the announcement?

**Ms WAKEFIELD:** I had met with council multiple times over the period of being the minister. I know they had that community plan. I cannot remember the date of when they raised that with me, but they have been a very engaged and productive council in working with government. We are looking to continue to work with them in partnership. I cannot tell you exactly how that stepped through.

**Mrs FINOCCHIARO:** The Palmerston Youth Skills Centre; that announcement was made in the Member for Nelson's electorate in conjunction with the City of Palmerston, claiming the Palmerston youth skills centre, even though it was in Howard Springs. No one knew anything about it.

**Mr WOOD:** Local decision-making.

**Mrs FINOCCHIARO:** There was no consultation and now we have learned this week that it is no longer going in that location. What happened between making this grandiose announcement in December at the facility and now?

**Ms WAKEFIELD:** The skills centre is the remit of Education. Territory Families often has a coordinating role with many of the youth justice issues and activities. That project has always been under the control of Education and therefore I do not have line of sight on those decision-making processes.

**Mrs FINOCCHIARO:** It is part of your Back on Track program, or part of that same media release?

**Ms WAKEFIELD:** The Back on Track program is a whole-of-government program. It is coordinated regionally through DCM—they have a role in rolling that out. Territory Families is an important player with Back on Track, but clearly the issues of community safety and youth crime involve the whole-of-government, including Police, Health, Education and Territory Families.

The schools program we believe is a positive part of the program, but it is an education responsibility to deliver vocational training.

**Mrs FINOCCHIARO:** What role does Territory Families have in that particular project?

**Ms WAKEFIELD:** As we do with many other education programs, we have some vision on it. We may refer to it but it is a vocational learning program.

**Mrs FINOCCHIARO:** How can it be part of Back on Track, if Territory Families ...

**Ms WAKEFIELD:** Because Back on Track is a whole-of-government response to issues of community safety and youth crime. It includes programs by Police, Health and Education as well as Territory Families.

**Mrs FINOCCHIARO:** Territory Families may not even refer to this program?

**Ms WAKEFIELD:** I cannot imagine that would be the case, that we would not refer to it. We will, where we have opportunities, provide feedback to the Department of Education if we have information that would help with their planning and organisation of that facility. It is clearly an education responsibility. The budget sits within there.

**Mrs FINOCCHIARO:** The operational budget sits with Education, and the department of Infrastructure is responsible for sourcing a location, but it has been packaged up and badged as something targeting at-risk or disengaged youths.

**Ms WAKEFIELD:** As we have been clear about, often Territory Families is an important part, but the issues of community safety and youth crime are a whole-of-government responsibility. Each department I have named, Police, Health and Education all have a role to play alongside Territory Families. One of the great challenges we have—the regionalisation through the Department of the Chief Minister, which I know the Chief Minister spoke about when he was at estimates, has been an important process.

To reflect the fact that it needs a whole-of-government approach, we have seconded youth service positions into the Department of the Chief Minister, to coordinate across government all those services. That has been an effective process.

The Regional Network, with the regional coordinator, makes sure—acknowledging that the issues in Palmerston are different to Tennant Creek and Alice Springs and that the service response from government needs to be different in Yuendumu—that we have the right lens on the ground which pulls all those services within that region together to form a response.

Whilst Territory Families and I am often the person talking about this, this is a whole-of-government responsibility. We have clearly put in place a whole range of mechanisms to make sure that every department that has contact with young people is part of the solutions moving forward and shares the problem, because the solutions are not going to be at the crisis end, which is where Territory Families tends to operate. It is making sure that young people are engaged in a dynamic education system that gives them the skills they need to be successful adults—having strong health, dealing with mental health issues, as well as the community safety aspect, which is about supporting police, who have a very clear legally defined role in the youth justice space.

There is also community input into making sure we have a safer community.

**Mrs FINOCCHIARO:** I have to say, just from what I have heard this week, I am not filled with confidence that that whole-of-government approach on this program is functioning as well as it should be. It appears no one knows much about it. I question then the efficacy of it. It seems like a policy whereby, once again, we have had this wonderful announcement and we are still very light on details months later.

**Ms WAKEFIELD:** Is that a question or a statement?

**Mrs FINOCCHIARO:** You can take it as constructive feedback, minister, perhaps.

**Madam CHAIR:** Can I pull us back to the budget please.

**Ms WAKEFIELD:** Can I just respond to that—I think we have constructively shown the mechanism with which Territory Families is working across government. There is still more work to do; we do not back away from that for one second. It is a large reform. We are absolutely committed to doing so. We have a strong plan on how we move it forward. I do not think we back away, at all or at any time, from the size of the task which we face.

**Mrs FINOCCHIARO:** How do you record incidents at Don Dale and obviously the Alice Springs detention centre? There is probably be a severity index or something that you use. If I was to ask how many incidents have there been in our detention centres—I am asking you to talk me through that.

**Ms WAKEFIELD:** I will hand to Brent, but this was an area that was highlighted within the royal commission and we have done some work. There is still further work to do on this, and the Children's Commissioner continues to have oversight of our processes. She has regular access to look at the documentation and is continuing to give us feedbacks on ways that we can improve that. I will pass to Brent to talk to more of the detail of the number of incidents.

**Mr WARREN:** I guess in talking about incident recording, I would need to talk about recording first. One of the big pieces of work that has been going in the last couple of years, and in particular the last 12 months, has been a focus on better use of the existing system.

We are a client of the department of Corrections in relation to the IOMS database, which is used for managing the adult prisons as well as youth in detention—making sure that our staff have the right access and training to input data into there and also to be able to access it for trend analysis later.

The second piece is about record keeping, in the sense of logs and journals in both detention centres. One of the things we have acknowledged through the royal commission and then subsequently is the need to be able to have better systems for recording occurrences in the accommodation areas and in the broader centres. This year we have activated a digital diary system, which is now allowing us to digitally record all activity in all the accommodation blocks in Don Dale and across the centre in Alice Springs. That is a huge shift from the handwritten logs that we were using 12 months ago. It means that we can supervise staff and activities from remote desktops.

For instance, in Darwin Plaza I can login and inspect the logs for both detention centres. That is a first for us; we have never been able to do that before. We have had some good feedback from the Children's Commissioner in relation to what that has meant in terms of her inspection of our records. I guess it is another layer of transparency. That sounds counterintuitive, but it is an improvement. It creates better transparency in terms of her inspection work.

In relation to incidents in the centres, we capture them a couple of different ways. IOMS is a place where we record incidents that are occurring. An incident is a term that is not defined on its own.

To give you a sense of what I am talking about, at the very lowest end we need a place to record that a young person has used bad language towards a staff member. That would be what we call a level 3 incident. It is not reflective of any loss of control or anyone being hurt, but it is important that we capture that for our incentives and earned privileges regime, where we look at a young person's behaviour each week.

Stepping through that up to the most serious end would be an allegation of a serious physical assault, a sexual assault or an escape for a centre, which is what we call a level 1 incident.

**Mrs FINOCCHIARO:** There are the three levels of incidents?

**Mr WARREN:** Correct.

**Mrs FINOCCHIARO:** Broken up into Alice Springs and Darwin, how many incidents have you had in that last reporting period for each level?

**Mr WARREN:** Sorry, there was one last component to this. There is an incident collection which goes towards our work health and safety data as well. Something we have been really focused on in lifting up and improving staff record keeping is getting them to be clear that an incident involving a young person might also be an incident for work health and safety purposes. I wanted to make sure that was clear.

Notifiable incidents in Don Dale Youth Detention Centre for the reporting period. Level 1 incidents, we had five and level 2 incidents we had 118.

**Mrs FINOCCHIARO:** And nothing in level 3?

**Mr WARREN:** Yes, we have not brought that level 3 data with us today for the reasons I have spoken about. It relates a lot to behaviour management rather than those more serious matters.

**Mrs FINOCCHIARO:** Then for Alice Springs, Mr Warren?

**Mr WARREN:** In relation to Alice Springs there are 14 level 1 incidents and 130 level 2 incidents.

**Mrs FINOCCHIARO:** You have mentioned a level 1 incident is a physical or sexual assault or escape from the facility. They are obviously extremely serious. Does that necessarily mean that physical and sexual assaults do not necessarily relate to staff? That could be detainees against each other?

**Mr WARREN:** That is correct. To give you a sense of level 2, these incidents would include an assault between a detainee and a staff member or an assault between two detainees. It might be in relation to a young person who is experiencing illness and needs to be taken to hospital or might require some kind of medical treatment. Those are the kinds of categories it picks up.

**Mrs FINOCCHIARO:** That sounds like high numbers to me. Does the department do an analysis on why these incidents are occurring?

**Mr WARREN:** We do. One of the improvements we have delivered in the last 12 months is to be able to turn this incident data into a dashboard-style report for the leaders in the detention centre operations. Now, on a daily basis, they get a summary of incidents that have been recorded over the previous day and week so that they can start—you would appreciate in shift work 24/7 environment it is important that there is a way for them to look back over events that have occurred in the previous days whilst they have been off shift.

That has then provided the opportunity for us to hone in on what is causing those incidents—if there is a spike or a trend. One of the most useful things and the biggest outcomes we have had in that improved reporting and dashboarding is that is the backbone of our centre cycle incentives and earned privileges regime for young people in detention. We use that data every week and fortnight to review each incident that a young person might have been involved in to make decisions about whether they can go up in the program or whether they get demoted based on poor behaviour.

**Mrs FINOCCHIARO:** Are you able to break up those statistics for me into how many of these incidents resulted in injury to staff, injury to detainees and damage to property?

**Mr WARREN:** With the figures I have here, I can give you assaults with and without injury.

**Mrs FINOCCHIARO:** On detainees? Split up?

**Mr WARREN:** Yes. Between staff and between detainees. I cannot give you a property damage figure, I am sorry, out of these figures here. We might have to take that on notice.

**Mrs FINOCCHIARO:** Yes.

**Mr WARREN:** For Don Dale, assaults with an injury between a detainee and employee, 27; detainee on detainee, two; assaults with no injury, detainee on employee, 58; and assaults with no injury, detainee on detainee, 21.

For Alice Springs, assault with injury, detainee on employee, 19; assault with injury, detainee on detainee, 14; assault with no injury, detainee on employee, 59; assault with no injury, detainee on detainee, 32.

**Mrs FINOCCHIARO:** Could you give an example of what an assault by a detainee on a staff member, but that resulted in no injury. Could it be if they kicked them but there was no wound, perhaps?

**Mr WARREN:** The most common scenario would be a physical tussle where someone has taken a blow. For example, they might get a blow to the arm or something like that in the context of managing a situation that



is escalating. One of the things we have been really vigilant this year is making sure that that kind of incident is captured as an assault with no injury, whereas in the past it would have not been recorded that way.

We think that it is important that in context of both capturing all the behavioural issues of the young people, who can be there because they are very challenging in terms of their behavioural issues, but also in terms of making sure we are truly capturing the impact on staff. We have been really promoting that recording of the lower end interactions.

**Mrs FINOCCHIARO:** Do you have this same data for the last reporting period?

**Mr WARREN:** Yes I do.

**Mrs FINOCCHIARO:** Okay, if I could ...

**Mr TWYFORD:** While the system does have data within it, it was not entered in the same way or under the same policy and has very minimal integrity. It is not comparable.

**Ms WAKEFIELD:** That is again one of our data challenges as we make improvements, being able to make sure we are then comparing apples with apples ...

**Mrs FINOCCHIARO:** So, next year in a sense, I will be able to compare it to this table ...

**Ms WAKEFIELD:** I think the introduction of the centre cycle program has been a really important one in terms of giving staff much clearer boundaries, around which they can respond to challenging behaviour. Last week, or the week before, I met with our new clinical behavioural support team within the detention centres.

We have now hired three psychologists as well as looking at a speech therapist and an occupational therapist so that we have a strong allied health team that is supporting staff to implement behaviour management programs, but also perhaps provide the assessment that can then support that young person's transition back to the community, identifying if they have a disability, supporting with an NDIS application if necessary, as well as having a really clear plan of what support that young person is going to need once they get back to the community.

Rather than having a cycle of churn through the facility, we are making sure that when young people are in the facility we understand what their behaviour triggers are, regulate their behaviour, and give them the support to better do that. That way, when they leave the facility, they have a good understanding of that and think, 'This is a really big trigger for me and this is how I need to respond so that I do not lose my temper or act out physically'.

By doing that we are then putting in place—interestingly, when I went to South Australia we looked at that facility and the way they were working. They were saying that every young person, because they have had the NDIS rolled out there for a lot longer—just about every young person that came through the doors had an NDIS plan. If they did not, by the time they left they did.

This is about making sure that we are getting a good understanding of what these young people's needs are so we can prevent, at the pointy end, those recidivist offenders in a way that is evidence based. We have been working with staff on what they need to record, not because there is a culture of, 'If this child hits me I am going to put in a claim of some type'. This is about making sure we have the evidence so we can make decisions that are focused on rehabilitating this child.

**Mrs FINOCCHIARO:** What about protecting the staff? What measures are there? This sounds awful. We know our youth justice officers work in an incredibly dynamic and volatile environment. These numbers are alarming to me. What are we doing to ensure our staff in these facilities are safe and have the resources they need to protect themselves?

**Ms WAKEFIELD:** One of the things we have done is make sure staff are properly trained. When we came to government there was no specialist training put in place for youth justice officers that was focused on how to work most effectively with young people. We wanted to make sure we were providing those supports.

For instance, now we have a six-week youth justice induction training process. This is about making sure workers work towards a Certificate IV as part of the employment process. That means there are a range of other ways—one of the things that is delivered through this training is making sure we have the Maybo

physical intervention skills and conflict management skills, as well as youth mental health first aid and working effectively with trauma-informed care and a range of other programs.

I will not read through the extensive training that they go through, but they are some of the examples we are giving youths as they move forward so they have the skills to manage those more complex situations. We have expanded that over the last 12 months and refined it.

I am sure Brent can talk about the Maybo extensions in a minute, but we have wanted to make sure we have those skills on the front line. It is an incredibly challenging role; there is no doubt about that. We need to make sure our staff have an understanding through this practical training. One thing we have made a change to this year—we are doing ongoing lunchtime lunchbox training sessions as we move through—is that we are doing practical training, like scenario training. We are physically doing things in relation to how to restrain someone. It is not something you can learn sitting at a desk.

It is important that we teach those skills in a physical way. In doing that training, we needed to provide clarity for our youth justice staff on legislation. We have supported our frontline staff, acknowledging the complexities of what they do, with the legislation that came before the parliament earlier in the year. That is about giving very clear operational direction to staff on how they might deliver very complex services in a highly complex environment.

I will get Brent to talk about some of the physical and de-escalation training that we have been delivering.

**Mr WARREN:** Reflecting on the question about staff safety and behavioural issues, the other thing worth considering is that we have a large number of young people who have very complex backgrounds, including diagnosis of cognitive deficiencies, FASD, attention deficit hyperactivity disorder, to name a few. Sometimes what comes across in these statistics as violence per se is actually incidental to their behavioural challenges.

We have a lot of interaction with some of our young people between the detention centre and the health clinic, but also the health campus at Royal Darwin Hospital and Alice Springs. In the context where some young people are ending up in involuntary mental health detention for periods of time because they have that challenges as well.

Sometimes it is working with young people who have been ordered by the court to be detained by us who have significant health issues as well. We have to get that connection to the health system right. We have had a lot of support from the Department of Health over the last 12 months to get their forensic team more engaged with these young people. We are seeing better coordinated responses where we will have mental health staff from the Department of Health coming to participate in the at-risk management meetings for the young people who are exhibiting some of these behaviours.

Going to the specific training for staff who are working with young people we are a lot more sophisticated with the way we deliver the Maybo physical skills training. We have repurposed part of the old Don Dale to use as a training facility now for physical skills and we are now able to run a series of scenario-based training where they are applying the tactics on each other in a practice scenario so that they can walk out of training knowing that they have been taught it, understand the theory and have done it in practice.

**Mrs FINOCCHIARO:** I want to ask about electronic monitoring. I understand Territory Families does not put electronic monitoring on young people but a lot of people who come under your ambit of youth justice have electronic monitoring bracelets. My question is about the oversight processes for that and when alerts are triggered by the electronic monitoring bracelet. Where does that information go?

**Ms WAKEFIELD:** We use the same system as Corrections. We extended the contract when we became responsible for the delivering of court orders from the department of Corrections. You are right, we not responsible for whether a young person has an electronic monitoring device or not. That is a decision for the courts. We might provide information to the courts about that person's history of offending and their likelihood to be successful in commitment to bail and perhaps our engagement history with someone. We might provide that information to the court. One of the things our youth justice officers have been doing very well is providing information to the court to ensure that there is as much information there for the courts to make a decision—often a very complex decision.

**Mrs FINOCCHIARO:** Do police have oversight of the electronic monitoring?

**Ms WAKEFIELD:** Yes. There is provision for youths on police bail. They have the ability to do that, is my understanding. Brent can clarify that a bit more.

**Mr WARREN:** Minister, the police can apply electronic monitoring at the point of the police issuing bail, that is their own system and they can access that data directly through the G4S contractor. If it is a court ordered bail, we are the manager of the contract with G4S and we then facilitate access to that data. If police come to us and say we would like to look at data for X we can then provide them with that access.

**Mrs FINOCCHIARO:** Police do not have that in real time? If a young person has been bailed by the court and they decide to cut off their bracelet that alert comes to Territory Families?

**Ms WAKEFIELD:** Yes. That is my understanding but I will get Brent to step through the situation.

**Mr WARREN:** The process is that if a court orders that a young person needs to wear electronic monitoring Territory Families helps them apply the monitoring bracelet and we are the point of contact for G4S in relation to any information about the performance of the bracelet. The way the system is set up is that it is monitored remotely. If an alert goes off the contractor contacts us within a time frame, which I think is a matter of minutes from when the alarm goes off and our on-call officer is notified about that. Then our on-call officer in turn will make contact with police.

**Mrs FINOCCHIARO:** Are police always notified as a matter of process once that on-caller has received the information that information is then automatically provided to police?

**Mr WARREN:** The distinction is about what kind of alarm has gone off. One of the challenges we have with the bracelets is that one of the alerts is called a strap tamper alert and we find that that alarm goes off quite regularly for reasons that are not to do with breaching a bail condition. A simple example is a young person playing sport or rough-housing can cause the strap alarm to go off.

**Mrs FINOCCHIARO:** Is that the same alarm if it was cut? Would that be the same alarm?

**Mr WARREN:** That is correct. The reason that I offered the distinction is because there is a role for the Territory Families on-call officer to make an assessment first and make inquiries about what may have happened. For instance, if the young person was known to be at a location when the strap tamper alarm went off they can either make contact with whoever is the guardian of that person or attend that location and check on the circumstance and make a decision about whether it was a consequence of a true breach or something else.

Sometimes it is much clearer. For example if a young person has breached a condition of curfew and the strap tamper alarm has gone off, we can often see from the electronic information they have moved away from where they are supposed to be and we can then draw the inference that it is time to contact police, without doing those inquiries first.

**Mrs LAMBLEY:** I would like to ask a question that was put to me by one of my constituents, Rex Neindorf—he has allowed me to use his name today. He is the owner of the Alice Springs Reptile Park. He had an incident at his business in the CBD of Alice Springs around 8 May, involving two young girls. Apparently they were 11 years of age.

He went to the police and reported the matter. It is all on camera, he showed me the footage. He decided not to press charges, but he did ask to have an opportunity to talk to the parents and the kids involved, as a victim. He felt that would be a better use of his time. He was told that could not happen, because of the age of the children.

I have some questions on that. He has not heard back from the police and his request for those things has not come to anything. Interestingly, he showed me the photos of these kids, which I then showed people in my business who were assaulted by a couple of kids a few weeks ago, and one of them was identified as being one of the kids that was in Rex's premises.

My question is, what are you doing to supervise these kids? They are offending, stealing, doing illegal things they should not do, they are committing crimes. There was a month between Rex's experience and the experience of our business. What is going on? How is the cycle being broken, and what is the restitution available for people like Rex? And indeed, the staff of our business?

**Ms WAKEFIELD:** Did you report that?

**Mrs LAMBLEY:** Absolutely. We reported three incidents. These are all incidents that have been reported.

**Madam CHAIR:** We are here to talk about the budget. I am not taking away the validity of your question, because it is a valid question.

**Mrs LAMBLEY:** Why do you do this every time I ask a question? We have a couple of minutes to go. Everyone else has been able to ask what they want. You are trying to shut me down.

**Madam CHAIR:** We are here to talk about the budget. I am going to ask the minister if she is comfortable answering the question. I am trying to keep these whole proceedings around budget.

**Mrs LAMBLEY:** So, 20 minutes from the end, we are told we cannot talk about anything not budget?

**Madam CHAIR:** No, I have not said that. I am asking the minister if she is comfortable answering it, because there is no specific budget-related outcome you are asking your question against.

**Mrs LAMBLEY:** Electronic monitoring. That was in the budget. If you want to shut me down go for it. It only says how pathetic the system is.

**Madam CHAIR:** I am not shutting you down. Thank you, Member for Araluen.

**Ms WAKEFIELD:** I am more than happy to find a pathway through this that allows scrutiny of the issue. My initial reading is, I need to understand what police did, whether they referred those children to Territory Families, and what our involvement is. Are they kids in care? All of those aspects, which clearly we do not have in this circumstance, impact on how we would respond to an incident like that.

I am more than happy to follow up with Rex, who I know well.

**Mrs LAMBLEY:** He would love that, yes.

**Ms WAKEFIELD:** I will also follow up with your staff. I am more than happy to do all of that.

The link between police and Territory Families is a really important one, and one we are working on strengthening. We have put, within the last two months, a Territory Families liaison officer within the police station, and we will want to expand that.

Some of these changes we have made in Alice Springs are still fairly new. What I would hope as we move forward, and our intention for the system and the investment in this budget to Territory Families, is that in a circumstance like that police have someone they can call. Someone who has expertise in working with young people, to then follow up on the issues that are clearly affecting those young people to prevent the escalation of behaviour and the continued offending.

That provides an intervention point. In the next two weeks the YENOs will be starting in Alice Springs. They will be working in the evening and available to police until 3 am. As well as the YORETs having a significant voluntary case where there have been no charges pressed—that is Rex's decision and I respect that—or a case of people coming to the attention of police in matters such as this, where there is no court order to follow, there is availability for the youth outreach officers to work voluntarily with the young people and the family. More importantly, it is about working with the family to assess whether there is a child protection matter which would go to the child protection staff.

Police are saying to us clearly that they want to work alongside—it is not their skillset to assess where that might be. If staff are working alongside them who they can access, get to know and trust ...

**Mrs LAMBLEY:** Is there an age cut-off? If these kids are 11, are they not suitable for victim conferencing?

**Ms WAKEFIELD:** No. They are over the age of criminal responsibility so there is an ability to charge them. That is purely a police decision. Police are the ones who make that decision, not Territory Families. However, if we can work with police at the time of the incident—hopefully that would be discussed at handover and through information-sharing.

Those two young girls should be popping up in a couple of systems because your report has gone in, Rex's report has gone in, and that should be coming to the meetings. There is coordination and our staff members in the police station will be saying that they need to start putting referrals through to see whether the non-government sector knows them.

In the last six months we have joined together all the systems that were cut under previous governments and have resourced them properly to do the work. We are creating a new system to build on and move forward. We will continue to do that. I am happy to follow up with that incident and will give Rex a call, I think I have his mobile.

**Mrs LAMBLEY:** There was question I put on notice that I have found the answer to. You recently awarded a contract ...

**Madam CHAIR:** Member for Araluen, what number was that?

**Mrs LAMBLEY:** ... of \$52 800 per year for the upkeep and caretaking of the Loves Creek boot camp.

**Ms WAKEFIELD:** There are also road expenses and we need to look at that. We will make sure there is a comprehensive answer to that.

**Madam CHAIR:** So we will leave the question.

**Mr MILLS:** I am pleased to hear your reference to a whole-of-government approach and bringing all the disparate activities together so that we can focus on solving the real problem. I would like to shine a light on G4S, which has the responsibility for monitoring on behalf of Territory Families?

**Ms WAKEFIELD:** Yes. I will give Brent the call on how the contract works. It is with Corrections but we have an add-on ...

**Mr MILLS:** I think I understand it, but maybe I am just imprecise in describing it. The issue is, and it was raised during our time with the Police minister, there appears not to be a whole-of-government approach here. Police do not have an easy line of sight on the bracelets, the electronic monitoring devices, which are not under their direct control. They can make an application but it appears that application is not a simple matter.

In other states protocols have been developed so that there can be a whole-of-government approach so that it can be swift and efficient so that there can be a clean line of sight done easily. At the moment you can describe it as a mechanism, but from the point of view of the police it is not an easy one. It is clunky and impeding the capacity to serve and protect.

The two parts are not working well together. Are you aware of this? Police are aware of it and I am sure Mr Warren would be aware of this because he has worn two hats.

**Ms WAKEFIELD:** He is Territory Families now.

**Mr MILLS:** Yes, I know. That is the other hat. Is there an awareness of this problem and is it being addressed?

**Ms WAKEFIELD:** It has been discussed. I will pass to Brent to give the detail.

**Mr WARREN:** The question is about the structure of the monitoring process and how the contract might be an inhibitor, I think. To be clear, there is a contract between the Northern Territory Government and G4S, which has three parts to it. One is the Corrections part, one is the Police part and one is the Territory Families part. The reason they are done that way is because we have three overlapping but different sets of clients—I guess is the easiest way to say it.

The challenge for police is that they often want to know about clients from Corrections and Territory Families because this monitoring applies predominantly to adult offenders and, to a lesser extent, young people.

For Territory Families clients who are subject to monitoring, my staff can log on at any time and inspect the online system and look at the compliance details for the young person who is on electronic monitoring. They essentially see a mirror of what the G4S contractor sees from their monitoring site.

We have an arrangement with police where, if they would like to know about a young person who is on electronic monitoring or if anyone on electronic monitoring was in a location at a time, they can contact our officers and ask for that information. There is a clear direction to my staff that they have to provide that information.

**Mr MILLS:** Yes. That is a good description of it, but what does it practically mean in time and process? What is mechanically involved in asking that question and having the question answered?

**Mr WARREN:** It is actually more proactive than just waiting for them to ask. In the Alice Springs, Tennant Creek and greater Darwin contexts, our staff are checking against police reports each day proactively to see if there is anything that might be related to a young person who is on electronic monitoring. In the context of having a co-located officer in Alice Springs, that is part of that daily build of the intelligence product that all agencies can use to do the right intervention with a young person.

Essentially, our position is that if there is an immediate response required and police say, 'We are investigating something now', if there is a crime in progress or if we have received a complaint that something happened recently, we can provide them with that information over the telephone and an email that explains what we can see on our monitors ...

**Mr MILLS:** Can that occur immediately?

**Mr WARREN:** An officer needs to log in, check ...

**Mr MILLS:** That officer is not a police officer?

**Mr WARREN:** A Territory Families officer.

**Mr MILLS:** Okay. If the police want to know, how can it occur immediately ...

**Ms WAKEFIELD:** In a phone call.

**Mr MILLS:** Just a phone call and it is done?

**Mr WARREN:** In the context of an emergency, one example would be where police think that someone in a stolen car has a monitoring device on, we can give, essentially, live updates to police about where the bracelet is pinging. We have had situations where there is a serious risk, where we have given regular updates to police about the movement of a bracelet.

**Mrs FINOCCHIARO:** It is not just easier for police to be able to see it, though?

**Ms WAKEFIELD:** That is a matter for the contract. We will continue to work through that. That is clearly a whole-of-government issue we need to do. We are being as flexible as possible with the contract as we have it at the moment. We will continue to do that and work cooperatively with police wherever we can, in whatever the issue.

That whole contract will be looked at again and we will look at those type of inefficiencies as we go.

**Mrs FINOCCHIARO:** You also mentioned Territory Families providing information to the courts. Surely, it would be a mandatory obligation, if you like, that if a young person is back before the courts for a breach or because they have committed a new offence or something of that nature, if you have or are able to get in your hands the information of the movement of that person, which may very well point exactly at the fact person X was at X, I imagine that is very important evidence that the courts need.

**Ms WAKEFIELD:** Yes, that is provided. That is the core business of a youth outreach—to provide information to the court generally about how people have succeeded on bail, but if there are breaches to provide the evidence to the court.

**Mrs FINOCCHIARO:** Is that automatic? Does the court ask for it or it is just like an automatic ...

**Ms WAKEFIELD:** I will ask Brent to give you the process on that.

**Mr WARREN:** There are two parts to it. One is the courts can request any information it likes through the normal court process. If the police are investigating a new offence or offences, they can come to us and ask for that information and we will give it.

To give one recent example, data that Territory Families provided in relation to a young person, who was committing offences with their bracelet on, was used and tested in court recently for the first time in the Northern Territory and, with success, the prosecution was able to achieve a conviction for a young person

who was breaking into houses. That was using and testing the G4S data in way that had never been tested before. We are definitely very keen to work with police and the prosecuting authorities on that.

**Mr WOOD:** I do have a question. Territory Families has a Crossover Families Management Unit to assist a core group of complex, at risk youth intersecting with the youth justice systems and their families in Palmerston. I will shorten the question then. Considering the ongoing issue with youth crime in Palmerston, how effective has the Crossover Families Management Unit been. How many families have been involved with the Crossover Families Management Unit? How many staff will remain to deliver the program? What impact will the reduction in staff numbers have?

**Ms WAKEFIELD:** I am happy for Brent to go through the figures, but I think this is a really important process that we have put in place. Where you do have young people involved with complex needs, you often have a large number of providers providing services.

I recently heard of a young person with complex needs—there was a case management coordination management plan and 25 people turned up. When you have a young person with 25 adults circling around them, trying to provide a service, there is a lack of coordination that can occur. There is no way we can expect a teenager to coordinate all of these adults around them.

The Crossover Families Management Unit, I think, has been a really important step forward. In the past, when there was no coordination mechanism, you would have Police trying to do a range of things and Education trying to do a range of things—all having little bits of the story and no one pulling that all together to understand what is happening for this young person.

We have all had those circumstances, particularly when you are out bush and you are trying to deliver a service and then another service comes in behind you—you know, the five Toyotas in the remote community all delivering similar things. This happens to individual people.

This is not just a Northern Territory issue; I have half a social work master's degree on this issue—providing coordination to people with complex needs who move between different systems, might have mental health issues, might have disability issues, may be struggling to stay in education, may be experiencing domestic and family violence in their family home—there is a range of providers that they will be accessing, so this is an essential service.

I will get Brent to give you some more exact figures on how many kids and families we have worked with.

**Mr WOOD:** The root-and-branch review said that it needed to be cut back by about \$200 000 and with reduced staffing. I also need to know whether that is going to have an effect.

**Ms WAKEFIELD:** The good news is that because we have such good engagement with Police, Education and Health in Palmerston, that our original estimate of how many staff we would need has been reduced. We will monitor that to see what caseloads look like.

What we are finding in Palmerston is that the YORETs are picking up a significant voluntary case as well—that level of case management within the community. We also have some really good NGOs working very strongly in a case management way with young people in Palmerston.

All of those things together made our original estimate a bit more than we thought. We felt that we would consolidate what we are doing and then look at where the need for growth is. I will just hand to Brent to talk about the numbers.

**Mr WARREN:** One of the things to be aware of is that those positions had not yet been filled at the time the reduction was announced. We have now recruited to the four positions that make up that team, but it was not that we had to divest any staff out of the project after it had been stood up.

The team is a subset of the Palmerston and Darwin youth outreach office. They are working with that broader team and they can get support in there if they need it. We have set the team up so they can manage about 25 cases, because they are such complex cases. I do not have an exact figure for you today for that team, but for the Palmerston office, at the end of the estimates period they were carrying a case load that included 83 young people who are on what we call statutory supervision, and 33 young people who are on voluntary supervision.

That is the case load for the whole office. What we can bring back later, now this team has been established, is a separate set of data that talks about cases held just by the crossover team.

**Mr GUYULA:** Minister, as a Yolngu leader, I do not want to ever see a Yolngu child in Berrimah prison. It is not okay to take our children away from Arnhem Land. Not for child protection, and not for youth detention. And there are many Aboriginal leaders all over the NT who feel the same and do not want to see their children held in Berrimah prison or in Alice Springs.

What is happening to bring the youth justice issues back into the hands of elders of the community? On Yolngu country, we would like to run camps for our children who are struggling and need strong support. How is this government supporting elders to do this? Where is it happening? And when will we see it? What does this budget provide for it?

**Ms WAKEFIELD:** There are a couple of good examples of where we are heading in this area. I know the Chief Minister is signing the local decision-making agreement today on Groote Eylandt, and I would like to perhaps use that as an example of where we can head.

As part of the local decision-making process, the Anindilyakwa have identified youth justice as a significant issue. When we first came to government there was a significant and disproportionate number of young people from Groote who were in the detention centre—and also, it is fair to say, offending at a significant level. There was a lot of community concern about those young people.

As part of that local decision-making, and also how we use our youth outreach officers—and there is a large team in Nhulunbuy now of five full time workers—who worked with the community on how the community wanted to respond to this particular group of young people who were offending in a complex way.

The Anindilyakwa are funding a range of programs through their own money, including a fantastic program called Bush Fit, which is running very well. We have now, with the agreement of the community, put a youth outreach officer based on Groote Eylandt to help monitor the correctional orders, and to work closely with these community-run programs to make sure these young people are succeeding.

All the feedback I have received from the community, from a range of people, is that the program is working really well. The young people that had previously been in detention are now working well within the community, and we know that will be the way we want to move forward.

Through our Back on Track program, we will have further conversations, but we think through that local decision-making process, we will have options. When I met with elders with you on Galiwinku, the Law and Justice Committee had just recommenced, and I know we are working with them about engagement on that island about how we best work forward about getting the elders involved in the diversion process, and make sure there are pathways forward. That is starting to work.

The AFL program is working really well on Galiwinku as a diversion process. I was particularly pleased to see Richmond Football Club donate some boots for the women's program, which I was very thrilled about. There are some strong women on Galiwinku.

There is a range of ways we can do that. We completely agree that we need to have elders as part of the solution. We are working with a range of organisations including NAAJA to deliver meaningful elder programs in the Don Dale facility, making sure we are identifying a range of people and have proper cultural plans if people need to be in detention. We also need to be working to provide the options from within the community to do so.

In places like Tennant Creek and Katherine in particular, Aboriginal-controlled organisations are really stepping up to want to be part of the diversion process. We think that we can have, using the regional footprint, much more localised responses to running diversion programs, rather than large-scale national NGOs coming in and delivering a service that they would deliver anywhere. We will have local organisations run by local people delivering diversion and early intervention programs in particular.

We know that people living on community know communities well. They know the families that need support and the kids that need that intervention. We need to provide the mechanisms and the resources to do so. However, we want to step it out in a way that is planned and supported, so we do set those programs up for success. But I think we have some good examples—such as Groote—of where we can move with this and some really good outcomes and will continue to do so right across the Territory.



**Madam CHAIR:** Thank you, minister. The time being just after 3.30 pm, that ends the session with Territory Families. On behalf of the committee, I would like thank the agency officers, those present and those behind the scenes, that have provided the advice to the minister today.

**Mrs FINOCCHIARO:** On behalf of the opposition, I would like to once again thank all the staff who appeared today.

**Madam CHAIR:** The committee will now move on to consider the Power and Water Corporation.

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The committee suspended.

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### **POWER AND WATER CORPORATION**

**Madam CHAIR:** I welcome Mr John Langoulant, Chair of Power and Water Corporation Board. Mr Langoulant, could you please introduce the officers accompanying you today.

**Mr LANGOULANT:** Thank you, Chair. I have Mr Michael Thomson, Chief Executive of Power and Water to my left, and to my right Mr Tony Edmonstone, Chief Financial Officer. Sitting next to Michael is Mr Peter Billing, who is our General Manager Core Operations.

**Madam CHAIR:** Thank you, Mr Langoulant. I will invite you to make a brief opening statement in a moment and then I will call for questions relating to that statement. The committee will then move on to consider questions relating to the corporation's 2019–20 Statement of Corporate Intent.

I will then invite the shadow minister to ask their questions first, followed by committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in a line of questioning pursued by a shadow.

Mr Langoulant, would you like to make an opening statement on behalf of the Power and Water Corporation?

**Mr LANGOULANT:** Thank you, Chair, I would. Thank you to you and the committee for inviting me and my colleagues from Power and Water to be here today. In addition to the people sitting at the table we have a number of officers behind us who will be able to answer any questions you might have.

I have a few comments I would like to make about developments within and across Power and Water over the past 12 months. Starting with the board, over the last 18 months or so we have refreshed the board. In August of last year we finalised those arrangements with the appointment of Mr Charles Burkitt, who many of you would know, given his strong ties in the local business community.

With this refresh of the board members, we are making a conscious effort to rotate the locations of our meetings with the intent to visit all of our major centres and as many of our smaller centres and remote communities as we can. Our objective in doing that is to understand firsthand what the challenges are our people and customers are facing every day and what, from a board perspective, we can do to improve work conditions for our employees and service delivery arrangements for our customers.

From a governance perspective, we have also made change by establishing two committees dedicated to areas we consider warrant increased attention and oversight. These are in the areas of regulation and market operations committees. We have established a committee to focus specifically on that in recognition of the major areas of regulatory reform we are entering, such as the National Electricity Rules, and for the reforms we are moving towards, such as the government's future plans for the wholesale electricity market.

We have also established a people and remuneration committee whose mandate is to ensure, as a business, Power and Water is keeping all its people safe, particularly those operating in high hazard areas that are common to a business like ours. The committee is also tasked with overseeing Power and Water's approach to effective human resource management and performance of its senior management. Both of these areas have the scope to significantly and even change the way we do business and, as such, have been identified as key areas for the board.

Safety has been a particular focus of mine and of management. With our strategy firmly set aiming to continuously improve our safety culture by integrating safety into our operations and moving away from a

simple question of compliance to a genuine concern for the personal safety of ourselves, our colleagues and our customers.

We want to drive the kind of leadership and safety where our people are able to speak up, to have that conversation and point out things they do not think are safe and fix them, or doing it another way, or not doing it at all until they are comfortable that the environment they have been asked to work in is safe.

To achieve this we are focusing on simple easy to use safety management systems and documents as well as identifying and measuring critical controls for all high-risk works and increased leadership accountability.

We are also developing safety behavioural training and processes of continuous improvement that builds organisational effectiveness and changes culture. We are doing this through assurance processes, building capability in our people and increasing transparency and accountability around our safety events and actions and improving reporting practices.

Part of this is to encourage the completion of (inaudible) observations and in this financial year to date we have recorded over 2529 observations across all employees. Consistent with our push to encourage safety leadership at Power and Water every executive has a target of leading one safety leadership exercise a month. We are on an upward trajectory in terms of embedding the importance of safety in our leaders and this is already starting to have a cascading effect across the whole organisation.

That is why, as a result of this increase focus across all levels of the business, I am pleased to be able to report to you that we are seeing a downward trend in our lag safety indicators. Our lost time injuries for the financial year to date are at two, which is consistent with our SCI target, but what is becoming increasingly encouraging is our lost time injury frequency rate is at 1.09, down from 1.57 the same time last year. Our medically treated injuries are at just three for the financial year to date, which is down from eight at the same time last year, which is a great improvement.

We have made some strong achievements on the operational front in Power and Water as well over the past 12 months. Some of these include completion of the Solar SETuP that was a \$59m five-year program which saw the installation of 24 solar hybrid generation systems across the Territory and our flagship one megawatt battery solar hybrid system at Daly River and is currently achieving a positive return on the investment. Not only does this program tick a lot of boxes in terms of diesel savings, environmental benefits and safer communities, but it also contributes to the 50% renewable energy target and sets the scene for future remote generation solutions now that this arrangement has been proven to work in some of the more remote locations across the country.

We receive our first network determination from the Australian Energy Regulator on our regulated networks in Darwin, Katherine, Tennant Creek and Alice Springs and over all, I think, it was a pretty satisfactory outcome.

The process of preparing our first regulatory submission to the AER not only saw the whole business adapt to a new regulatory regime but also saw it run the most comprehensive engagement program undertaken and the feedback we received from those sessions fed straight in to the proposals we put to the AER. The whole team at Power and Water worked extremely well through this process and in doing so secured some great outcomes for our customers. Through the final decision the AER proved a smart metering roll-out on a new and replacement basis. The replacement of power poles in Alice Springs to address the safety risks associated with pole corrosion and target investment to address reliability and underperforming areas across the network.

While the journey to the national regime has been challenging for all of us, at the end of the day we have learned a lot about our business and the broader benefits are being felt right across the business. A lot of work has continued in implementing a new operating model across Power and Water as well. These initiatives are focused on enhancing employee opportunities and improving service delivery to our customers. This is a project that still has some way to go before it is complete but the progress is steady and constructive.

In Katherine, I am happy to note, we have found a long-term solution to the PFAS contamination of groundwater and following negotiations with the Department of Defence have commenced work on delivering a 10 megalitre per day ECT treatment plant.

As we have recently announced the long lead items for this plant have been ordered from the US and the current program is scheduled to have the plant up and running early next year. I appreciate it has been almost

three years since we started detecting PFAS in the ground water in Katherine, and I thank the community for its continued patience while we searched for a reliable long-term solution.

I also understand that three years may seem like a long time, but to go from nothing to a fully designed solution treating a contaminate that until then was relatively unknown in the utility sector to a fully designed solution on its way is an extraordinary effort by the whole team.

I will finish there with my opening comments and hand over to the committee for any questions you may have of me and my colleagues.

**Madam CHAIR:** Thank you, Mr Langoulant. Are there any questions on Mr Langoulant's statement?

**Mrs FINOCCHIARO:** Can I seek clarification, Madam Chair. Are you splitting the statement and the statement of corporate intent?

**Madam CHAIR:** I am just inviting questions relating to what we have just heard. It is consistent with all the other people who have presented. Just the statement for now and then we will move to the statement of corporate intent in a moment.

**Mrs FINOCCHIARO:** I am happy to ask my question, given there is only one output.

**Madam CHAIR:** Member for Nelson, do you have something on the statement?

**Mr WOOD:** Yes I do.

Thank you, Mr Langoulant. In regard to the PFAS treatment plant, that is good news for Katherine people. I thank the board and Power and Water for getting that—well, not quite up and running yet. What is the cost of that treatment plant and will the Commonwealth Government be contributing to something that was not the fault of Power and Water?

**Mr LANGOULANT:** I will get Mr Thomson to answer this specific question.

**Mr THOMSON:** The CapEx is approximately \$15m of which...

**Mr WOOD:** CapEx is what, sorry?

**Mr THOMSON:** That is the building of the plant as opposed to the running of the plant.

**Mr WOOD:** Just the acronym.

**Mr THOMSON:** Capital cost.

**Mr WOOD:** I know Katherine is a Defence town. They like acronyms there.

**Mr THOMSON:** It is \$15m to build the plant and defence is funding this. There are also operational costs which are the day to day running costs. Defence are funding the first 10 years of that at \$3.47m for the running costs. Plus they will supply the resin and that is the most expensive component of the running cost.

At the 10-year mark there will be another discussion for the following 10 years about the operational cost and their contribution to that.

**Mr WOOD:** Of Katherine's water supply that Power and Water provide at the moment, will that treat all of that water supply?

**Mr THOMSON:** Yes, it will.

**Mr WOOD:** That would be good news for Katherine people.

**Mr THOMSON:** Yes it will be. That will treat it. There will not be traceable amounts of PFAS in the water that goes through to the Katherine community.

**Mr WOOD:** When it treats the water, will there be some residue?

**Mr THOMSON:** Yes.

**Mr WOOD:** What will happen with the residue?

**Mr THOMSON:** That is the arrangement with Defence. They will take, destroy and replace the resin. If at the end of the day Power and Water have to pick up some of those costs, Defence have agreed to reimburse us.

**Mr WOOD:** Okay. We might get into the NER and all of that later. I have just come back from Daly River—and you just talked about the new facility on Wooliana Road. You also mentioned the battery and how good it was. Do you own that facility?

**Mr THOMSON:** We own the battery facility at Robinson River.

**Mr WOOD:** And the solar farm?

**Mr THOMSON:** Yes.

**Mr WOOD:** You also said you have been putting in hybrid systems into some remote communities which you own as well.

**Mr THOMSON:** Yes. Most of the systems in remote communities are diesel solar hybrids.

**Mr WOOD:** Are you helping to contribute towards the 50% renewable target doing that?

**Mr THOMSON:** We are.

**Mr WOOD:** I hope I am not in the wrong area here but it comes into the discussion with Territory Generation. The government now has at least three private power providers doing solar. I think one at Katherine, Batchelor and Adelaide River—I am not sure. They are not owned by Power and Water.

**Mr THOMSON:** No. The one at Robinson River is because that is servicing the local community and that is our power station. We are not putting in solar for use of others in the Darwin or Katherine system.

**Mr WOOD:** Maybe I will explain myself better. The government is now permitting three larger companies to put in solar farms. They will be connected to the grid. The problem I have is that you do not own those, so someone else will be collecting the revenue from that.

I do not know whether it affects Territory Gen more than it affects Power and Water but there will be less income because someone else will be producing that power. With Daly River, you own that solar farm so revenue goes to Power and Water. In this case, will you be at a disadvantage by the government making the decision to put private solar farms into the system?

**Mr THOMSON:** No, we will not. That might be a question for TGen or Jacana. Our role in those solar farms is to make sure we keep the system stable when the clouds come over; that we are managing what parts of generation come on to keep system security there. That is our role, it is not a revenue role for us.

**Mr WOOD:** So those companies will be using your network?

**Mr THOMSON:** Yes.

**Mr WOOD:** They will come into the supply where you will be using your systems to make sure there is a balanced supply. Will those things be charged out against those solar farms? Will those businesses be charged for the use of the network and your good people who can work out how to balance the load? Will there be a charge back?

**Mr THOMSON:** We recover the funding for that role through the market operator and the Utilities Commission already gives us an allowance for that. Then what the actual policy design is, that is not a Power and Water area.

**Mr WOOD:** I suppose what I was looking at was because you have the three different groups; Territory Gen puts its power through your network, so you charge them a fee for using your network.

**Mr THOMSON:** We charge the retailers and the retailers have the end charging of the customer.

**Mr WOOD:** It is built in that way, not backwards. Is that the same as the solar people and the power station at Pine Creek?

**Mr THOMSON:** Yes.

#### **Consideration of Statement of Corporate Intent 2019–20**

**Madam CHAIR:** The committee will now consider questions relating to the Power and Water Corporation's 2019–20 Statement of Corporate Intent. Are there any questions?

**Mrs FINOCCHIARO:** I thank everyone at Power and Water, they have obviously put in a lot of effort preparing for today and also for the representatives from Power and Water themselves who are here. Has the government asked executives or the board of Power and Water to be part of the voluntary pay freeze?

**Mr THOMSON:** Yes, we have. I sent out a letter to all executives asking them to be a part of the pay freeze.

**Mrs FINOCCHIARO:** Did Power and Water seek its own legal advice prior to that decision?

**Mr THOMSON:** No, we did not.

**Mrs FINOCCHIARO:** How many executives have been sent that letter?

**Mr THOMSON:** All of our executives that it applied to.

**Mrs FINOCCHIARO:** Is there a number figure?

**Mr THOMSON:** Pre-April because since April it was already built into those contracts so the letter went out to all of the execs on those contracts.

**Mrs FINOCCHIARO:** So how many would that be?

**Mr THOMSON:** Probably 100-odd. I can take on notice.

**Mrs FINOCCHIARO:** That would be great, thank you.

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#### **Question on Notice No 11.1**

**Madam CHAIR:** Please restate the question for the record.

**Mrs FINOCCHIARO:** Could Power and Water Corporation please confirm how many executive contract officers or other staff of Power and Water were sent a letter regarding the voluntary pay freeze?

**Madam CHAIR:** Chair, do you accept that question on notice?

**Mr THOMSON:** Yes, happy to take that.

**Madam CHAIR:** The question that has been asked by the Deputy Leader of the Opposition of the Chair has been allocated number 11.1.

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**Madam CHAIR:** Are there any further questions?

**Mrs FINOCCHIARO:** Is it Power and Water's understanding that it contributes to about 27% of the total Northern Territory debt?

**Mr EDMONSTONE:** I cannot comment to the exact proportion of the debt at the moment. I am not privy to the amount of the Northern Territory debt in total.

**Mrs FINOCCHIARO:** Is Power and Water not aware of what contribution its debt makes to the Territory's debt. Is that correct?

**Mr EDMONSTONE:** Correct.

**Mrs FINOCCHIARO:** Can you explain what your projected net debt is?

**Mr EDMONSTONE:** Yes, over the course of the SCI period, Power and Water's net debt moves from about \$1.1bn to \$1.25bn, represented as our total liabilities into the net assets. Within that there is a number that does not include the non-current lease liabilities, which are associated with the change in accounting standards that is applicable from 1 July 2019, and you see that in our 2019–20 Statement Of Corporate Intent.

**Mrs FINOCCHIARO:** That is listed as NC lease liability—\$350.5m?

**Mr EDMONSTONE:** Correct.

**Mrs FINOCCHIARO:** And 100% of that figure is attributed to the change in accounting standards?

**Mr EDMONSTONE:** Yes, that is correct. If I can add, up in the non-current assets, there is a net right of use asset as well, for \$320m, declining to \$250m over the SCI period. That also pertains to the change in accounting classification.

**Mrs FINOCCHIARO:** What portion of Power and Water's increase in net debt over the forward SCI period—what amount is the net debt minus the amounts attributed directly to the accounting standard change?

**Mr EDMONSTONE:** If I look at the 2019–20 SCI, we have a total of \$1.3bn of total borrowings, comprising \$284m of current and \$1.017bn of non-current, excluding the \$350m of lease liabilities.

**Mrs FINOCCHIARO:** I am trying to follow you along there. Are you looking at page 39 of the SCI?

**Mr EDMONSTONE:** I am. You will see under the current liabilities \$284m, which represents debt falling due within the next 12 months?

**Mrs FINOCCHIARO:** Yes.

**Mr EDMONSTONE:** That is debt to the Northern Territory Government—and government loans under non-current of \$1.017bn?

**Mrs FINOCCHIARO:** Yes.

**Mr EDMONSTONE:** The combination of those represents our total debt excluding the reclassification of lease liabilities under the accounting changes.

**Mrs FINOCCHIARO:** So, \$284m plus \$1.017bn is Power and Water's total debt.

**Mr EDMONSTONE:** Correct.

**Mrs FINOCCHIARO:** Mr Langoulant, I obviously do not need to tell you about this, but I will be asking about your report obviously. Power and Water is not included in the root-and-branch review, but it is mentioned prominently in the plan for budget repair. I just wanted to know if an efficiency had been applied to Power and Water.

**Mr LANGOULANT:** An efficiency dividend has not been.

**Mrs FINOCCHIARO:** Okay. Are there ways in which Power and Water is going to look at how it can reduce its total debt position?

**Mr LANGOULANT:** We have been in the course of the last two years, which I can answer for. Power and Water has been undertaking a range of activities which have been designed to improve the operating efficiency of the whole organisation. A range of measures have been put into place. There has been a steady improvement over that period, as I mentioned in my opening comments.

Through the operating model arrangements, for instance, we have been looking at primarily at how to improve the efficiency and service deliver capability of the organisation. Mr Edmonstone can give you the specific figures in a minute, but there has been a very steady and orderly reduction in our FTE count over that period of time. All of that has been by way of voluntary redundancy and natural attrition.

There has also been arrange of efficiency measures that have been put into place which have reduced our operating costs. We can give you specific details on that.

**Mr EDMONSTONE:** Over the four-year SCI period, we have a total of \$154m of efficiencies built into the four-year cycle. That comprises some one-off efficiencies associated with inventory reductions and the like, to the tune of about \$20m and a \$130m of recurring over that period of time.

**Mrs FINOCCHIARO:** Are these new initiatives a result of the process government has gone through since December last year?

**Mr LANGOULANT:** No, these have been in practice now for the best part of two to three years.

**Mrs FINOCCHIARO:** Are there new measures as a result of the final report?

**Mr LANGOULANT:** I would describe them as continuing measures. We have an objective to continue to improve the operating efficiency and effectiveness of Power and Water. That includes continuing streamlining our operations and finding efficiencies. Over time, it will involve a very modest but very orderly continuing identification of people who would be surplus to our need, going forward, but that would be through a voluntary process.

There is a focused program of activity here. We capture it under a range of titles but probably the most prominent title is the implementation of our new operating arrangements and new operating model. We talk about that quite a bit in the SCI, so you will see references through that document to this model.

As I said in my opening comments, this is a steady but constructive program of change across Power and Water, and we are doing it with those two objectives in mind. So it will be with us for a little bit of time. We are not thinking we are going to finish this program in the next 12 or 24 months. It will be steady and continuing. Mr Thomson might want to add a bit.

**Mr THOMSON:** I will add, because we have come in under the Australian Energy Regulator process, they look at our revenues for the next five years for our regulated business, and compare us to all the other utilities across the country, and they scrutinise the spend.

We have been on this journey knowing we have been coming under this regime, to be efficient, otherwise the Australian Energy Regulator will reduce our revenues. So we have started our improvement journey a number of years ago now, and we have been on that slow, steady journey.

Again, the AER has been scrutinising all of our costs to make sure they are prudent and efficient costs, and that has driven change throughout the organisation, not just for the regulated parts of our business.

**Mrs FINOCCHIARO:** There is this slow process of reducing staff by voluntary redundancy and natural attrition. The forecasts show that Power and Water's personnel costs will increase over those forward estimates, so what would that be attributed to?

**Mr EDMONSTONE:** We have in our SCI reduction the number of full time equivalents, excluding our IES business, ranging from 790 people in FY19 down to about 720 at the end of the SCI period. The enterprise agreement and outcomes associated with the enterprise agreement, and the uplift expected associated with that, is higher than, over the SCI period, the rate of attrition expected.

So you have a lift in rate offset by a reduction in the number of people.

**Mrs FINOCCHIARO:** But overall it will still go up?

**Mr EDMONSTONE:** Yes overall it still goes up.

**Mrs FINOCCHIARO:** Your trajectory of reducing staff effectively cannot match that of the rate increase out of the EPA.

**Mr EDMONSTONE:** Correct.

**Mrs FINOCCHIARO:** When is that EBA up for negotiation?

**Mr THOMSON:** We have just finished and closed off the EBA negotiations for a year.

**Mrs FINOCCHIARO:** So that is why you understand that gap? Moving to the Australian Energy Regulator, unless, Member for Nelson, do you have any questions?

**Mr WOOD:** Just keep going broad and I will come back.

**Mrs FINOCCHIARO:** Well you just jump in and let me know and I will plough ahead, is that fine? We do not have that long.

**Mr WOOD:** I will do that, with pleasure.

**Mrs FINOCCHIARO:** I just want you to be aware. The AER final decision means that the indicative electricity distribution price of Power and Water is expected to decline from an average of \$96 per megawatt hour, to \$81.7 per megawatt hour, from 2019 to 2024.

This is a 14.9% reduction. Will that be achieved by Power and Water?

**Mr THOMSON:** Yes, it will, because that is what we are being allowed to recover from the AER, so we have no choice.

**Mrs FINOCCHIARO:** Okay. Power and Water has identified a pathway to achieving that? The AER also identified a number of efficiencies in order to achieve and generate savings for customers including a reduction in base operating expenditure, a 10% reduction in network and corporate overheads and an increase in productivity. How will Power and Water address that?

**Mr THOMSON:** All of those have been taken up into our SCI. We have plans on how we do all of that. A lot of what we are doing is changing our IT systems. We have very old inefficient systems and a lot of manual handling of processes. We have looked at all of that.

We are also looking at the number of everything that we are doing across the business in the fields—the number of inspections we do on assets and how all that works. We have a number of initiatives in different parts of the business to obtain those savings. We have plans on how we achieve all of those.

**Mrs FINOCCHIARO:** They are all set out in your statement of corporate intent so you will not see a disparity between achieving the recommendations and what is laid out in the SCI?

**Mr THOMSON:** Not on the cost savings measures.

**Mrs FINOCCHIARO:** Will the cost savings be passed onto retailers? Obviously it is Jacana—but the flow-on of that being to customers?

**Mr THOMSON:** There is also Rimfire so it is not just Jacana. There are other retailers.

**Mrs FINOCCHIARO:** True.

**Mr THOMSON:** Yes all of the savings. The AER decides on the regulated parts of the business in what we are allowed to charge and we will bill Jacana, Rimfire or other retailers according to what the AER has allowed us to bill.

**Mrs FINOCCHIARO:** So that saving will be passed onto Jacana and Rimfire, so my question should be to them about what they are doing.

**Mr THOMSON:** Yes.

**Mrs FINOCCHIARO:** Very good. Thank you.

**Mr WOOD:** You get a community service obligation payment for gas sales and in your corporate intent document you talk about the sales of gas. That has come online because of the new pipelines to the eastern



states. Are you expecting sales to come to the point where you will not need community service obligation input into the business? Will that ever be the case?

**Mr EDMONSTONE:** The community service that we received today represents the difference between the market price of gas and the price at which we invoice Territory Generation. We believe that with the opening of the Northern Gas Pipeline there will be opportunities for the Power and Water gas business to generate a better return. A lot of those are built into the statement of corporate intent.

Whether that changes the CSO over this period of time will be dependent on the market price that we have to charge associated with the gas supply.

**Mr WOOD:** So you are the supplier of gas for Territory Generation?

**Mr EDMONSTONE:** Correct.

**Mr WOOD:** Territory Generation are actually producing—they might not be using less gas, I do not know if that would be technically correct because they still need the power station operating. Is that gas price fixed or is it indexed per year?

**Mr EDMONSTONE:** It moves with CPI every year.

**Mr WOOD:** Right. My understanding in years gone by is that we had a contract for gas that was set out for X number of years with Eni. The problem was that we had excess gas and had to pay for that even if we did not use it. Have we got to the stage now where that excess gas can be sold off or completely sold off? What stage are we at?

**Mr EDMONSTONE:** At this point in time the answer is no. I say that as at 30 June 2019, the answer is no. The Northern Gas Pipeline has opened and we are moving more gas into the east coast as we speak. During the course of the SCI period we expect to deplete our banked gas and therefore the availability—we will not have a restriction in terms of the ability to sell. That will happen during this SCI period.

**Mr WOOD:** In your document on gas—and Mr Langoulant knows that I am not a great economist. I would rather be telling you how to grow bananas—it talks about spot market prices. How does that relate to Territory Gen buying gas from you? Is theirs contracted price, set down every year with the CPI increase?

**Mr EDMONSTONE:** Their contract is a long-term contract that escalates with CPI. The CSO represents the market price difference not necessarily the profitability of alternative sales, if you understand the delineation. Over the course of the SCI period, the ability for Power and Water to sell gas to the east coast, to monetise on that spot price, is now available because of the opening of the pipeline. Having said that, we still have a little bit that we need to do in terms of de-bottlenecking the existing BGP and AGP pipelines here in the Territory to enable more to flow.

**Mr WOOD:** I will keep the economics simple, so from the bottom line of you having a debt, is that reducing your debt by being able to sell that gas?

**Mr EDMONSTONE:** Yes.

**Mr WOOD:** So, the more gas you can sell at the present time, the better Power and Water will be, financially.

**Mr EDMONSTONE:** Absolutely.

**Mrs FINOCCHIARO:** Last year when I asked about gas, Power and Water said that it had a plan for selling gas on the east coast, which you have just talked about to some extent. In the statement of corporate intent, the forecast for gas revenue are materially lower so I think what is forecast for 2018–19 is about \$28m lower than the budget and then the 2019–20 budget is about \$40m lower than the previous budget. What is the driver of this projected decline in gas revenue?

**Mr EDMONSTONE:** I can address 2018–19 separately to 2019–20. For 2018–19, our prior statement of corporate intent had assumed the ramp-up of the northern gas pipeline on 1 January and that we would be making full sales to both Southern Cross Fertilisers and some other purchasers over on the east coast. That pipeline was delayed marginally and it has been suffering intermittent delays due to the need to remove nitrogen through the balance of the six months. That has resulted in less volume making its way across to the east coast.

Having said that, our contracts are such that we are able to leave the gas in the ground for a period of time so it is a timing difference more so than a permanent loss, and we expect to recover that over the SCI period.

**Mrs FINOCCHIARO:** Okay. So it is not related to a decrease in demand? We are obviously speculating but it is not attributed to a decrease in demand from customers like TGen?

**Mr EDMONSTONE:** For 2019–20 there is a decline associated with Territory Generation and that reflects in lower sales in the gas line. As I mentioned earlier, we have some work we need to do in de-bottlenecking some pipelines which will open the availability then to sell more gas on the east coast. If TGen comes up or down, we will have the flexibility to move less and effectively offset.

**Mrs FINOCCHIARO:** What is the plan for the banked gas? Is it still the plan to get it to the eastern seaboard via the pipeline, it is just you have to work through some of those issues which is slowing down the process?

**Mr EDMONSTONE:** We have a contract with Southern Cross Fertilisers over on the east coast that runs from 2019 to 2029. Most of the banked gas will actually go to supply Southern Cross over the next three to four years.

**Mrs FINOCCHIARO:** The SCI includes a write-off of \$20m for gas in 2018–19. Is that related to that same situation?

**Mr EDMONSTONE:** Yes, that is banked gas.

**Mrs FINOCCHIARO:** That is the banked gas that you could not get across because of the nitrogen.

**Mr EDMONSTONE:** The net balance, in terms of how much we are storing in the ground yet to be taken over the east coast is about 22 petajoules. That has increased in the last 12 months, some because the pipeline was not supposed to be open until January and then delays associated with that. We would expect that to decline to zero by 2022.

**Mrs FINOCCHIARO:** 2022, okay. Last year, it was cited that there was \$200m to \$300m in gas sales. What is the figure for this year?

**Mr EDMONSTONE:** Gas revenue?

**Mrs FINOCCHIARO:** Yes.

**Mr EDMONSTONE:** Total revenue forecast for 2018–19 is \$224m.

**Mrs FINOCCHIARO:** That is all my questions on gas.

The statement of corporate intent forecast a decrease of about \$15m in electricity network revenue between 2019–20 and 2020–21. What is the driver of that forecasted decrease in revenue?

**Mr EDMONSTONE:** That is the outcome associated with the AER determination.

**Mrs FINOCCHIARO:** Okay. That is what I wanted to know. Are you able to explain that a bit?

**Mr EDMONSTONE:** The AER determination reduces the amount that Power and Water are able to pass on to the generators. The amount for 2019–20 is in total about \$27m. Offsetting that is \$10m to \$12m of additional revenue associated with the unregulated network.

**Mrs FINOCCHIARO:** That is those bigger users over 750. Okay.

The final report on budget repair includes a recommendation and the short-term expenditure growth should not outpace revenue growth. The statement of corporate intent shows that revenues are projected to decrease in the short-term with the operating expenditure steadily rising. Are there specific measures to address this? Or is it just that continuing on with all of your other measures that you have previously highlighted?

**Mr EDMONSTONE:** It is continuing with those other measures. I must say, we are optimistic for the business though. From the point of view of revenue growth we are positive about it, and the gas is clearly a significant component in that.

**Mr WOOD:** Can I ask a question while you are thinking?

**Mrs FINOCCHIARO:** Yes.

**Mr WOOD:** The network in relation to the smart meters, how far are you down the path of changing over from the old meters to the smart meters?

**Mr THOMSON:** Probably about 5% of the network might have smart meters. They tend to be the larger customers. One of the challenges that we have is in our back office systems, the ability to process all of that information from the smart meters. We need to unblock that and change out that system which will then allow us to move forward with the deployment of more smart meters.

**Mr WOOD:** The domestic users will get a smart meter, is that correct?

**Mr THOMSON:** Eventually, yes.

**Mr WOOD:** Will they be Wi-Fi connected so the inspector that comes to read my metre does not have to get eaten?

**Mr THOMSON:** That is right, unless you get a smaller dog. Those smart meters will allow us to do all remote reads and remote switch-offs and on when people move houses and all those things so we will not have to visit the property.

**Mr WOOD:** People with solar power—does it adjust according to the power out versus the power in? People would not know if they read it whether they are on a plus or a minus? Will the consumer be able to read it?

**Mr THOMSON:** Not necessarily, but there are often associated displays that you can put in your home which will help with those metre reads. Not necessarily the metres themselves.

**Mr WOOD:** You mentioned also the replacement of power poles in Alice Springs and I have heard of that issue before. Are there other major upgrades of the network that will influence the cost of running it in the next few years?

**Mr THOMSON:** We have a substantial CAPIX program coming up. If you want more details I am happy to call our general manager of power services and they can take you through that.

**Ms POLLARD:** The AER approved for us a significant capital investment program for the next five years—approximately \$340m. Some of the more significant programs or investments in that program include the replacement of the Berrimah Zone Substation, which is by far the oldest substation we have in our fleet.

**Mr WOOD:** Was that a gas power station?

**Ms POLLARD:** There was a power station adjacent to it. I understand that was a diesel-fired power station.

**Mr WOOD:** Is that power station still operating?

**Ms POLLARD:** No. It has been mothballed.

Some of the other significant programs we have—you mentioned the Alice Springs pole replacement program, which is aimed at addressing some safety concerns with the basis of some of our poles corroding and toppling over in certain locations. It is pleasing to see that the AER has approved that. We have also had some safety concerns with some of our cables located in the northern suburbs of Darwin. The AER has approved a significant program of work to address those issues.

As an example, we have had some water ingress into the cables. As you would appreciate, that poses significant safety concerns. It is pleasing to see we have had funding approved for that.

We have also had the smart meter program—new and replacement meter—approved as part of our capital investment, and a significant IT program.

**Mr WOOD:** Are you doing the work on the government's proposal to put more underground power in the suburbs?

**Ms POLLARD:** At the moment we have the undergrounding to nine schools approved, so we are well under way in regard to planning for that program of work. The first school will be Wagaman Primary School. We are looking to commence the undergrounding to that school next month.

**Mr WOOD:** If you put undergrounding to each school, when it comes out of the school yard does it connect to underground or above ground?

**Ms POLLARD:** It connects to overhead.

**Mr WOOD:** What is the point?

**Ms POLLARD:** It was about building resilience and having a location, being the schools, to provide emergency ...

**Mr WOOD:** But if the power line fell down outside the front fence it will not make a difference.

**Madam CHAIR:** I do not think that is the case.

**Mr WOOD:** That is what I am asking. If the power lines had been built underground to the school, when the power line comes out to the street and the power poles are above the ground, what is the logic behind doing that instead of getting the roadways done first and then connect in. Is that a policy of government and not yours? So I should not be asking you if you think it is good.

**Ms POLLARD:** That is right. It is outside the AER decision as well.

**Mr WOOD:** I should not have asked that question.

**Mrs FINOCCHIARO:** The plan for budget repair states that debt ratios should improve annually, but the debt to equity ratio is forecast to increase from 1.2 times to 1.4 times over the next three years, which is higher than the 1.3 metric in the KPIs. Are there additional plans to try to turn this trend around next year?

**Mr EDMONSTONE:** The increase you are seeing in regard to our debt to equity ratio is wholly attributed to the change in accounting standards. Had it not been for that change you would see a reduction in the debt to equity ratio from 1.1 to 1.05.

**Mrs FINOCCHIARO:** The final report on budget repair calls on Power and Water and other government-owned corporations to 'support budget repair through sustainable dividends'. The statement of corporate intent shows that not only is the dividend not projected in the forward estimate, but that drawdowns on shareholder equity would average about \$20m per year through 2022–23. What is being done to address that divergence in approach?

**Mr EDMONSTONE:** If I can draw attention to page 39 of our statement of corporate intent, it shows a dividend per year from \$20m in each of the four years during the SCI period. Down the bottom, just above retained earnings.

**Mrs FINOCCHIARO:** So you are saying will deliver a dividend government, the shareholder?

**Mr EDMONSTONE:** Correct.

**Mrs FINOCCHIARO:** Page 157 of the final report on budget repair suggests that the government should consider asset disposal and whether Power and Water is:

*... capable of effectively operating as a government-owned corporation ...*

Have you been directed to do any work or modelling on the feasibility of any asset disposal?

**Mr LANGOULANT:** No we have not.

**Mrs FINOCCHIARO:** Is that an initiative that Power and Water is looking at in the future?

**Mr LANGOULANT:** We do not have any of those proposals before the board at the moment. We would consider them from a commercial perspective. We would also need to have regard for government policy in this space. I think at the time of the release of that report the government made certain announcements about asset disposals. It limited the extent of that recommendation.

**Mrs FINOCCHIARO:** I see. I would like to talk about dams. As I am no doubt you are aware, during the federal election Minister Canavan announced a commitment of \$2m into the irrigation potential of the Adelaide River, with specific reference to the AROWS project. What is Power and Water's understanding of that \$2m? Is that something Power and Water will have any access to? Have you begun any work on that study or been involved in that study?

**Mr THOMSON:** I might get our General Manager Water Services to respond to that.

**Mr PORTER:** The \$2m was actually in response to a request from a private consortium to undertake a study to do a project similar to the AROWS project that Power and Water has been investigating.

**Mrs FINOCCHIARO:** Is it not something Power and Water will be involved in, that study?

**Mr PORTER:** We can provide contributory information and help out, but the initial funding was suggested to go towards the private consortium. They have been in discussion with Power and Water, but at this stage it is very early days.

**Mr WOOD:** I may ask a follow up. Are you going on dams still?

**Mrs FINOCCHIARO:** I am still on dams.

**Mr WOOD:** Would you let me know when you have finished the dams?

**Mrs FINOCCHIARO:** I do not want you to get upset.

**Mr WOOD:** I would be interested in the future of Manton Dam—putting some money away for some feasibility study. Is Manton Dam a closed catchment?

**Mr PORTER:** It is a National Park, so it is closed from the point of view of the surrounding areas, but it is open to third party users. There are fishers, power boaters and skiers. It is not closed from that point of view.

**Mr WOOD:** If it was seen to be feasible Manton Dam online, would that be the end of recreational use?

**Mr PORTER:** It is certainly one of the considerations we are having a look at. At this stage though we are also looking at the treatment process and whether we could put in place a treatment process that would allow third party process that would allow third party users to continue using that particular facility. At the moment we are looking at both options. Best practice in terms of water supply is to have closed catchments, but we are looking at the opportunity that doing enhanced treatment could provide to allow that current use to continue.

**Mr WOOD:** If it came back online, would the existing World War II pipeline be reused? Would the pumping stations have to be rehabilitated?

**Mr PORTER:** We are looking at a two stage process to bring it back online. The first stage is to continue using the existing pipelines through that area, but we would have to put in place a new pumping station and a treatment process. We would not be looking to rehabilitate the existing facility, we would be looking to build new facilities to pump the water out of Manton.

**Mr WOOD:** If the AROWS dam project was feasible, would it be better to take water from that dam and pump that into Darwin River Dam, for instance, and just take the water that way rather than going through all the problems of trying to rehabilitate Manton Dam?

**Mr PORTER:** The approach we have taken is making the most efficient use of the investment we make in those reservoirs, and trying to tie the investment to the need. Based on our current projections for growth in demand, going ahead with a staged process using Manton and then coming along with AROWS at a later stage is our current plan. We review that every year, and if circumstances change, we are building enough flexibility into our program to be able to bring projects backwards or forwards.

It really comes down to what is the growth in demand, and what is the best mix of supply options and the cost to then deliver against that demand.

**Mr WOOD:** Is the other option to pump water over into Darwin River Dam?

**Mr PORTER:** It was considered, but we are also looking at the resilience of the water supply system, and the potential risk is that there is an algal bloom on Darwin River Dam, so if we have a separate supply to Darwin River, that provides better security to Darwin.

**Mr WOOD:** I have one more question on water.

**Madam CHAIR:** Is it on dams? Otherwise I will come back to the Member for Spillett.

**Mrs FINOCCHIARO:** I am talking about Manton Dam.

**Mr WOOD:** I do not want to get pedantic, but where does water come from?

**Madam CHAIR:** I am going back to the Member for Spillett.

**Mrs FINOCCHIARO:** The tender process on the feasibility study on the water supply at Manton Dam closed a few weeks ago. What was the cost of that study?

**Mr PORTER:** I am sorry, what is the question?

**Mrs FINOCCHIARO:** The tender process for a feasibility study on water supply closed a few weeks ago. What are the costs of that?

**Mr PORTER:** The study for Manton Dam?

**Mrs FINOCCHIARO:** Yes.

**Mr PORTER:** I am not quite sure what prices have come in on that particular project yet.

**Mrs FINOCCHIARO:** The tenders are still being reviewed?

**Mr PORTER:** That is correct.

**Mrs FINOCCHIARO:** What is the expected outcome? What is Power and Water looking for out of this? You want people to tell you how much it will cost to re-engineer Manton and bring it up to some sort of spec?

**Mr PORTER:** We are still going through the planning phase with bringing Manton back on line, so that means undertaking a number of investigations into the right mix of treatment processes, pumping capacity, location of facilities and basically the conceptual work we need to do to continue to educate ourselves on the cost and timing to deliver on that project.

It is very much the early stages. We are looking to bring back on line a reservoir from the 1970s, so there are condition assessments, working out what still works and what needs to be replaced. That is all part of the current studies under way.

**Mrs FINOCCHIARO:** Is this to give Power and Water a good picture of where it is at and where you would need to take it?

**Mr PORTER:** That is correct.

**Mrs FINOCCHIARO:** If that is the case, does Power and Water have an idea of how many additional gegalitres, or how many gegalitres it would get out of enhancing Manton as a storage facility?

**Mr PORTER:** Total capacity of Manton is 14 gegalitres, so in a two-stage process we would be looking to pick between six and eight gegalitres from stage one, and then eight to 10 gegalitres from stage two.

**Mrs FINOCCHIARO:** Sorry, can you repeat that? Is Manton Dam currently 14 gegalitres?

**Mr PORTER:** That is correct.

**Mrs FINOCCHIARO:** So any expansion of it could add between six to 10 gigalitres?

**Mr PORTER:** No that is how much we would take, of the 14. We are not looking to expand it. Stage one would be looking to extract between six and eight of that 14.

**Mrs FINOCCHIARO:** So, not to increase the gigalitres per se, but to actually use it?

**Mr PORTER:** Take out of the 14 gigalitres, that is correct.

**Mrs FINOCCHIARO:** Stage one, six to 10?

**Mr PORTER:** Six to eight.

**Mrs FINOCCHIARO:** Six to eight, and then 10.

**Mr PORTER:** Yes, and then between eight to 10 from stage two.

**Mrs FINOCCHIARO:** Eight to 10.

**Mr WOOD:** Will the boats still be able to travel around Manton Dam if you take that much water out?

**Mr PORTER:** That is certainly part of the investigation as to what is the drawdown and when do we drawdown, and how does that impact the users of the reservoir. That is all part of the investigations as to what is the right mix of extracting water while, if necessary, still facilitating third party use.

**Mr WOOD:** I presume the whole aim of this is to have a back-up water supply, not a regular water supply?

**Mr PORTER:** Adding to the resilience of our water supply is part of it, but it is also to try to get the right mix of supply to meet demand. Investing in AROWS is a significant expenditure, and you would be over supplied for a period of time with that investment. We are trying to balance the investment to the need, to get the most efficient spend.

**Mrs FINOCCHIARO:** Do you know approximately or have any calculations been done from Power and Water's perspective on how much it might cost to bring Manton back online?

**Mr PORTER:** We are looking at current estimates; they are conceptual and will be refined over the journey. At stage one we are looking at about \$40m and stage two about \$70m.

**Mrs FINOCCHIARO:** So, over \$100m to extract up to 10 gigalitres?

**Mr PORTER:** That is correct.

**Mrs FINOCCHIARO:** Okay. Have any costings been done on the AROWS Project?

**Mr PORTER:** Again, it is conceptual considering it is fairly early in the piece. AROWS is looking to be anywhere from \$320m to \$380m.

**Mrs FINOCCHIARO:** Okay. How many gigalitres would that be?

**Mr PORTER:** The extraction, in terms of the yield from it, would be somewhere between 10 and 27 gigalitres depending on the staging of it. Given it is very early days we are still working through the dynamics of what is the right mix of height of reservoir to yield. To match the demand it might be appropriate at that period of time.

**Mrs FINOCCHIARO:** From an investment of taxpayer money perspective, I am looking for is what it will cost to invest in Manton to bring online 10 gigalitres, as compared to investing it in the end game which could be AROWS, to get a greater yield ongoing.

Imagine the process would then be that if Power and Water were to turn back on Manton Dam for whatever period of time that might be, in the long run it will still be pursuing a new dam opportunity such as the AROWS?

**Mr PORTER:** It is subject to demand and growth. The risk being that if we were to invest in AROWS now we do not have a need for all that water at this point in time. It becomes a possibly inefficient investment.

**Mr WOOD:** It is mentioned here about extensions to water supplies. It says extend services into non serviced areas. Could someone say what those non serviced areas would be?

**Mr PORTER:** That is a general comment that as services come through and whether that is an extension to the Darwin rural area, parts of Palmerston or Weddell. Noonamah has been in the media lately. Really it is a general comment about the capacity to look at what the best mix of providing water supply to those areas.

**Mr WOOD:** So it is just a ...

**Mr PORTER:** General comment.

**Mr WOOD:** Yes. You did mention Noonamah—Noonamah Ridge I presume. Noonamah Ridge wants to pump its water from the bore and then supply to a township. Under the *Water Act* you are the only people that can provide water within a certain distance of Darwin.

**Mr PORTER:** Within a licensed area.

**Mr WOOD:** Is Noonamah Ridge within the licensed area?

**Mr PORTER:** I do not think it is, no. I will have to check on that but I do not think it is.

**Mr WOOD:** Maybe this is not your question but if they were to provide water for people for drinking, they would have to come up to a certain standard before they would be allowed to do that, I would imagine.

**Mr PORTER:** The Department of Health would be regulating the requirement in that area.

**Mr WOOD:** But the water you have supplied to us—well not me, I have a bore—comes up to a certain standard you must comply with.

**Mr PORTER:** Yes. In agreement with the Department of Health we are providing water to Australian Drinking Water Guidelines.

**Mr WOOD:** What is a safe water strategy?

**Mr PORTER:** Power and Water has been on a multiyear journey to increase the governance and our ability to comply with providing safe drinking water to our customers. We have been working through a program of investigating our various systems, drinking water guidelines, data sampling processes and storage, all with the view of providing safe water to our customers.

The initial part of work is coming to close. The safe drinking water strategy sets out the intent over the next three years as a guiding document for Power and Water.

**Mr WOOD:** Thank you.

**Mrs FINOCCHIARO:** You mentioned demand and the risk of investing in AROWS early leading to an oversupply and it being an inefficient asset. Does Power and Water do future modelling on what that demand looks like? What types of things are taken into consideration? For example population is one metric. We have a very long list of major projects, but if some of those came online, what kind of impact would that have on our demand for water?

**Mr PORTER:** We have fairly robust models that allow us to model the impact of new developments as they come along. We do our projections based on what we know at a particular point in time, which could be population growth, the success of our Living Water Smart programs in trying to reduce demand. A change in climatic conditions are also factored into that. It is a number of different factors that go into our future demand forecasts.

But then, on an annual basis, we do a review to see if anything has changed from year to year in those assumptions that underpin the forecast. Then as new developments arise, we then assess what the impact



is of those new developments. That is where the flexibility of the programming comes in—about what we have in our future program is the right mix to meet the future needs.

**Mrs FINOCCHIARO:** That is an annual process, is it?

**Mr PORTER:** Yes, it is.

**Mrs FINOCCHIARO:** Okay. Obviously, it is very hard to predict into the future—and I appreciate these are enormous assets with huge investment requirements, no matter which way you go. If Manton Dam is being pursued as a serious first step in extending our water resource into the future, as development of that process tracks along, a few of these major projects come online, would that then be considered by Power and Water and the need that maybe we all of a sudden have an increase in demand?

**Mr THOMSON:** Given that we are Power and Water, we are aware of a lot of the projects, because a lot of the projects either want more gas or electricity. A lot of our potential new opportunities which are large water users are in that chemical manufacturing-type area, in which case they are talking to our gas area, so we are aware.

**Mrs FINOCCHIARO:** So, you are aware of it.

**Mr THOMSON:** I am also liaising with the CEO of the department of Trade, because what you are suggesting is right—it is good if we get a common understanding of what we are building our assets to, in future demand. We are working very closely with them. There has also been a recent CEO forum that DENR hosted where there has been the discussion about whether we are all aware of those future demands and how we arrive at some sort of consensus view of how many of those projects might actually come on and when. That is the current discussion about how we get those forecasts right.

**Mrs FINOCCHIARO:** That is good. The CSIRO has also been provided with \$3.5m to prepare an assessment of the development of potential water and soil resources in the Roper River catchment. Is that something Power and Water is factoring in or waiting to see the result of?

**Mr PORTER:** Power and Water contributed to the CSIRO studies in providing the information on investigations of the catchments that we were aware of. The CSIRO's study has come out but at this stage we have not taken that any further, given that it was federally funded. That is up for other jurisdictions to then take that one forward.

**Mrs FINOCCHIARO:** Member for Nelson, did you ask about that already—fluoride in water?

**Mr WOOD:** No, my teeth are okay.

**Mrs FINOCCHIARO:** No. I was not suggesting anything about your teeth.

Is it correct to say that it is current government policy to provide fluoridisation in all communities with a population over 600?

**Mr PORTER:** I would be talking on behalf of the Department of Health, but I understand ...

**Mrs FINOCCHIARO:** Okay. That is your understanding, but it is not your area?

**Mr PORTER:** That is our understanding.

**Mrs FINOCCHIARO:** Yes, fair enough. That is fair enough. But Power and Water is the entity that puts the fluoride in the water?

**Mr PORTER:** That is correct.

**Mrs FINOCCHIARO:** But you wait for direction from Health? Is that how that process works?

**Mr PORTER:** As directed in that area.

**Mrs FINOCCHIARO:** Okay.

**Mr WOOD:** Can I ask a question on Indigenous Essential Services? I know you have to change places here, but I will ask.

I worked on Bathurst Island for a long time. I used to look after the footy ground and the garden, and water was always an issue. Leaking taps were always an issue —this is quite a few years ago. Recently, or late last year, I know there were problems with water supply at Wurrumiyanga because there seems to be the issue of a lot of leaking taps. Your statement of corporate intent mentions:

*... capacity constraining development and growth and threatened water resources compounded by high consumption and leakage in communities with limited available water supplies.*

We meter electricity. Are we coming to the stage where we need to be looking seriously at metering water? I gather there were some broad human rights issues about it at one stage. Are we at the point where if we need to conserve our water, do we need to start metering it?

**Mr PORTER:** It depends on the definition of 'metering'. We do bulk metering into the communities but not every property individually metered.

**Mr WOOD:** That is what I meant. The same as if you were in a suburb in Darwin.

**Mr PORTER:** That is not currently part of our program. That would also have to be in conjunction with the department of Housing as to whether that was a path that they would like to go forward on.

**Mr WOOD:** It would not just be for the department of Housing; it would be for everyone who uses water. You supply the water and you do not get any income back from that water. We have this issue now that in some cases, there is a shortage of water. You can sure bet if you have to pay for it, you will reduce the amount you use.

**Mr THOMSON:** My understanding is that a number of the water restrained communities we do meter; not all of them, but some of them. A part of that depends on the funding that is available from Housing but ultimately it makes sense.

**Mr WOOD:** Would you be looking at whoever drives this policy to look at expanding that. Tiwi Islands, especially Bathurst Island, there is a clear case that their water supply has always been limited to some extent and water leakage is the main problem with problem.

**Mr THOMSON:** We are keen to put as much metering in but again, Housing provides the funding and housing prioritise where the spending needs to be. It is in a list of priorities in terms of their spend. We advocate for more water metering in remote communities.

**Mr WOOD:** The electrical one in this section. You mention the grid connection initiative between the Tiwi Island communities where it is proposed to replace ageing generational electrical infrastructure and optimise solar delivery on the island from a single site. Is there a site that there is going to be a solar farm, if I can call it that, to be constructed? Will there be a power line going from Melville to Bathurst Island? Is that what the idea is?

**Mr THOMSON:** Yes, it is. There are a number of ageing power stations there so we will be able to get the connector going and therefore replace with one bigger power station that can service and allow us to decommission some of the power stations. Our General Manager Power Services can take you through that in more detail if you like.

**Mr WOOD:** I am just interested. So there will still be a power station operating, like a diesel power station, but it will have a large solar farm backing it up, is that correct?

**Ms POLLARD:** As part of the Solar SETuP program, that was part of the rollout, we have a solar installation on Bathurst Island so we will draw on that renewable energy source and then ultimately there will be an interconnect that will cross the Aspley Strait to provide some of that supply over to some communities on Melville Island.

**Mr WOOD:** So the island generators at Nguiu—or Wurrumiyanga—will be replaced?

**Ms POLLARD:** We are still looking at what that configuration will look like. We have not entirely landed that at this point.

**Mr WOOD:** Just look after the garden because I planted the trees back in 1973.

**Mrs FINOCCHIARO:** You mentioned there was a level of collaboration between CEOs between future water needs. Who ultimately makes the decision about how much water the Territory needs for the future? I would assume that we would rather have, to some extent, an oversupply than an undersupply, but there is that collaboration at a CEO level. Everyone understands the dynamic and what may or may not be coming up. Does it ultimately rest with Power and Water to make that decision on what investment infrastructure is going to make?

**Mr THOMSON:** For our licensed water areas, yes. We have to decide what we are building assets to, what demand, and what is the level of demand, and dealing with the water allocation rights overall.

**Mrs FINOCCHIARO:** Power and Water will be guided by a number of things, but part of that interagency collaboration helps inform Power and Water about what is coming up?

**Mr THOMSON:** Yes, but it has not been a mature process in the past. We are getting much better at starting to have those discussions. Again, as I said, we are generally aware, because most of the approaches come in through gas or electricity anyway, but we might not be aware of all of the major projects. That is why there are discussions with particularly the Department of Trade, Business and Industry.

**Mrs FINOCCHIARO:** I just wanted to ask about underground power, which I think Member for Nelson you touched on a moment ago. How much is allocated this year for undergrounding power?

**Mr EDMONSTONE:** There is only \$3m that has been apportioned for the primary schools. There is a further balance within the SCI over the SCI period, but nothing outside of those initial nine primary schools has been agreed at this point in time. I know that discussions are continuing.

**Mrs FINOCCHIARO:** It may have been what the Member for Nelson was talking about, but where is that power—what does that mean when we are going to underground power for schools? What actual component is being undergrounded?

**Mr THOMSON:** Can we take that on notice? I think it is different at each of the schools. I do not think it is quite right to say that it stops at the school fence. It goes back to appropriate places, but we will have to take that on notice.

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**Question on Notice No 11.2**

**Madam CHAIR:** Member for Spillett, can I get you to restate the question for the record.

**Mrs FINOCCHIARO:** Could Power and Water please provide information on what areas around each of the nine primary schools will be undergrounded as part of the underground power process that has been allocated \$3m?

**Madam CHAIR:** Do you accept the question?

**MR LANGOULANT:** Yes, we do.

**Madam CHAIR:** The question asked by the Member for Spillett of the Chair has been allocated the number 11.2.

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**Mrs FINOCCHIARO:** Does Power and Water Corporation have authorisation from Jacana to reconnect power full stop, I suppose? Is there authorisation there for Power and Water that perhaps Jacana has disconnected?

**Mr THOMSON:** Can we take that on notice as well?

**Mrs FINOCCHIARO:** Sure.

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### Question on Notice No 11.3

**Madam CHAIR:** Member for Spillett, please restate the question for the record.

**Mrs FINOCCHIARO:** Does Power and Water Corporation have authorisation from Jacana Energy to reconnect in certain circumstances?

**Madam CHAIR:** Are you happy to take that?

**MR LANGOULANT:** Yes.

**Madam CHAIR:** The question asked by the Member for Spillett of the Chair has been allocated number 11.3.

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**Mr WOOD:** On sewerage—what did it cost to upgrade the Leanyer Sanderson wastewater treatment plant? Does it still smell, because that is an outcome?

**Mr PORTER:** We have recently completed the inlet works, which is the core screening function for the sewage coming into the Leanyer Sanderson plant. That cost just over \$15m to complete. It was commissioned late last year and we had the open day for the community and it was very well received.

Will it still smell? It is an organic process. It requires natural action of bacteria, sunlight and UV to help with the disinfection process. In any natural process like that there is always the risk of odour, but what we have invested in—the inlet works and a number of other ancillary works—should reduce the risk of odours. We expect there will still be pond inversions, because that depends on the temperature, and that could bring sludge to the surface, but we have de-sludged the ponds, so we believe that risk has also been reduced.

We cannot categorically say there will not be any odour, but we have put a lot of effort into reducing the risk of that odour occurring.

**Mr WOOD:** When those suburbs were built—when people apply for those suburbs of Muirhead and Lyons, in the planning process do you put in a submission to say, 'If you are to build here, there is a sewerage pond nearby', and people who will live there can expect that every now and then there will be some odours from those ponds?

**Mr PORTER:** We do make those submissions and provide that advice. If there are any developments near any of our facilities we make submissions as to whether those developments will be within the identified buffer zones and could come with the risk of odour.

**Mr WOOD:** If those suburbs had not been built, would you have to spend the \$15m on the upgrade?

**Mr PORTER:** Possibly. It is good practice to screen the sewage before it goes into the ponds because there are a number of things that go down the sewerage system which do not work very well through the treatment process. Most facilities have a screening process, so as part of the upgrade that would have occurred sooner or later.

**Mr WOOD:** If you have plans to upgrade other sewerage ponds like Berrimah, when will those plans start? It says here that the Berrimah and East Arm sewerage treatment plants will be completed—are they are only investigations? They will be hooked into Northcrest, I understand.

**Mr PORTER:** We continue to work on our strategy and we were looking at developing some ponds at East Arm. Part of our review is looking at the most efficient way of trying to treat the sewage and whether it is multiple ponds or if we are better off trying to concentrate our treatment process in one area. Berrimah is one site we are looking at to see what other effluent can go in that area and be treated and disposed of.

**Mr WOOD:** Do you still see it as an opportunity to recycle water like what happens at Marrara? Or is that still a very expensive process?

**Mr PORTER:** It is an expensive process. We look at the cost of providing that service and whether it is an efficient spend. Producing recycled water comes at a cost. The water we are providing under a long-term lease agreement is not being paid for; it is being received for free. That is an historical agreement that we are still involved in.

**Mr WOOD:** The ground at Marrara—the grass is green. Is there a payment for that water?

**Mr PORTER:** We do not provide to the Marrara sport grounds.

**Mrs FINOCCHIARO:** I want to ask about the backflow valve installation policy. Is that being rolled out?

**Mr PORTER:** Yes, we were rolling out the backflow program last year through an audit as part of our drinking water quality guidelines. We reviewed the sites across the community that posed a risk to the safety of the water, which triggered the need for doing the assessment on whether backflow prevention devices were required. That was a program we started last year. We sent out letters to the community and received feedback in the time frame of the process we went through, so we put a temporary halt on the program. We are reviewing the letters and how it is still a piece of work we would like to do, but how do we communicate better in regard to the need for it and how we go about doing it?

**Madam CHAIR:** The time being 5 pm, we conclude this session. On behalf of the committee, I thank you for appearing before us today.

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The committee suspended

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### JACANA ENERGY CORPORATION

**Madam CHAIR:** .The committee will now consider the Jacana Energy Corporation.

I welcome Mr Noel Faulkner, Chairman of Jacana Energy Board. Mr Faulker would you introduce the officials accompanying you please.

**Mr FAULKNER:** On my left is David Brown, Acting Chief Executive Officer; (inaudible) Executive Manager Operations and on my right Andrew Lewis, Chief Financial Officer.

**Madam CHAIR:** Thank you Mr Faulkner. I will invite you to make a brief opening statement in a moment. I will then call on questions relating to the statement. You do not have to make one but it is up to you. The committee will then move on to consider questions regarding the corporation's 2019–20 Statement Of Corporate Intent. I invite the shadow minister to ask her questions first, followed by committee members. Finally, other participating members may also ask questions.

The committee has agreed that any other member may join in on a line of questioning pursued initially by a shadow. Mr Faulkner, or Chair, would you like to make an opening statement on behalf of Jacana Energy?

**Mr FAULKNER:** Thank you, Madam Chair. Perhaps just a couple of remarks. I am mindful that you like to keep as much time as we can for questions.

We wrapped up our 2017–18 performance since we were last here, with an unqualified audit report. We were happy with our results for the year, financial results in particular. We achieved earnings before interest and tax well ahead of budget. As a matter of fact, for that year we were able to return a total of \$30m to the government by way of the normal dividend, tax equivalents and a special dividend of \$20m.

A couple of areas where we did not meet our SCI targets—one was the grade of service in our contact centre, which was slightly below 70% within 30 seconds. That was mainly due to the implementation of ROS. You will remember when we were here last, ROS went live in 1 April 2018.

In conjunction with that there was a completely new bill format which resulted in a number of calls coming into the contact centre to sort out the information on the bill. Kimberley has since got that grade of service back to where it should be, which is the target of 70%.

The other area where we were slightly below our SCI target was the cost to serve. We were above the target there by about \$28. Having said that, we provide a lot of non-commercial services, if you like, which are not covered in the CSO. They equate to around about \$47 per customer, so when you take that into account, we were quite happy with our performance.

Perhaps just quickly, some of the highlights since then. Since we have implemented ROS, we have introduced e-billing. We are pleased to advise that 27 000 customers out of the 85 000 have signed up for e-billing. We also have a product available called Reliabil, which enables customers to smooth their energy accounts out over the months and the year.

The next stage to that is the implementation of online self-service for customers. Starting on 1 July we are introducing a pilot where we will have 18 online functions where people will be able to go in and manage different functions associated with their accounts. That pilot kicks off on 1 July and we currently aim to roll out those functions to all customers by October of this year.

Another highlight of the year has been in line with government's objective of 50% renewables by 2030. We have been able to go to the market and enter into power purchase agreements for the construction of three solar farms. Those solar farms combined will generate 120 gigawatt hours of electricity, enough to service about 18 000 homes.

The first of those contractually is required to be completed by April next year. At this stage the companies involved hope to have it completed before the Wet Season.

On a customer and community front, we have worked on our hardship policy. The economy at the moment is not great and we have found a significant increase in people who are experiencing hardship. We have fully reviewed our hardship policy and in addition have established a new domestic and family violence policy. Those new policies, once again, will be implemented by 1 July this year.

We have done some more work on customer satisfaction surveys. At the moment our customer satisfaction results are running around 3.6 out of 5, which we hope to improve on, but it is still a very good result for a utility.

We also do some transactional analysis where we survey people who have interacted with us in the contact centre. We are finding that 80% of customers are reporting their query was resolved in one interaction, which is always the goal. They rate the ease of dealing with Jacana as 4.3 out of 5. We are fairly happy with this.

They are the only comments I would like to make, Madam Chair. I am happy to hand over.

**Madam CHAIR:** Thank you very much. Are there any questions on the opening statement?

**Mr WOOD:** In related to the solar farms, what percentage of ownership do you have over them? There are three. Do you have a stake in those farms?

**Mr FAULKNER:** No. We have not invested any capital in the farms but we have entered into an agreement with the developers to take power from those farms for a certain period of time.

**Mr WOOD:** When the power comes from those farms are you charged a fee by Power and Water for use of their network?

**Mr FAULKNER:** There is no additional network fee involved. Any power we take across from Power and Water Corporation's assets, there is a network fee associated with that. Regardless of the source of the power.

**Mr WOOD:** Territory Generation's statement of corporate intent from last year talks about how large-scale power can be produced for \$80 to \$100 per megawatt hour. It also talks about the application of an Australian subsidy through renewable energy certificates. This meaning that electricity from a large-scale solar farm could be sold for less than \$20 per megawatt hour.

For argument's sake if you are buying power at that price and Territory Generation's price is \$90 per megawatt hour, I would presume you would be very happy to get power at a lower price from the solar farms.

**Mr FAULKNER:** Are you talking about \$20 per megawatt hour?

**Mr WOOD:** They say that the stock price for renewable energy certificates on 13 April 2018 was \$83.50 meaning that electricity from a large-scale solar farm could be sold for less than \$20 per megawatt hour. It goes on to talk about that this compares to a variable average price based on gas input of \$90 per megawatt

hour by TGen in the Darwin–Katherine system and with fixed cost is must be recovered over expected reduced sales.

**Mr FAULKNER:** I will hand over to Mr Brown on that one. I think there are two components to that one. One is the energy purchase and the other one is the energy certificates that go with the solar farm.

**Mr BROWN:** The renewable energy has a liability associated with it. The large generation such as solar farms create LGCs—large generation certificates—that are traded. We have to buy those to satisfy our liability under the *Renewable Energy (Electricity) Act*. They trade at a price that is based on supply, demand and the targets set by the Clean Energy Regulator.

That price fluctuates depending on how many are produced, what demand there is and what liability is set each year by the regulator. Last year that price was in the 80s, today it is at 40. That fluctuates but it is independent from the price of power. We buy power at a fixed price and the LGCs are available to us under that contract.

**Mr WOOD:** I probably need more time to fully understand. This is probably the first time large-scale solar is coming into the system. Maybe we need a briefing on how all the pricing works.

**Mr BROWN:** Yes. There are two types of certificates. There are the small certificates which are created by small systems like domestic rooftops and large—over a megawatt, such as the solar farms that we are purchasing from. They do not create the small ones, they create the large ones.

**Mr WOOD:** Just to put it in a simplistic way, basically if you get power from the solar farms at a cheaper rate than you get it from Territory Generation, you are obviously—you will be competing with Territory Generation. Obviously they will sell less because you will buy more from the solar farms, would that be correct?

**Mr BROWN:** We will buy from solar farms as we contract and that will—if everything else stays the same, the quantity we have to buy in excess of that reduces.

**Mr WOOD:** You are not worried about baseload? That is not your issue?

**Mr BROWN:** The solar farm output is not baseload ...

**Mr WOOD:** That is right, but from your point of view—you are retailer, so you are buying it in and selling it out.

**Mr BROWN:** Yes, we would need to buy to meet our customer requirements, baseload would merit shape peaks, a combination to follow the load shape of the customers.

**Mr FAULKNER:** I think you will always need a mix of baseload, which is generally diesel or gas fired actually, not so much coal. But the other thing I should have mentioned is the separation of the certificates in the actual power purchase agreements is such that we also have a PPA—well, not a PPA, but we also have a contract with another solar farm, which is interstate, to buy certificates—just the certificates from that solar farm.

**Mr WOOD:** If you are buying electricity—you are buying from another source now, is there less dependence on the community service obligations of that? The government gives you money, I think in 2018 it looked like it was about \$79m?

**Mr FAULKNER:** If we allocate the benefit of the lower cost from the solar purchases to the mass market customers, then that will reduce the CSO.

**Madam CHAIR:** We have to move on.

#### Consideration of Statement of Corporate Intent 2019–20

**Madam CHAIR:** The committee will now consider questions relating to Jacana Energy's 2019–20 Statement of Corporate Intent. Are there any questions?

**Mrs FINOCCHIARO:** How many executive positions does Jacana currently have?

**Mr FAULKNER:** I think we have five on our establishment—David I am looking at you—five or six.

**Mr BROWN:** It is five, six with the CEO.

**Mrs FINOCCHIARO:** So we will say six. Are any of those currently vacant?

**Mr BROWN:** The CEO position is filled on an acting basis.

**Mrs FINOCCHIARO:** Have executives at Jacana been asked to take the voluntary pay freeze?

**Mr FAULKNER:** Yes, they have.

**Mr BROWN:** They have been provided with the letter and the documentation.

**Mrs FINOCCHIARO:** Did Jacana seek its own independent legal advice before doing that?

**Mr FAULKNER:** No.

**Mrs FINOCCHIARO:** Is there an efficiency dividend expect from Jacana as part of budget repair measures?

**Mr FAULKNER:** I have not seen any details on that. Our main measure of efficiency is the cost to serve. I think of our total cost, around about of it is associated with our operating cost. The benchmark cost to serve, which Treasury uses for calculating our CSO, is about \$145 per customer. That is regarded as close to best practice nationally.

**Mrs FINOCCHIARO:** Is that per customer per year or per bill?

**Mr FAULKNER:** Per year. We are currently running at round about the \$199 to \$200 I think. I mentioned in my opening statement that round about \$47 or \$50 per customer is associated with providing non-commercial services. There are things like that we took a non-commercial decision to provide our contact centre in house. It is more expensive than outsourcing, which a lot of other retailers do.

Some other retailers do not even have an extensive contact centre. We do not charge people credit card fees. We pay PWC for the use of the customer service centres. There are a few other functions like that. We have an office Alice Springs that would be more efficient to do away with that and consolidate our resources in Darwin, but we prefer to have a presence in Alice.

If you take that from our current cost to serve, we are pretty close to best practice.

**Mrs FINOCCHIARO:** I think you mentioned that you are about \$28 more per customer ...

**Mr FAULKNER:** If I could just clarify that. That \$28 was the difference between our actual and our SCI target for that year. But the actual best practice is about \$145, which is the figure Treasury uses.

**Mrs FINOCCHIARO:** Okay. Jacana could lower its per customer price, fee, cost of delivering service?

**Mr FAULKNER:** A cost of serve the customer.

**Mrs FINOCCHIARO:** It could deliver its cost of service if it reduced its non-commercial services like the ones you just outlines? If it closed the Alice Springs office or removed the call centre at ...

**Mr FAULKNER:** Yes, that is correct.

**Mrs FINOCCHIARO:** But the decision has been made to retain those non-commercial services instead of reducing the cost to serve. Okay.

Answers to our written questions outline that there are about 15 external consultancies that Jacana has engaged over the past year. Of those 15, five of them are located in the Territory. Does Jacana have a Buy Local policy?

**Mr FAULKNER:** Yes, our procurement policy reflects the state government's procurement policy, which includes Buy Local.



**Mrs FINOCCHIARO:** So, is the fact that 10 out of 15 external consultancies were interstate companies—is that a growing number or is that reducing?

**Mr FAULKNER:** I will have to refer to the—what page is that on?

**Mr BROWN:** It is a reducing number. We have the third and last phase of our billing system implementation happening at the moment, which is the online self-service component. We still have interstate project resources supporting us in that implementation process. We have a time line where they will finish their work and that project management office will be disbanded and they will go back to wherever they came from.

There are three what I would call consultants in positions currently. One is doing project work which completes at the end of this month. The other one is doing a fairly specialist pricing role and that will continue for a period. That is a very scarce and difficult resource to acquire. The third one is me. Out of the three, two will be departing shortly.

**Mrs FINOCCHIARO:** Okay. Out of that 15, three of them are consultants related to employment of a person from a particular activity?

**Mr BROWN:** Yes.

**Mr LEWIS:** I can add that there are two others in the PMO who are on that list of 15 also ...

**Mr BROWN:** Oh, yes, there are.

**Mr LEWIS:** Their contracts are due to end at the end of September this year. That is two more off your list.

**Mrs FINOCCHIARO:** Thank you. Is the reason you had to contract externally because you could not find that expertise in the Territory, or was it a range of other measures including price and however else you work out your tender process?

**Mr BROWN:** No, it was predominantly experience and skills.

**Mrs FINOCCHIARO:** Okay.

**Mr FAULKNER:** That is an issue we have trying to fill positions permanently as well. Contestability in the retail market is not something that has existed previously in the Territory in the utility business. We have desperately been trying to recruit people lately because we have had some turnover of staff. That general results from their families not liking it here and they move back in a couple of years' time. We would prefer to recruit locally if we can get the right capability.

**Mrs FINOCCHIARO:** Thank you.

**Madam CHAIR:** It reminds me of a question we asked last year. From memory it is about a shopfront. Last year there was a discussion about whether Jacana would end up with a shopfront. I am wondering where you might have landed with that and if there is any future intention to have a shopfront.

**Mr FAULKNER:** Thanks for saving the question for us, Chair. We do not have an intention to have a Jacana shop front, but having said that I will get David to outline some of the stats that we have in terms of people who are currently visiting the PWC operated shop fronts, also the measures we have put in place to make shop fronts, albeit not Jacana shop fronts, available for customers.

**Mr BROWN:** If I look at key transactions, payments through shop fronts—we are not on the same billing system as PWC. The transactions are through either a phone in the shop that goes straight through to our contact centre or through an iPad facility.

The number of payments on average at the moment through the shops are just less than half a payment a day. The actual activity through that shop front for us is diminished to very low levels.

**Madam CHAIR:** Is that also inquiries?

**Mr BROWN:** Inquiries are a bit higher.

**Madam CHAIR:** I am asking on behalf of seniors, who seem to be the cohort that have not moved to online.

**Mr FAULKNER:** The important thing also is that transactions can be undertaken, payment in particular through Australia Post.

**Madam CHAIR:** Is that intending to continue?

**Mr FAULKNER:** Absolutely. There are four shop fronts—Palmerston, Darwin, Katherine and Alice Springs. We have 25 Australia Post offices available where people can pay their account.

**Mr BROWN:** There is 14 inquiries a day, on average, through the shop fronts, which is done through the phone line to us. In terms of payment channels Australia Post will continue—that is needed for cash. The online self-service people will be able to log in once that is live and pay online. They can pay through automated voice system, they can pay through a whole variety of mediums—direct debit, the whole range. There is always going to be a cash avenue which is Australia Post.

**Madam CHAIR:** It is not just the cash it is the face to face. It does not seem to diminish, particularly with the seniors. They still like that.

**Mr PAECH:** For a town camp that is on a power card system, is that run through you or is that run through Power and Water?

**Mr BROWN:** The prepayment meters are Power and Water's (inaudible) we provide the (inaudible) solution, so they switched in the last 12 months from the old-style meters of the power card meter a one off. (inaudible) do a digital meter that is like a credit card.

**Mr PAECH:** It is like a what, sorry?

**Mr BROWN:** It is like a credit card.

**Mr PAECH:** You recharge on the card?

**Mr BROWN:** You swipe the card through the machine and it electronically charges your meter. You do not need to go back and swipe the card through the meter itself.

**Mr PAECH:** If I lost that card, where would I go to get a replacement, because you do not have a shop front?

**Mr BROWN:** You contact us and we will either send them or in certain locations we hold cards there. You have a friendly credit and an emergency credit facility on those cards and through the meter.

**Mr PAECH:** How much debt is allowed to be acquired in an emergency?

**Mr FAULKNER:** We might have to take that question on notice, Chair.

**Mr PAECH:** Is it \$8?

**Mr BROWN:** I do not know the dollar value off the top of my head. It is enough for three days.

**Mr FAULKNER:** Correct me if I am wrong, Kimberley, but the other function that is available is that we can remotely top up the meter as well. If somebody rings in from our contact centre and if it is an emergency situation we can top up the meter.

**Mrs FINOCCHIARO:** I asked Power and Water if they would be passing on the AER savings to retailers, to which they replied yes. So now I will ask you if you will be passing on the savings to customers.

**Mr FAULKNER:** Absolutely. For a CNI customer, commercial and industrial customers, the network charges are passed through. Whatever PWC charge us, we pass through to the customer. If it is an increase they get the increase, if it is a decrease, they get the decrease. If it is a mass market customer, the benefit will flow through to a reduced pricing order customer it will flow through to a reduced CSO.

**Mrs FINOCCHIARO:** I know the Member for Nelson talked about it a bit, but I want to ask about feed-in tariffs and solar. Last year, you mentioned that the uptake of solar had decreased in the previous year. Is that the case this year or are we seeing more of an uptake in solar?

**Mr FAULKNER:** I will ask David to answer that one. We have some stats on that one.

**Mr BROWN:** The rate of installation is slowing. The sizing is tending to increase. We are seeing larger installation sizes and what you are also seeing in the market at the moment is that the panel size, the output from the panel itself, is greater for the same dimensions. You are seeing a growth in the six to nine kilowatt bracket which is typically more than people would put on their house in normal circumstances. Those larger installations are growing.

The overall number of installations is coming down but it is still at reasonable growth, so I think we are up to about—I think nationally the rooftop solar penetration is about 20%—we are still lagging behind here at 13%.

**Mrs FINOCCHIARO:** So, approximately 13% of households in the Territory have solar.

**Mr WOOD:** I have always wondered what happens when a householder sends their power back to wherever and uses Power and Water's network. That looks like a freebie to me unless there is a system there that says there is some charge somewhere along the line for people using someone else's network. Does that occur or do people basically get it free?

**Mr BROWN:** In the prices that people pay for electricity going into their house, it is made up of generation costs, purchase costs for us and the transport charge, the network charge, the overheads and so on. For power that is then exported from a customer, they get paid a feed-in tariff for their export, so that is metered. What they do not use themselves comes out of their property and is then subject to a feed-in tariff so they get a payment. That is then re-sold somewhere else as if it had come from a generator. It is at the same price, with the same transport et cetera. There is no additional charge to the person who is exporting.

**Mr WOOD:** They are basically a generator of electricity and use the network but they are not charged for use of that network.

**Mrs FINOCCHIARO:** Whoever buys it picks up the tab.

**Mr BROWN:** Yes. It is on the import of electricity not the export.

**Mrs FINOCCHIARO:** Does Jacana keep any numbers on the kind of kilowatt hours or dollar value of the feed-in tariff every year, quarterly—are you measuring it in any way?

**Mr BROWN:** Yes, if you have solar on your roof and we bill, you will get a charge for the import and a payment for the export.

**Mrs FINOCCHIARO:** Does Jacana track that for any reason or keep a rolling tally, I suppose? For the last—I do not know the best reporting period if it is last year or to 31 March, or however you record it. Do you have those numbers, the kilowatt hours and the dollar figure?

**Mr BROWN:** We do, not immediately in front of me.

**Mr LEWIS:** The dollar figure is a separate line that is on the SCI. It is shown as PV energy under cost of sales. That is the dollar value we are forecasting. The actual number is a separate line in the annual report. The kilowatt hours number is tracked internally, but the calculation of the dollar value is consumption times the tariff so we know what the consumption is in kilowatt hours. We will have reports that back up our dollar value. I do not have them with me on hand today.

**Mrs FINOCCHIARO:** Can Jacana please provide the numbers for the last financial year of kilowatt hours and dollar value of the feed-in tariff. Should we put that on notice?

**Mr FAULKNER:** We have located the information. Total export from PV for 2017–18 was 33 534 323 kilowatt hours. That figure was for nine months in 2017–18. The 2018–19 figure is running at 40 183 773.

**Mrs FINOCCHIARO:** Up to 31 March?

**Mr FAULKNER:** That would be—I think it is end of April.

**Mrs FINOCCHIARO:** That is a lot more than 2017–18. Did you say 2017–18 was nine months?

**Mr LEWIS:** The numbers we are reading are annual figures. The reason there is that reference to nine months for 2017–18 is that is when our billing system changed from the RMS system to ROS, so we have nine months of data from data from RMS and the last three months of the year is from ROS. That is 33 534 000 kilowatt hours in 2017–18. The forecast for the annual period we are currently in, not yet completed, is 40 183 000.

**Mrs FINOCCHIARO:** But we are already up to 41 million?

**Mr LEWIS:** Yes, there is growth.

**Mrs FINOCCHIARO:** It was forecasted for 40 million but we are already well over that?

**Mr LEWIS:** There is only one number we have ...

**Mrs FINOCCHIARO:** Sorry, I thought I got the number four one eight three ...

**Mr LEWIS:** Four zero one—40 million.

**Mrs FINOCCHIARO:** That is the forecast number.

**Mr FAULKNER:** My apologies. Thank you, Andrew.

**Mr WOOD:** What is the present price for electricity for a domestic user?

**Mr FAULKNER:** The annual bill?

**Mr WOOD:** What do you pay per kilowatt hour?

**Mr BROWN:** With GST?

**Mr WOOD:** If that is the comparison we need to make.

**Mr BROWN:** It is 5.950.

**Mr WOOD:** How do we compare with other states?

**Mr FAULKNER:** The Territory is the third lowest price, behind the ACT and Tasmania. But it is the third highest consumption behind the ACT and Tasmania. When people talk about high bills, it is not the price but the consumption that drives that.

**Mr WOOD:** This year the CSO is \$92.4m. If the government decided it would not pay you \$92.4m, what would be the kilowatt per hour price for electricity? Because obviously you are subsidised to that extent and if the government said, 'Our efficiency dividend for you is 100%, goodbye CSO', what is the real price of electricity per kilowatt hour?

**Mr FAULKNER:** That will certainly change, that data I provided, because that data is after the subsidy. Can we take that one on notice and just do our calculations.

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#### Question on Notice No 12.1

**Madam CHAIR:** Member for Nelson, please restate question for the record.

**Mr WOOD:** Could you provide what the cost of residential power would be per kilowatt hour if the CSO was no longer applied?

**Madam CHAIR:** Chair, are you happy to take that?

**Mr FAULKNER:** Yes.

**Mr LEWIS:** You talked about the cost—are you talking about our purchase price or the cost the customer would pay, the retail price?

**Mr WOOD:** I just want to know if the customer gets it at 25.950 kilowatts per hour and the government tomorrow said, 'No CSO for Jacana', then you have to say, 'Now the price we are going to charge the retail customer will be this'.

**Mr FAULKNER:** Without the subsidy.

**Mr LEWIS:** Bearing that we do not set the pricing orders—is that assumed?

**Mr WOOD:** Just presume that this is simple maths. No \$95m, what will that mean to the price—is that alright?

**Mr LEWIS:** Yes.

**Mr WOOD:** Keep the economics simple for me.

**Madam CHAIR:** The question asked by the Member for Nelson of the Chair has been allocated number 12.1.

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**Mrs FINOCCHIARO:** I just wanted to ask how many other licensed retailers do we have in the Territory?

**Mr FAULKNER:** It is not something we keep track of. We can have a stab at that if you like or we could take it on notice and confirm it with the Utilities Commission.

**Mrs FINOCCHIARO:** No, that is alright ...

**Mr FAULKNER:** In terms of active retailers, we have one main active retailer at the moment, which is Rimfire. QEnergy still has some customers in the Territory, but it has not been very active recently.

**Mrs FINOCCHIARO:** Are you aware of market share amongst the retailers, or approximate market share?

**Mr FAULKNER:** Given that Rimfire and QEnergy are probably the only ones with any significant share, we are aware of roughly what those figures are.

**Mrs FINOCCHIARO:** Are you able to share that estimation?

**Mr FAULKNER:** Sorry, that is probably commercial-in-confidence information.

**Mrs FINOCCHIARO:** On the solar farms, which the Member for Nelson has asked a reasonable amount of questions about already ...

**Mr WOOD:** Two.

**Mrs FINOCCHIARO:** Well it went for about 20 minutes. Were there three solar farms coming online, is that correct?

**Mr FAULKNER:** Yes.

**Mrs FINOCCHIARO:** I just might not have caught it in your answer, but has Jacana entered into purchase price agreements with all three?

**Mr FAULKNER:** That is correct, for the output of all three farms.

**Mrs FINOCCHIARO:** I am imagining that information is commercial-in-confidence?

**Mr FAULKNER:** That is correct.

**Mrs FINOCCHIARO:** In your opening Mr Faulkner you said that they would deliver 120 gigawatt hours, is that right? Are you able to break down how many—divide that by three?

**Mr FAULKNER:** Per farm?

**Mrs FINOCCHIARO:** Yes.

**Mr BROWN:** Katherine solar is 25 megawatt capacity, which would be if I put it in housing terms about 8 000 to 10 000, that sort of level. The other two are 10 megawatts each. There is 45 megawatts of solar capacity. Katherine is 25 megawatts, Manson Dam is 10 megawatts and Batchelor is 10 megawatts.

**Mr WOOD:** Recently in the paper there was news about business tariffs. Is the cost of electricity for businesses going up? By how much?

**Mr FAULKNER:** We are a price taker. We take our price from Territory Generation and there is an increase in their price for next year. We will factor that into the prices that we pass onto commercial and industrial customers.

**Mr WOOD:** When they supply gas to the market, do they separate the gas that is going to be used for businesses versus residential? So that you have two lots of prices coming in that you operate from?

**Mr FAULKNER:** That is probably a question for Territory Generation.

**Mr WOOD:** I did not know whether you received it. Obviously you can negotiate about businesses. If you are saying residential has not gone up but businesses have gone up, are there two streams of prices coming in from Territory Generation?

**Mr FAULKNER:** The current pricing we have from Territory Generation is not split between commercial and mass market.

**Mr WOOD:** It is split when it comes to Jacana. You work out which way it goes. If the price has gone up because of Territory Generation businesses, why has it not gone up for residential? If it just one lot of gas coming in.

**Mr FAULKNER:** The generation cost of the wholesale price of electricity associated with mass markets has gone up 5.8%. The pricing order restricts the price increase to mass market customers to an increase of 0.4% in line with the current government's policy. The balance is dealt with as a CSA. The mass market customers do not see that 5.8% increase because it is capped by the pricing order.

**Mr WOOD:** The government has a policy to keep the residential price at a certain level?

**Mr FAULKNER:** I believe they have a policy associated with the increase in the pricing order linked to CPI.

**Mr WOOD:** Thank you.

**Mrs LAMBLEY:** There was speculation in the media last week that the price of electricity for businesses would go up by 20%. Is that correct? Is that going to happen?

**Mr FAULKNER:** I do not know where that information in the media came from. It is not our intention to increase prices to businesses by 20%.

**Mrs LAMBLEY:** From your perspective, it is inaccurate?

**Mr FAULKNER:** I think it is an unacceptable position. I do not know what other retailers are doing.

**Mrs LAMBLEY:** Right.

**Mr FAULKNER:** It is not Jacana's intention to increase prices to businesses by 20%.

**Mrs LAMBLEY:** What percentage of the market do you have?

**Mr FAULKNER:** C and I customers?

**Mrs LAMBLEY:** Jacana Energy customers.

**Mr FAULKNER:** Yes, but the percentage of C and I customers—once again that is commercial-in-confidence. That would be divulging what our market share is.

**Mrs LAMBLEY:** Okay.

**Mrs FINOCCHIARO:** Going back to the solar projects, will they result in a decrease of the price of retail electricity?

**Mr FAULKNER:** The wholesale price from solar is lower than TGen. Depending on how we allocate that electricity, if we allocate it to mass market, as I indicated before, it will probably result in a reduction in the government's CSO.

Keeping in mind that the mass market is heavily subsidised already, any pastoral benefits from the solar farms should go back to the government as a reduction in CSO.

**Mrs FINOCCHIARO:** Does Power and Water Corporation have authorisation from Jacana to reconnect power in certain circumstances? If Jacana is disconnected is Power and Water allowed to reconnect under a certain circumstance?

**Mr FAULKNER:** I am not sure I understand the question, but Power and Water do the physical disconnection and reconnections for us, but that is initiated by Jacana or by another retailer.

**Mr BROWN:** The process is, for instance if a customer rings us up and requests either a disconnection or a connection, change of occupancy, we would process that and send a service order to Power and Water to carry out the work, and then they would send a complete notice back to us.

So we would initiate that process through a business to business service order process.

**Mrs FINOCCHIARO:** If it was out of hours though, and my understanding is Jacana does not run an afterhours service, and for whatever reason power had been terminated and Power and Water attended, they are physically able to turn it on but they do not have that authorisation from Jacana. That is my understanding, is that correct?

**Ms BARTON:** That is correct.

**Mrs FINOCCHIARO:** Are there any circumstances in which Power and Water is allowed to turn it back on without that purchase order?

**Ms BARTON:** There are probably very rare circumstances where that would occur. You are right that we are not open certain operating hours, so the customer may call Power and Water and ask for a connection or a reconnection. It is quite rare, but they may choose to do that order, and the next day we would receive a service order or information and we would be able to verify the information we need to change our records and make sure we have the right information that the customer is back online.

**Mrs FINOCCHIARO:** So Power and Water can do it and then send you the purchase order, rather than going the other way?

**Ms BARTON:** Yes.

**Mrs FINOCCHIARO:** Is there an agreement between the entities? Are there guidelines for the Power and Water officer who is obviously out there at the power box or whatever it is? Are there conditions or times that is allowed to happen, or is it at the discretion of Power and Water at the time?

**Ms BARTON:** It does come down to discretion. Most occasions they will refer back to Jacana and the customer would need to wait to have a conversation with us the following morning, to understand or ascertain exactly what the reasons were for the disconnection.

**Mrs FINOCCHIARO:** If it is over a weekend or a long weekend in particular, then people can be without power for that entire time. Whilst Power and Water could physically turn it back on, if no one is there from Jacana to be able to deal with the problem, the individual is stuck, essentially.

**Mr FAULKNER:** Does this relate to disconnection for debt?

**Mrs FINOCCHIARO:** For any reason. If someone has been disconnected and the person who has been disconnected says that was the wrong house, or whatever.

**Mr FAULKNER:** In error? I understand, yes.

**Mrs FINOCCHIARO:** In error, yes. So they ring Jacana but Jacana is closed and they ring Power and Water and Power and Water come out and say, Jacana has disconnected you. What happens at that point? In those circumstances where there can be no resolution of the issue, can Power and Water turn it back on? And then can they recoup the costs later—an ‘everyone sorts it out on Monday’ kind of thing?

**Ms BARTON:** Power and Water will have the ability to see the reason for the disconnection, so if it comes down to a disconnection for non-payment, they would not make that decision. They could potentially understand from the service order that it is an incorrect turn off for move a house, or something like that, and the customer, depending on the situation, may have children or some sort of circumstance they believe. Again, it is exceptionally rare. They will normally refer back to us and we will have to investigate and rectify.

In the instance a customer is without power, if they are advised if it is outside of hours, they need to seek alternative accommodation or assistance. Then we will uncover or investigate the reasons for the no power and if we need to compensate or assist the customer, if there is an error made on our behalf, we certainly will. If not, it will just be an explanation to the customer.

**Mrs FINOCCHIARO:** Do you keep data on incorrect disconnections?

**Ms BARTON:** Yes, we do. We have not had great records in the past, but for 1 July we have been working on a program that will allow us to report accurately on every wrongful disconnection.

**Mrs FINOCCHIARO:** Are you able to provide that data?

**Ms BARTON:** We do not have existing data at the moment.

**Mrs FINOCCHIARO:** From 1 July this year you will start capturing that?

**Ms BARTON:** Correct. We will report on that, exactly right.

**Mr FAULKNER:** Just to comment on the disconnection for non-payment and being without power for the weekend—we do not disconnect on a Friday.

**Ms BARTON:** Correct. We do not disconnect on a Friday or on a public holiday. If we do make a disconnection for non-payment we do that in the morning so that the customer has the opportunity to pay and have it reconnected again that evening. We try to alleviate all circumstances where the customer will be without power over a long weekend.

**Mrs FINOCCHIARO:** Okay.

**Mr WOOD:** The issue of Bagot Reserve about the large debt—is that your debt or Power and Water’s debt. You might remember the Auditor-General or the Ombudsman did a report on it. Did that involve Jacana or was it Power and Water.

**Mr FAULKNER:** I am not too sure of the article you referred to ...

**Mr WOOD:** They built up a very high bill. They had a very large debt. There were some issues about whether it should have been let go to that amount.

**Madam CHAIR:** How long ago was that, Member for Nelson?

**Mr WOOD:** It was raised with the Auditor

**Madam CHAIR:** It is quite aged.

**Mr WOOD:** Yes, but it was still an issue the Auditor-General had raised ...

**Madam CHAIR:** Raised in the last 12 months?

**Mr WOOD:** ... about whether the recommendations had—it was not the Auditor-General, I am fairly sure it was the Ombudsman—whether the whole thing had been sorted out is probably the best way to put it.

**Mr FAULKNER:** The quick answer is that Power and Water and TGen get paid. We pay Power and Water and TGen.



**Mr WOOD:** Yes, okay.

**Madam CHAIR:** So, the debt would lie with you?

**Mr FAULKNER:** The debt lies with us, yes.

**Mr WOOD:** That is what I thought.

**Madam CHAIR:** I think that is historical. It is quite old.

**Mr FAULKNER:** But we happily will consider a change to those rules.

**Madam CHAIR:** That is smart. Does anybody have any further questions for Jacana Energy? No? That being the case, that concludes this session. On behalf of the committee I thank you for appearing before the committee today and everybody who has done any work to prepare the information you have brought with you.

We will now take a quick break and then talk to Territory Generation.

**Mrs FINOCCHIARO:** Thank you very much.

**Mr FAULKNER:** Thank you.

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The committee suspended.

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#### **TERRITORY GENERATION**

**Madam CHAIR:** Welcome Mr Dennis Bree, Chair of the Territory Generation Board. Mr Bree, would you please introduce the officers accompanying you.

**Mr BREE:** On my left is the Chief Executive Officer, Tim Duignan; and on my right is acting General Manager, Finance and Corporate Services, Maria Walters.

**Madam CHAIR:** Thank you. Mr Bree, I will invite you to make a brief opening statement and then I will call for questions relating to that statement. The committee will then move on to consider questions regarding the corporation's 2019–20 Statement of Corporate Intent. I invite the shadow minister to ask their questions first, followed by committee members, and finally other participating members may ask their questions. The committee has agreed that other members may join in in a line of questioning pursued by a shadow minister.

Mr Bree, would you like to make an opening statement regarding Territory Generation?

**Mr BREE:** Thank you Chair, I will. I am proud to be here representing Territory Generation and to provide an overview of our statement of corporate intent to say a few words of introduction and then answer your questions.

The past 12 months have been challenging but also rewarding for Territory Generation and our 2019–20 Statement of Corporate Intent has been developed within a complex commercial and policy environment.

The past year has seen the completion of major projects in Alice Springs and Tennant Creek and the realisation of efficiencies from these along with transformation projects previously undertaken. The growth of solar penetration in the NT continues to impact on our business and reduce our market share. As the generator of last resort, Territory Generation continues to supply stability services to the system leading to increased costs per megawatt hour as overheads are absorbed over an ever-decreasing market share.

I am pleased to report that the Darwin Katherine system statistics, due to generator performance, continue to rival those of the much larger and more robust national electricity market. A new major customer load was contracted during the year in Alice Springs which will have a significant positive impact on our overall position in this region. We continue to seek new commercial opportunities to offset the loss of market share to renewables.

As a result of our predictions of decreased sales without commensurate reduction in costs, Territory Generation has accepted the requirement of a \$16.5m net impairment, recognising that our assets cannot provide the future returns that they once did. In recognising that, we are unlikely to be paying tax in the foreseeable future. We have also written off our current deferred tax asset of \$45.5m. I say that if we do start paying tax again then that asset is still there but we have written it off in our books at this stage.

We continue to manage costs effectively and have built in a \$3m per year reduction in our controllable costs. Our employee numbers have also reduced, a result of the completion of major capital works and other corporate projects. A cooperative enterprise agreement negotiation was finalised during the year, giving employees and management certainty for the next four years.

We continue to strive towards a zero-harm workplace with an inclusive and high-level safety culture. In addition, the completion of a major project improving efficiency at Channel Island has showcase Territory Generation's in-house skill level and provided a cost-competitive solution. We are focused on maintaining a high quality and appropriately skilled workforce.

We live in challenging times. Without doubt, Territory Generation has been significantly impacted by the government's direction and commitment to reaching the 50% renewables target by 2030. Our role from here will be to continue to identify savings and efficiencies in our cost base, including ongoing review of the future business model.

Amongst all this, on behalf of my fellow directors, it has been a challenging 12 months which is ultimately reflective of the massive structural change that our industry faces. I conclude by paying tribute to the management and staff of Territory Generation who carry out their roles diligently, 24/7, 365 days a year to provide power to Territorians while ensuring that safety is their number one priority.

**Madam CHAIR:** Thank you. Are there any questions on the opening statement?

**Mr WOOD:** I had better get one in. You talk about the risk—and we will probably go into it a bit more later—about the introduction of solar power. The other side of that equation is that you are not making a profit and you have to replace some of your generators at some time. Between now and 2030 how many generators will have to be replaced and, if they were to be replaced simply because you have to supply baseload, would you be looking at downsizing of generation capacity in the Northern Territory?

**Mr BREE:** Member for Nelson, I might let our Chief Executive, Tim Duignan, answer that.

**Mr DUIGNAN:** Thanks for the question. We have a retirement plan we have made public via the Renewables Road Map Committee that was last year. It is based on a view of renewable energy coming in. Obviously, depending on how that materialises, it will have a significant impact on the retirement of plant or the life extension of the plan moving forward.

Currently, we are undertaking a major outage this year on our steam plant—the baseload plant at Channel Island—which is to replace the steam turbine rotor, which has never been replaced in that unit. That will give us a 10-year life extension of that plant. That will take us through to 2028-29 ...

**Mr WOOD:** That is a steam-powered generator?

**Mr DUIGNAN:** It is the steam/combined cycle block at Channel Island. We have two gas turbines that we use the exhaust gas to generate steam and run the steam generator, which is effectively a zero fuel cost generator on the back end of that.

We are doing a life extension on that to get us through to that 2028-29 year. But we have retired one of our units at Channel Island recently, which is one of the old frame units—Unit 3 at Channel Island—because it is at the end of its life. With the rooftop solar that is going in, plus the solar down at the Katherine Solar Plant, we will not have the requirement for that to run.

**Mr WOOD:** So, if you take one generator off the grid and it is a very monsoonal month in February—and people are wanting their air conditioners going and all that—will you be able to supply enough electricity if you take one generator out of the system?

**Mr DUIGNAN:** Yes. This last Wet Season was particularly hot and dry. We did not need to bring that unit on during that period, so even when we have the monsoons come through we actually have a reduction in the maximum demand in the system. The real test for us was last year that went through, when we did not have

the Katherine solar project online yet through Jacana. We did not have a requirement to bring that on. We had plenty of capacity.

We have done a lot of work on our existing generation units to improve the availability and reliability of that equipment over the last four years, which is paying dividends now in the fact that we do not have to run as much reserve capacity there to meet the demand.

**Mr WOOD:** The question was how many generators do you think—is that the only generator you will not need until 2030?

**Mr DUIGNAN:** That is a really hard question to answer because of the uncertainties of the speed at which solar will be taken up in the Territory and how fast the major utility scale solar projects will come on.

**Mr WOOD:** All right. I have other questions but I am sure the Member for Spillett would like ...

**Mrs FINOCCHIARO:** I would not mind asking a follow-on from your question, Member for Nelson. How much is the cost of that steam turbine rotor life extension?

**Mr DUIGNAN:** The budget cost is in the order of \$15m to do that.

**Mrs FINOCCHIARO:** That will get about 10 years more life out of that turbine?

**Mr DUIGNAN:** That is correct.

**Mr WOOD:** The issue is the viability of Territory Generation with the introduction of solar. What I have difficulty understanding is that Jacana get a CSO of \$92m. That keeps them viable. Power and Water gets some CSO, but Territory Generation, the one which will suffer financially from more solar coming on, does not get anything. The government needs a supplier of baseload power.

Do you think that it is fair, and that might be a policy question—should Territory Generation get a CSO if that is the case, because it is not its fault that solar power is coming in?

**Mr BREE:** The model that we have in our SCI and the agreement with the government is that they have allowed for an above CPI increase in our average tariffs and have given us a dividend holiday, so there is no expectation of a dividend.

Under those circumstances, and with all the other things that one does, we have a business model that keeps us cash positive through the period, but that also means that for any major capital works, outside what is allowed for in the SCI—for instance I guess the battery could go in Katherine, which has been talked about. If we wanted to do that we would go back to government and ask them if they wished to invest in it.

We have a viable business that is not giving a return to the government, because they are agreeing to that, and is not looking for cash in terms of our day to day operations. That is where we are at.

**Mr WOOD:** The other side of that is that the government obviously made policy that private generators of solar could come into the market. The question is why then could Territory Generation not have done that? That means you would not be competing, you are part of the input and you are getting revenue from solar as well as the baseload, but now you only have a baseload that is getting reduced. Someone else is making the money. Was there any chance that Power and Water could have put in a large solar farm in Katherine?

**Mr BREE:** Territory Generation works within the confines of the policy framework of government. That really is the answer. I think the rational I have been told is behind us staying out is that we are the big elephant in the room otherwise—we would probably dominate the market, because we have a base and everything we did would be incremental, whereas other people coming in are starting from scratch. But that is a policy issue really. We work within that framework.

**Madam CHAIR:** We should not speculate on policy here, Member for Nelson.

**Mr WOOD:** The reason is I am worried about the economics. It is fine for the government to bring in solar power—renewables—but it effects what the taxpayer may have to pay to help keep Territory Generation going. For instance, if you have to get a generator, so you have to get a loan which means the taxpayer has to pay for that.

**Madam CHAIR:** It is hypothetical and it is also moving away from what current policy is.

**Mrs LAMBLEY:** Did you just say you are financially viable at the moment, Territory Generation?

**Mr BREE:** In cash terms. We are providing our own cash flow over the four-year period.

**Mrs LAMBLEY:** Okay.

**Mr BREE:** Viable—I think—I do not want to use an accounting term and get it wrong.

**Mrs LAMBLEY:** That is a big claim, from my memory.

**Mr BREE:** Maria Walters might be able to give you a more technical answer to that.

**Ms WALTERS:** Our SCI has forecast us to be able to maintain adequate cash balances but we have put in place a \$20m overdraft facility to ensure that we can ride out the peaks and troughs during the months before we have to pay for our gas and receive our revenue from retailers. Overall we are building a sustainable cash balance throughout the SCI period which is increasing over that time.

**Madam CHAIR:** For the record—SCI?

**Mr BREE:** Statement of Corporate Intent.

**Mrs LAMBLEY:** Another point of clarification—did you say that you have a \$16-something impairment?

**Mr BREE:** Impairment.

**Mrs LAMBLEY:** What does that mean?

**Mr BREE:** What that means is that we have devalued the assets on our books by \$16.5m. It is not a cash out the door issue. It is an issue of asset value. That recognises our prediction of what return we will get on those assets over time.

**Madam CHAIR:** Member for Spillett, do you have any questions?

**Mrs FINOCCHIARO:** I am waiting for the output.

#### **Consideration of Statement of Corporate Intent 2019–20**

**Madam CHAIR:** The committee will consider questions relating to Territory Generation's 2019–20 Statement of Corporate Intent. Are there any related questions?

**Mrs FINOCCHIARO:** Mr Bree, how many executive contract officers does TGen have?

**Mr BREE:** Twenty-two.

**Mrs FINOCCHIARO:** Have they been provided with the letter for a voluntary pay freeze?

**Mr BREE:** Yes.

**Mrs FINOCCHIARO:** Did Territory Generation seek its own legal advice prior to offering those letters?

**Mr BREE:** No. We did not.

**Mrs FINOCCHIARO:** Has the government given Territory Generation an efficiency dividend that it has to meet as part of the budget repair process?

**Mr BREE:** Not as such, as other agencies are given, but we have an agreement with the shareholding minister to reduce our controllable cost by \$3m a year, and that has been built in to our SCI.

**Mrs FINOCCHIARO:** What is an example of a controllable cost?

**Ms WALTERS:** Controllable cost, for example, are things like our professional fees, our training, any costs that we have direct control over like personnel costs—the repairs and maintenance to an extent.

**Mrs FINOCCHIARO:** That is \$3m this coming financial year?

**Ms WALTERS:** It is \$3m for this and the outer years. We have actually increased it from that. We go \$4.2m in 2020–21, \$3.8m in 2021–22 and \$4.3m in 2022–23.

**Mrs FINOCCHIARO:** How will TGen then be achieving that \$4.2m? What is the plan for that?

**Ms WALTERS:** We have already implemented a range of initiatives that have been going on for quite some time for the last three-plus years and we are now getting the benefits of those efficiencies. It takes time for those to start flowing in to the accounts. We have restructured our organisational charts. We have done note swaps et cetera, which Tim can probably elaborate on in regard to the engineering side of the business. There has been a range of things where we are basically lifting up every rock and finding efficiencies both on our operational side and on HQ side.

**Mrs FINOCCHIARO:** You are obviously very confident if—it has been an ongoing process and you have increased the amount by over \$1m a year so you are confident that you can continue to find savings right into the future years.

**Mr BREE:** That is the plan and it is something we keep watching all the time.

**Mrs FINOCCHIARO:** Will that result to cuts in staffing levels?

**Mr BREE:** Yes. That is part of it.

**Mrs FINOCCHIARO:** How will you achieve that? Is that through attrition or voluntary redundancy?

**Mr BREE:** A number of reductions that have occurred to date have been people who are on term contracts and the role for which they had been employed had finished. For instance, some of the capital works projects—they were engaged in that—different projects in the business—we have been gradually doing that. Then the other significant change when we finally close Ron Goodin Power Station in Alice Springs

**Mrs LAMBLEY:** How many positions will go when that is closed?

**Mr DUIGNAN:** The Ron Goodin Power Station—there will be approximately 10 positions that will go, which are associated with the closure of that power station. Our indications are that a number of people will take a voluntary redundancy provision out of that closure, and the indications are that there are probably three or four people who will be still looking to stay with Territory Generation or the wider Northern Territory Government. We are helping there and consulting with those people as much as we can along the way.

**Mrs LAMBLEY:** When is the forecast closure of Ron Goodin at this point?

**Mr DUIGNAN:** We are taking very cautious steps with Ron Goodin and the system in Alice Springs. It is not a strong system down in Alice Springs so we are looking to move into what we call a hot standby condition in the coming weeks where we move from Ron Goodin playing a 50% or more type arrangement in that grid down to the majority of the supply coming out of Owen Springs, which is the new power station.

We are going to prove the reliability of the entire Owen Springs power station through that process and that will be a four-week standby period where we will need to show the reliability of that station and prove the reliability of that station before we go into what would be the next stage, which is cold standby, of Ron Goodin. That is effectively Ron Goodin offline but able to be brought back with a reasonable notice period to support the Alice Springs grid if we were to have a significant issue at Owen Springs.

The total of hot standby and cold standby will be a six-month period.

**Mrs LAMBLEY:** How long will Ron Goodin be left on standby?

**Mr DUIGNAN:** A total of six months, but that is the hot standby and the cold standby. We will have a three month period where we will go through placing units in storage, if you like, beyond that. That will take us through the next summer period in Alice Springs which is obviously the high-demand, high-temperature period which puts generation under a lot of stress.

**Mrs LAMBLEY:** Are you doing any public information on this? This is a hot topic in Alice for people who live near Ron Goodin and people who have all sorts of views around generation.

**Mr DUIGNAN:** We will be. We are still trying to get to that position. We intend to do some media and community communication around that.

**Mrs LAMBLEY:** That sounds good. The hot standby might start in a couple of weeks?

**Mr DUIGNAN:** Within the next few weeks, we expect.

**Mrs FINOCCHIARO:** Will that hot standby period take in a summer before Ron Goodin is completely offline, or will Ron Goodin be in cold standby over the summer?

**Mr DUIGNAN:** Ron Goodin will be in cold standby over summer.

**Mrs FINOCCHIARO:** So it could be turned back on?

**Mr DUIGNAN:** It could be turned back on.

**Mrs FINOCCHIARO:** By that stage you would have essentially proved the reliability of Owen Springs. Hopefully you would not have to turn Ron Goodin back on over summer—so then after that period of real peak demand, Ron will be broken down and stuck in a shed somewhere.

**Mr DUIGNAN:** Yes, we have a period of three months after the cold standby, if you like, where we start to drain fluids out of engines that are the lowest priority engines there if you like. We will not be rushing at breaking Ron Goodin Power Station down either. We will put it into a safe storage state for a period of time.

**Mrs FINOCCHIARO:** How long does it take to turn it back on? Say over that summer period, Owen Springs had a problem or it just could not deal with the demand. How long from start to finish does Ron Goodin take to power back up?

**Mr DUIGNAN:** Depending on the time of day, because we will move away from having a 24/7 coverage there with operators to a daytime coverage during the cold standby period. During the day time coverage we would be able to get the units online within an hour or two. At night time or on the weekends it may take a little bit longer. In reality that is a significant second order contingency issue that we have had at Owen Springs to bring Ron Goodin back online.

**Mrs LAMBLEY:** What will happen to Ron Goodin after that six-month period? What plans do you have?

**Mr WOOD:** A tourist attraction.

**Mr DUIGNAN:** After that six-month period we are not going to rush to pull it apart. It will go into a cold storage or safe storage state. All the fluids will be drained out of the engines and the fuel supplies turned off and drained so that it is safe. It will not be manned. It will be sitting there for us to determine what the future of that site might look like.

**Mrs LAMBLEY:** There are no plans at this stage?

**Mr BREE:** We do not have a plan.

**Mrs LAMBLEY:** There will be a lot of speculation around that and town chatter. Will there be a ceremony? A public event to close Ron Goodin? Many people have worked at the power station over the years, including my husband. He was a sparkie who did his time at Ron Goodin. It will be a significant occasion.

**Mr DUIGNAN:** It is. It has been a very important part of the community in Alice Springs and we recognise the Ron Goodin Power Station. Ron Goodin himself was a major part of that community. The old power station down the road still stands; it is with the heritage society. We recognise that it is an important thing and we will need to do some work with the community.

**Mr DUIGNAN:** You might have to put on a carton or two, I would say.

**Mr FAULKNER:** At the new power station we are commemorating the memory of the Ron Goodin Power Station at the new one with a statue manufactured out of machine bits. We have a wall in the new power station that is specifically about the Ron Goodin Power Station and its history to maintain that.

**Mrs LAMBLEY:** That is really good to hear, thank you.

**Mrs FINOCCHIARO:** The statement of corporate intent states that 'our wholesale price will be increased on an indexation basis rather than full cost recovery' over the SCI period. However, recently in the news we saw that some Territory tranche four businesses might see an increase. Is this increase more than indexation?

**Mr BREE:** Our increase of 5.8 is more than inflation. We are providing retailers with a fairly transparent average cost of provision of power. We do not have visibility of the customers—we do not have a relationship with the end user.

We are leaving it to the retailers to polish up that average in whatever way they wish. There are ways that they might—if they have a customer with a flat load they might want to give them a lower price because it is good for them. We are not involved in that. We simply provide a price out of the metre to the retailers.

**Mrs FINOCCHIARO:** Okay. On asset impairments, of the \$56.4m forecast in the 2018–19 financial year, which follows on from a forecast of \$150m of asset impairment in 2017–18, the impairment in 2017–18 meant that government had to provide a cash injection of \$15m and a doubling of TGen's overdraft facility from \$10m to \$20m. What cash injection from government will be necessary this year?

**Mr BREE:** In the SCI, we are covering our cash through the four years.

**Mrs FINOCCHIARO:** So you will not need to go back to government, like last year?

**Mr BREE:** No.

**Mrs FINOCCHIARO:** Ms Walters, you mention that your overdraft facility has changed, or it is the same?

**Ms WALTERS:** That is correct. As part of the SCI process, the \$20m overdraft facility expired 30 December last year. It has been approved to be reinstated from 1 July this year, and it will just stay there. We are not intending to use it, but we will leave it there for working capital purposes.

**Mrs FINOCCHIARO:** What assets are not being fully utilised then, in order for TGen to have to impair them?

**Mr BREE:** You take the asset base as a whole in each market. If you see there is an impairment in the Darwin–Katherine region, so that overall we are not foreseeing the income that will support a higher asset value. Whereas in Alice Springs, we have revalued the assets there because we now have a future contract with Pine Gap that gives us an income stream that supports a higher value of assets.

It is just the nature of the game. If for instance, the market changed dramatically upwards and we were getting more sales, then we would revisit the situation, but we have to take it on a year-by-year basis and looking forward.

**Mrs FINOCCHIARO:** Is it not because of the turbine at Channel Island that has reached end of life?

**Mr BREE:** No, it has nothing to do with the operational value of them. It is not because they are no good. It is their income stream.

**Mrs FINOCCHIARO:** Yes, you cannot generate as much from them, anymore?

**Mr BREE:** Cannot generate as much cash from them, yes.

**Mrs FINOCCHIARO:** Yes, not power. And solar is having that impact?

**Mr BREE:** Yes, it is coming into our market, so our sales are reducing.

**Mrs FINOCCHIARO:** Forecast revenue for 2019 is about \$5.3m less than what was forecast last year, and your EBIT is \$13m lower, does that indicate that operating costs are going up, or what is the reason for that?

**Mr BREE:** Just bear with us to make sure we are looking at the right figures.

**Mrs FINOCCHIARO:** Of course.

**Ms WALTERS:** Sorry, can you repeat that?

**Mrs FINOCCHIARO:** So if the forecast revenue is about \$5.3m less than what was forecast last year, and then EBIT is about \$13m lower, I am just wondering why that is.

**Mr BREE:** Is this out of the SCI or the annual report?

**Mrs FINOCCHIARO:** I think it is out of the SCI.

**Ms WALTERS:** We do not have our revenue in the SCI.

**Mr BREE:** It must be the annual report.

**Ms WALTERS:** Revenue numbers are not in here.

**Mrs FINOCCHIARO:** From what you are looking at, are you seeing a large difference in that position?

**Mr BREE:** You are comparing last year to this year's SCI—did I understand that correctly?

**Mrs FINOCCHIARO:** Yes, the forecast revenue for this year is less than what was forecast for last year.

**Mr BREE:** Yes, forecast revenue for this year is less than last year. That would be correct.

**Mrs FINOCCHIARO:** Is the forecast EBIT less this year from last year?

**Mr BREE:** I would be talking off the top of my head but I do not think so, because we have taken a higher, apart from savings, we also have higher income per megawatt hour. This year our EBIT is positive. And ongoing, positive.

**Mrs FINOCCHIARO:** The final report on budget repair noted that that TGen is highly subsidised and:

*... has almost entirely eroded the Territory's initial shareholder equity (\$184 million), paid limited dividends and received further equity injections (\$30 million).*

What is TGen doing, if anything, to address this situation? You mentioned earlier the \$4.2m going forward.

**Mr BREE:** Our basic approach is to cut our costs where we can. We are in a position now where we are getting a return from some of those investments the government paid for over the last number of years. We are seeing a reasonable increase in fuel efficiency as a result of the investments in Alice Springs and Tennant Creek.

We are also seeing an increase in efficiency from our investment in what we call the 'node swap' at Channel Island. There was a significant increase there.

Generally speaking, everything is working a lot better now. The second half of this year, for instance, our SCI is based on our Q2 results. Our second half was better, so we are starting to see the flow-through of that, which gives us confidence that our out years are—we are confident they will be right if not better.

That is the overall business plan, to keep a lid on costs, keep driving costs down and make sure we look for savings where we can—proper business management—and at the same time, capture the benefits of the investments that have been made in the past.

As to future large investments, we will have to go back to government. If we want to invest in a large battery, which is probably needed in the next few years in the Darwin–Katherine system, similar to what has been done in Alice Springs—that is showing a good effect on our system in reliability and, we hope, very soon in economics.

We will have to convince government it is worth investing in.

**Mrs FINOCCHIARO:** What is the rough cost of that battery?



**Mr BREE:** In round figures, about \$40m. But we have not tested the market for 18 months. To be honest, these things are coming down, not going up. We hope to get it significantly lower than that.

**Mr WOOD:** Say you had a power outage. How long would the battery last and how many houses would that supply?

**Mr DUIGNAN:** The one in Alice Springs is a five megawatt battery energy storage system. The storage capacity side of it is five megawatts. It will flex up to eight megawatts for six seconds and seven-and-a-half megawatts for 60 seconds, which gives us a lot of capability with clouds moving across Alice Springs. But the storage capability of that is 30 minutes of storage capacity at five megawatts.

**Mr WOOD:** That would supply power to Alice Springs for 30 minutes?

**Mr DUIGNAN:** No, it would supply five megawatts of the average demand across the years of around 20 megawatts. It would supply a quarter of the demand there for half an hour.

**Mr WOOD:** So, \$40m ...

**Mr DUIGNAN:** No, the Alice Springs one was about an \$8m investment at the time. The Alice Springs one was put in for system stability and to improve the quality of supply out of the system. The storage component of the Alice Springs one is there to allow us not to carry as much spinning reserve in engines running, costing us in fuel and reducing the efficiency for no output just in case. We use it to fill that void. The 30 minutes allows us to bring on another engine should one come offline.

**Mr WOOD:** How much would the \$40m battery supply?

**Mr DUIGNAN:** That is for a 45 megawatt capacity battery energy storage system, again for about 30 minutes of supply at 40 megawatts. Our average demand again in the Darwin–Katherine region is about 200 megawatts across the year.

**Mr WOOD:** What would the life of the battery estimated at?

**Mr DUIGNAN:** Batteries at the moment have a lifespan, or a guaranteed lifespan, of 10 years. They will go longer, but they start to degrade after that.

**Mr WOOD:** I know Dennis might know a little bit where I am coming from here, but why are not looking at other storage processes for instance? Developing a hydrogen—or even looking as I know CSIRO are doing—I know you are using gas-fired power stations as your baseload, so it cannot be solar thermal because they use a steam generated system, but from the point of view of trying to produce storage using renewables, how far are down the path from being able to produce hydrogen from the renewables, especially when load is not great in the middle of the day perhaps? Then we can have a fuel that would be used in those times when it is overcast, or at night, but not relying on batteries.

**Mr DUIGNAN:** Thanks for that question because it is very topical right at this point in time, because today we have submitted a proposal to ARENA for a funding submission for Yulara, for a solar–hydrogen system there. Next year we come to the end of the current arrangements for Yulara, both on the fuel supply and the actual electricity arrangements there, so we are right at the point in time where we need to look for new solution for Yulara.

Yulara is at a four-and-a-half megawatt scale which is of a reasonable interest to the rest of the nation for that sort of scale up of solar–hydrogen. The proposal we are putting in there would see Yulara have 70% renewable energy, due to the production of hydrogen. It would be a solar PV system of about 17.5 megawatts feeding the load during the day plus an electrolyser to make the hydrogen.

The electricity would be generated from that electrolyser through a fuel cell and would provide, as I said, 70% of the energy there. The backup would still be a diesel or compressed natural gas solution there, for that extra 30%, but it would have significant impact on the amount of fossil fuel we burn down there. It would be a real positive project, proving that technology for the next stage.

**Mr WOOD:** From the water perspective, is there adequate water? They obviously have to get the hydrogen from the water. Can the water then be recycled as it goes through the fuel cell?

**Mr DUIGNAN:** That is the benefit of that system, as it is closed loop. We will impact that water supply down in Yulara region by about a 0.3% increase. It is really in that noise area of the impact on the current water supply there. We have talked with Power and Water and they are of the view that they would not have any problems in supplying that extra 0.3% water for that closed loop cycle.

**Mrs LAMBLEY:** Where is this proposal up to?

**Mr BREE:** Today we put in an expression of interest with the federal government's ARENA.

**Mrs LAMBLEY:** Okay, wow.

**Mr BREE:** The stage is that we have to get through that gate and then the next one is—you know better than I, Tim.

**Mr DUIGNAN:** The next phase after we go through the expression of interest phase, which is the start of the formal process with ARENA. We go and meet with their advisory panel. That meeting is schedule for 3 July. Out of that panel meeting they will give us an indication of whether they want us to go to the next phase for that funding approval.

With Yulara we are moving forward with a base case solution which is a solar battery/diesel or compressed natural gas as the backup for part of that solution. Out of that, that would give us about a 35% or 33% solar solution there.

The hydrogen is the cheapest option for supply or generation of electricity into Yulara and is the base case we are putting forward. What we are seeking from ARENA the gap funding for the additional costs of the hydrogen solution because it is not yet at the cost—the cost curve is not at that economic position, but it is a project that will help to really make hydrogen or put it on the map and start to generate the interest which will drive down the cost curve of that technology into the future and make it more mainstream.

**Mrs LAMBLEY:** How much are you asking for? Is that on the public record?

**Mr BREE:** I would be inclined not to answer because it will be negotiated through.

**Mrs LAMBLEY:** And what is ARENA exactly?

**Mr DUIGNAN:** ARENA is the federal government's grant funding agency for renewable energy.

**Mrs FINOCCHIARO:** This would be a TGen project?

**Mr BREE:** Yes, that is correct.

**Mrs FINOCCHIARO:** Right.

**Mr WOOD:** Put them on the map.

**Mrs FINOCCHIARO:** Has TGen done modelling about how this will change business? Or make things look a little rosier?

**Mr BREE:** The situation with Yulara is that we have to do something there with the machinery we have and the contracts we have that will go forward in any case. That will be as is, but it will be more renewable than it is now in any case because that is the lowest cost ...

**Mrs FINOCCHIARO:** So, you have to do it whether you get this ARENA funding?

**Mr BREE:** Correct. So, we ...

**Mrs FINOCCHIARO:** In this case, you have to go back to government and get the top-up?

**Mr BREE:** We are in discussions with government now. I think we have allowed for it in the budget. That is all allowed for in our future SCI. That part is okay. We are just saying that there is a great opportunity to go to hydrogen—and we have had informal discussions with people. But the government is not paying any more. This is what we will pay—but we do not want to make any extra money out of it, we just want the margin.

In terms of our business, it will be the same. It will be more a case that it will improve our environmental sustainability; we will be learning and at the front of the curve. The Australian governments, through COAG, have agreed that hydrogen is a big part of the future. We would like to be a part of it because we think the same, in fact.

**Mrs LAMBLEY:** We are the only jurisdiction that does not have hydrogen in Australia, are we not?

**Mr BREE:** I am not sure about ...

**Mrs LAMBLEY:** One of the last anyway.

**Mr DUIGNAN:** Yes, a number of the states do have hydrogen projects on. South Australia has a number of different small hydrogen projects that are all backed by ARENA funding to give them that commerciality part. Western Australia has a focus. Queensland does not have any projects but they have allowed I think \$15m in their budget to develop some hydrogen pilot projects and the like. I am not sure about Tasmania. But it has been on our radar for some time. We see it as part of the mix in the future to get to a more renewable penetration.

**Mrs FINOCCHIARO:** Would this be a pilot for TGen to expand hydrogen projects across the Territory?

**Mr BREE:** The real interest for it is as that. We have encouraged them to think about it in the context of another step because if this got up and everything worked as it is supposed to, our next suggestion would be to look around Tennant Creek as a place where there is high solar radiation. We are pretty sure there are pretty good water basins there. You have the gas pipeline and the railway. It has a lot of things going for it.

Small steps first. We are not nearly ready for anything like that, but if it goes the way people are predicting in this hydrogen economy, the world could be your oyster. We are in the right spot.

**Mrs FINOCCHIARO:** Is there a rough time line for this original process? Is it by the end of the year? Do you have a rough idea?

**Mr DUIGNAN:** There is a fairly lengthy process for the bore to go through to get the final sign off. We will know reasonably soon after 3 July for the next stage. They do not take that step lightly, to ask people to go into the next stage, because we then need to firm up pricing and the like, so will need to go out with expressions of interest into the market.

ARENA is aware that to get a fully worked up proposal to meet their standards, we start to ask people to do a lot of work around pricing and the like. They do not make that step lightly. It does not mean you are guaranteed, but they are interested enough to say yes, we will go to the next step.

**Mr WOOD:** Has anyone mentioned the possible sale of that hydrogen for vehicles in the area?

**Mr BREE:** In Yulara?

**Mr WOOD:** Yes. Hydrogen cars are available today.

**Mr BREE:** We have not made it part of that, but our people are aware of those things.

**Mr WOOD:** Thank you. That could be another revenue part of what you are doing. Could I just ask you a general question? Is hydrogen being used to run a steam generator or is it being used to run a fuel cell?

**Mr DUIGNAN:** In the project we are putting forward, it is being used to run a fuel cell. We will generate the electricity there, but in the future, we have machinery. The machinery we have with our frame units at Channel Island and in fact our LM6000 units at Channel Island are able to run on a percentage of blend of hydrogen with natural gas.

We look towards the future. Maintaining the existing fleet could prolong the life of those and turn them into green generators, if you like, if we can get that source of fuel from hydrogen at the right price in the future.

**Mr WOOD:** We can go on for a long time.

**Mrs LAMBLEY:** This is really exciting. Are you talking about it in the public arena? I have not heard anything about this, but that does not mean anything.

**Mr WOOD:** They do not get my newsletter, do they Dennis?

**Mr BREE:** Yes, there was excellent coverage in the Member for Nelson's newsletter. It was in my letterbox. To be honest, we have been cautious because a lot of these things do not come to anything, and you raise expectations for no reason. When we get milestones, we will make announcements. That is probably the best way to do it.

**Mrs FINOCCHIARO:** After 3 July, if we do not hear anything, it probably did not go so well. Hopefully we will hear an announcement after that.

**Mr BREE:** Sadly, that is true.

**Mr WOOD:** Can I ask you a question on something slightly different—system security services. The statement of corporate intent talks about diesel storage for a number of power stations throughout the Territory, and obviously if diesel is not used it can go off.

Do you have to turn your diesel supplies over regularly, so you are not left with waste?

**Mr DUIGNAN:** Yes, we do turn our diesel supplies over. At Channel Island we tend to increase our holding for when we get into the cyclone season, in case we have loss of gas supply or the platform in the Bonaparte Basin.

We transport that diesel down south and we burn it in our reciprocating engines down south, as much as we can. That is going to become more difficult for us because we have gone to gas spark engines to use more natural gas than diesel in the future. We manage that and at times pull the diesel out, filter it and put it back in the tank.

**Mr WOOD:** You can always put a sign out the front telling what your price will be. We will all pop down and get the cheaper fuel.

**Mr PAECH:** 'My gas' website.

**Mr DUIGNAN:** It is something that we have to manage and put effort into to make sure that we do not have that diesel deteriorate.

**Mr WOOD:** Why do you need diesel at Channel Island when you have a connection with ConocoPhillips and INPEX?

**Mr DUIGNAN:** That is correct. It still does come through a single point of failure from the Darwin City Gate to Channel Island. We currently only have one pipeline from that location which is near Weddell through to Channel Island. We only have one gas delivery gate so if we have any issues there we would need to convert to diesel.

**Mr WOOD:** I remember that gate well. That was the system black at one stage, was it not—because of the issues in relation to that gate and the filters.

**Mr DUIGNAN:** At the station there have been situations with lightning that has taken the whole—over the last 30 years there have been situations which have taken the gas supply off Channel Island. Channel Island stops pretty quickly if you lose the connection.

**Mr WOOD:** I have one other question and you may not be able to answer this because it might be a competitor. When you are looking under the material risks faced by the corporation it talks about TGen also being at risk from the entry of a thermal generator with more efficient equipment and, or access to cheaper gas.

This has already occurred with EDL at Pine Creek Power Station. What exactly is a thermal generator?

**Mr BREE:** It is just a gas-fired turbine. That is a commercial risk to us not a technical risk.

**Mr WOOD:** Thank you.

**Mrs FINOCCHIARO:** How many generation assets are approaching their end of life? You must have an idea of what is coming up, given that you have to go to government to replace them.

**Mr DUIGNAN:** We have a well-developed asset management plan and we monitor the life of all our assets through that asset management plan. Down south we have the Ron Goodin Power Station which is at its end of life and is shown on our asset management plan. We have the old Rustin units at Tennant Creek which are at their end of life now. It is the reason why we did the works in Tennant Creek and in Alice Springs.

We have units in Yulara and a number of them are approaching their end of life and are coming to the end of the contract. We manage those assets depending on where we are contractually and where they are in their life cycle. There has been a number of life extension projects that have been done in the past at Channel Island, for instance. Particularly with Channel Island, it is not as if all of a sudden they are no longer usable we need to invest money in refurbishments of the existing equipment. This is ongoing and we are doing it all the time.

**Mrs FINOCCHIARO:** The next one was the steam turbine rotor at Channel Island—and you have a program. Are they all about the same age and therefore you are going to have this problem?

**Mr DUIGNAN:** No. We spread out the usage of those engines. Maintenance is largely done on an engine hour basis to make sure that we utilise the engines to spread that peak out across. This is so we do not end up with a peak and can maintain the engines at different years.

**Mrs FINOCCHIARO:** Right.

**Mr BREE:** If I could just make a comment as someone who does not understand much of this. They even have it down to how many more starts an engine can have and how many more hours it has to run. The work that has gone in is very sophisticated.

**Mrs FINOCCHIARO:** It is such expensive equipment it is not like replacing something you can get at Kmart.

**Mr BREE:** The lead times to fix any of these are quite long—to order the materials that you will need and that—probably 18 months or two years.

**Mr DUIGNAN:** The steam turbine rotor was an 18-month lead time. We started planning and ordering equipment for this current outage that we are right in right now, two years ago.

**Mrs FINOCCHIARO:** Is it a precarious situation to be in that in order to make these significant but vital purchases, if government does not approve them, like say with your steam turbine rotor, if 18 months ago government had said no, and you do not have the money to source from within—what happens then?

**Mr WOOD:** Candles.

**Mrs FINOCCHIARO:** Is there another level of contingency?

**Mr BREE:** We have not been tested in that area. If you look at the SCI we are going out four years for all these things. There is plenty of lead time. If the government had some concern that we were over investing it would be a valid question in many cases whether we are over investing in something that might not be needed soon, you have plenty of time to have that discussion and work out some plans.

**Mrs FINOCCHIARO:** The Katherine solar farm—I think construction began last month—and it was publicly stated that the farm will produce 33 megawatts along with a 5.7 megawatt battery—what impacts is this going to have on TGen? Have you done any projections? Are you going to have a decrease in demand once that comes on line?

**Mr BREE:** In our forward predictions in the SCI we have allowed for that. We have made estimates of when it would come on. We have assumed a start date in our figures. It will not be right but it will be close, we think. We make estimates from public announcements. We are assuming 1 January start for Katherine solar. That sounds feasible. The others we assumed 1 January as well so they might be a bit behind that which gives us a bit more sales than we expect.

We have tried to be conservative about it. Anything that is announced we plug in and do it in our figures. Our assumption is that the retailer who contracts them will take their output before ours.

**Mrs LAMBLEY:** We heard earlier from Jacana that they are expecting or they have had an increase in the wholesale price of power from you, I also mentioned the 20% increase in the cost of power to businesses that was reported in the news last week or the week before. Is there any validity to that? Does that make sense to you?

**Mr BREE:** The first part—we have passed on an above CPI increase, 5.8%. That is what we have passed on. As an average price of power we do not have any visibility to individual customers at all. I cannot provide any further information on that.

**Mrs LAMBLEY:** I was interested, 18 months ago there were a lot of problems in Territory Generation it was just before Christmas, I think, the end of 2017, the board was sacked by the minister, there was a bail out of \$30m. It seemed to be quite a tumultuous time within Territory Generation—have things settled? Are you on a more stable footing?

**Mr BREE:** It is probably a bit self-serving for me to comment on.

**Mrs LAMBLEY:** You have been in the job since then, have you not?

**Mr BREE:** I will give you my view of the organisation. I think a very professional organisation that has been through some very significant change and they are doing a pretty good job. It is not an easy time. I have some background in this industry but it is old background and this current environment in this industry is very difficult and challenging and not just for us here, for all around Australia and probably the world.

My sense is that we have an organisation of very committed people who are doing a very job. People I meet are technically fantastic, come up with good ideas all the time. Is it more stable now? It was a pretty traumatic period. I was not part of it then so I am not really able to comment, but I think we are doing okay. In terms of our SCI, it is healthier-looking going forward than it has been, so we think we are doing okay.

**Mrs LAMBLEY:** You do not have to answer this but what did the \$30m go towards back in 2017–18? What was that bailout for?

**Mr BREE:** It was a continuation of the capital investment we were making—the projects in Alice Springs and Tennant Creek, which I think in total were \$105m. It was part of that.

**Mrs FINOCCHIARO:** The final report for budget repair noted that the average employee cost at TGen was 'significantly more than the Power and Water Corporation'. Does TGen have any views on that or whether they are doing something to address that difference?

**Ms WALTERS:** The employee costs across the three GOCs come from the annual report. That includes, for two of the GOCs—Power and Water and Territory Generation—operational recoveries. Operational recoveries reduce the employee costs. They bring them right down. They transfer employee costs out to the balance sheet and to R&M. When you are comparing those three GOCs together, you are actually comparing two GOCs, Power and Water and Territory Generation to Jacana who do not have any operational recoveries at all. For instance, Power and Water's operational recoveries were \$50m so it reduced their employee costs by \$50m. To compare those total costs to Territory Generation and Jacana is not comparing apples to apples. It is comparing apples to oranges.

**Mrs FINOCCHIARO:** What were TGen's operational recoveries?

**Ms WALTERS:** We are about \$21m. It depends on your capital program at the time. Each year it can be quite different. If you are doing major capital works, you have quite high operational recoveries. It goes up and down with your capital program particularly because it can reduce your P&L. When you have high operational recoveries, it is really not a meaningful comparison.

**Mr BREE:** I also make the point, in terms of the nature of our business, we have a lot of 24-7 shifts we have to cover and necessarily that means there are penalty rates and overtime. Quite a number of our employees are quite well paid, I think, but they work hours that not everybody wants to work.

**Ms WALTERS:** Power and Water would be the same with the network side of the business if they are under the same awards and allowances that our employees are under, whereas Jacana have a high amount of call centre employees who are basically Band 1s, which is why they would have the lowest average FTE if you compared it on a light to light basis.

**Mr WOOD:** I have a question in relation to water being an issue in the rural area at the present time. You use water for cooling and discharge that water into the harbour, I presume. Can that water be recycled from the point of view of being reused for cooling to reduce the amount of water that you use?

**Mr DUIGNAN:** We have done a lot of work in this area and we do now cycle our water a lot more through the cooling tower. It does not go to the harbour, we put the waste that we get into an evaporation pond. But our waste today is a thicker water. It has been cycled through the cooling tower a lot more times than we once did. Therefore we have reduced our water usage by a significant amount.

**Mr WOOD:** What happens to the water if it is reused time and time again simply for cooling? Does it pick up some materials in that process?

**Mr DUIGNAN:** It does not pick up material. What it does is that the impurities in the water get to a higher concentration in the water. The cooling tower is basically using an evaporation technique to cool the water from the steam turbine—that condensate from the steam turbine. It becomes a higher concentration of the impurities that were already in the water.

**Mr WOOD:** There are limitations on how long you can use it for?

**Mr DUIGNAN:** There a number of cycles you can run it until you can, what is called, blow the water down to the evaporation ponds.

**Mr WOOD:** From the good side it reduces your water bill. The other side it means you are not using as much water.

**Mr BREE:** It was one of our savings.

**Mr DUIGNAN:** It reduces our bill and we do not use as much water.

**Mrs FINOCCHIARO:** How many wholesale supply contracts does TGen have with retailers, aside from Jacana?

**Mr DUIGNAN:** There are another three wholesaler supply agreements. They are with the registered retailers. There is another registered retailer which we have not as yet gotten a wholesale electricity agreement. They have become a retailer in the last sort of 12-month period. But we have wholesale agreements with Rimfire, Power and Water for the communities and the IES business, and with QEnergy as well, besides Jacana.

**Mrs FINOCCHIARO:** There is possibly a fourth client?

**Mr DUIGNAN:** The fifth one will potentially come in.

**Madam CHAIR:** There being no further questions that no concludes this session. On behalf of the committee I would like to thank you for appearing before the committee today.

That concludes the committee's public hearings on the estimates of proposed expenditure contained in the Appropriation Bill 2019–20 and the statements of corporate intent for the Power and Water Corporation, Jacana Energy and Territory Generation.

I remind officers that all answers to questions taken on notice must be given to the First Clerk Assistant by Thursday 11 July 2019.

On behalf of the committee I extend my thanks to the ministers, board members, officials and everyone who appeared before the committee. I also take this opportunity to place, on public record my appreciation of the assistance provided by agency staff.

I also thank the members of this committee—that is all of you—and other members who participated in the hearings for the work they have put in and the overall manner in which these public hearings have been conducted.

I now formally close these public hearings of the Estimates Committee.

The committee concluded.

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