

ESTIMATES COMMITTEE - Tuesday 24 June 2003

The Estimates Committee of the Northern Territory Legislative Assembly convened at 9 am.

Mr CHAIRMAN: The time is now a little after 9 am, according to my watch. I declare open this meeting of the Estimates Committee of the Legislative Assembly of the Northern Territory on Tuesday 24 June 2003. I extend a welcome to everybody present.

I intend to make some preliminary comments of a formal nature and also outline the basic procedures for the conduct of these public hearings. I table a copy of the resolution of the Legislative Assembly dated 27 February 2003 which refers to this committee. It also refers to the Schedule of the Appropriation Bill 2003-04 and related documents.

The role of the committee is to determine and report on the estimates of proposed expenditure contained in that bill. This order effectively uses the current Public Accounts Committee members as the core membership of the Estimates Committee.

I would also like to report that, at a meeting of the Estimates Committee on Tuesday 17 June 2003, the member for Sanderson, Mr Len Kiely, was appointed as Deputy Chairman of the committee in accordance with paragraph 8 of the terms of reference.

I advise that representatives of the media present are able to report and rebroadcast proceedings of this hearing in accordance with a resolution of the committee.

After the initial Estimates Committee public hearings in September last year, parliament referred the matter to the Standing Orders Committee for review of the process. The Standing Orders Committee has received representations from government, the opposition and Independents. Many submissions were received by the committee throughout the review process, and they have all had a significant impact on the overall review process. The definitive hours relating to the ministers' appearances and the deletion of written questions are recommendations arising from that committee. The identification of key areas of concern to the Standing Orders Committee and the development of proposals to change are all aimed strengthening and enhancing the Estimate Committee process. Government has indicated that a further review of the whole of the Estimates Committee process can still occur at a later date if it is considered necessary.

I will now proceed to give a brief outline of the conduct of the procedures of these hearings. In accordance with the resolution of the Assembly, particulars of proposed expenditure contained in the Appropriation Bill will be considered on an output group by output group basis, followed by an output by output basis. In accordance with the resolution of the Estimates Committee, the order of consideration will be in accordance with the schedule of ministers which has been published to members. Over the next four days of this public hearing, we will work through all the documents in regards to the committee.

It should be noted that, to allow questions to be addressed to ministers with principal administrative responsibilities for particular portfolio areas, it has been necessary to set out the schedule so that it varies somewhat from the Schedule to the Appropriation Bill and the listing of agencies in Budget Paper No 3. Where a minister will be available for questioning on output groups that sit within other portfolios, these have been clearly identified in the schedule. I will be reinforcing the fact that questions regarding these particular output groups need to be addressed at the time the minister is appearing before the committee.

As advised, questions will proceed on an output by output basis and, when these have been exhausted, questions including more than one output group, questions across the agency, or questions involving non-output specific budget issues will be addressed. I propose to invite shadow ministers to ask their questions first, followed by members of the committee, and then other members of the Legislative Assembly, if they are relevant questions. Bearing in mind that, under orders of the

parliament of 27 February, there can only ever be seven participating members of the committee at any one time.

Procedures for dealing with Questions on Notice are contained in the Manual for Members of the Legislative Assembly, copies of which have been distributed throughout the room.

The schedule of the committee, as approved, incorporates clear time frames for each minister. The commencement time for each minister will be strictly adhered to, so that timing should not be an issue this year. In the unlikely event of the questioning of a portfolio finishing before the allocated time, the next minister will not commence earlier than the scheduled time.

Witnesses should also be aware that evidence given to the committee is protected by parliamentary privilege. However, I would remind witnesses that the giving of false or misleading evidence to the committee may constitute a contempt of the Legislative Assembly pursuant to the powers and privileges legislation. Officers should also be aware that they are not required to comment on matters in respect of policy.

For the purpose of the efficient recording of the *Hansard*, I would request that ministers introduce those officials who are accompanying them at these hearings and that, where a minister may refer a question to an officer, that the officers clearly identify themselves at that time for the *Hansard* record.

I would now like to take this opportunity to thank staff from the Legislative Assembly, who have worked tirelessly behind the scenes to make sure the operations of the whole of the Estimates Committee process can be delivered in an effective and efficient manner.

The committee will now proceed with consideration of the estimates of proposed expenditure for the Department of the Legislative Assembly, in accordance with the schedule. I welcome Madam Speaker and invite her to introduce the officials accompanying her and, if she wishes, to make an opening statement on behalf of the Department of the Legislative Assembly.

SPEAKER'S PORTFOLIO

Madam SPEAKER: Mr Chairman, I would like to introduce Ian McNeill, the Clerk of the Assembly; the Deputy Clerk, David Horton; the Director of Corporate Services, on my left, Vicki Long; and the Chief Financial Officer, Rex Schoolmeester.

I welcome the opportunity to make an opening statement in which I will provide a broad picture of the department's financial performance over the past year, detail some highlights and achievements, and forecast, to some degree, the year ahead. I will also express some areas of concern and where funding may have an impact on program outcomes.

Our financial outcome for this year is considered satisfactory and, based on year to date figures at the end of May, we will complete the year within 1% of our total appropriation. I believe this is a commendable result, given that no additional funding was sought from Treasury to cover the additional costs of security following the local and national events of last year, the additional sitting hours this year, and the Alice Springs sittings.

This year it has been possible, however, to offset this expenditure against other activities that did not take place. For instance, the low rate of overseas travel taken this year by members was reallocated. Conversely, however, next year it is anticipated that members taking their overseas study entitlements may increase. I should caution on the department's ability to sustain this flexibility, however, in 2003-04, given the inability to apply the 2% dividend to areas of the agencies which are considered non-discretionary will impact on other areas of operational expenditure, as well as the full year effect in security costs and overseas travel. I reinforce there that the majority of the department's budget is non-discretionary, with the lesser amount discretionary.

While some expenditure increases remain unpredictable, the department continues to actively pursue

its cost management savings programs to seek greater efficiencies and savings across a range of departmental operational and administrative activities. Other efficiencies are also being considered in partnership with other State Square users, such as in the area of security and gardening and landscaping services.

This past financial year, I believe, has demonstrated the need for flexibility and sound financial management; for example, a number of prominent parliamentary events have taken place. Firstly, the development and implementation of the first Estimates Committee in September 2002 which, I might add, placed extraordinary and exceptional demands on staff and resources. It is also worth noting that, with the hours consumed during the committee hearings last year, some 850 pages of transcript were produced. By comparison, a normal three day sittings produces an average of 280 pages. Therefore, you can appreciate that I am very happy to report the workplace efficiencies adopted by Hansard minimised production costs, but there was a huge amount of effort by Hansard to produce those 850 pages of transcript.

The second major event was the Alice Springs sittings. It was difficult to estimate the required expenditure early in the planning process. However, I am pleased to report this was kept to a minimum, noting that we are very much in a new learning environment in respect of operating the Assembly outside of Darwin. The direct additional costs of operations were consumed mainly by the purchase of goods and services such as the hire of the facility, the provision of information services, the setting up and use of sound and vision for recording purposes, the additional security and crowd management arrangements, and the cost of transporting and accommodating staff in Alice Springs over the period. I should add that travel costs were minimised by retaining the Hansard staff in Darwin and providing sound and vision to Parliament House through a landline. It should also be noted and appreciated that the overtime costs for staff in Alice Springs was offset by those who were eligible and willingly accepted time off in lieu. A number of staff were on the ground for up to 10 days, which covered two long weekends. I believe this reflects the calibre and dedication of our parliamentary staff who contributed many hours to ensure the success of the sittings.

In respect to the other Alice Springs-related activities and costs, these were conducted and funded as part of our parliamentary information education program. The program proved most effective and complemented the sittings along with Youth Parliament, the photographic displays, briefings and information booklets. The program provided an historical and informative backdrop to the proceedings in the Assembly. I believe however, that more can be done in this area to inform both schoolchildren and the public about the process of government of the Northern Territory as we move towards statehood.

As part of staff training and development, this year also a professional development seminar was held in Alice Springs in January. On this occasion, the Clerk hosted the seminar, at which a number of our parliamentary members attended as guest speakers and, might I add, were very well received. This seminar and the planning was highly acknowledged by other jurisdictions in Australia and also the delegates from overseas, including Canada, United Kingdom and South Africa.

I turn to the maintenance aspects of Parliament House. Since the last Estimates Committee, a number of key building and business systems have given cause for growing concern. For example, one of our major business systems, the sound and recording system, which is vital to the production of *Hansard*, has suffered intermittent and disruptive problems which has required significant resources to rectify. This rectification program has been ongoing for almost a year. Whilst there has been some digital upgrade to the system, it is evident that, in the longer term, the situation will need to be fully addressed and considered for a full upgrade or replacement.

Similarly, during a recent security audit, it has been advised the current electronic security system will become obsolete within the next five years and will need to be replaced, given that it will no longer be technically supported. In recognising the aging process of the building and, more specifically, some of its major components, a high priority has now been placed by the department on the development and implementation of a building assets management plan so that appropriate resources can be sought and applied in a timely fashion. A number of capital and minor new works are expected to be identified in the process for the future.

Again, the R&M requirement continues to grow, driven by the BAMS system, with an allocation each year that falls behind that required to complete all identified tasks. I am conscious of the profile of this building and the attraction it provides to the people of the Northern Territory and visitors from interstate and overseas. However, if the building is to remain the centrepiece of the Northern Territory parliament well into the future, it must continue to receive the necessary level of funding to ensure its longevity.

Looking at the year ahead, we have an expanded and active committee system that will place strong demands across the department. We have an increased allocation for committees in 2003-04 but, across the department this has, in fact, been offset by the 2% efficiency dividend. I will, however, continue to work closely with committee chairs to ensure they are adequately funded to meet their objectives and planned outcomes.

Planning has already commenced for a major regional Parliamentary Association Conference to be held in Alice Springs in September. The conference again will showcase our Central Australia.

In terms of parliamentary administration, a client survey has been developed to test the client surveys charter recently issued as a method of testing our performance measures, and to meet our key objectives of supporting the parliament's members. Work will continue to develop and implement our information communications technology strategy to ensure we achieve longer term goals for open parliament in concert with the new government project.

Considerable experience has been gained throughout the past 12 months with the new process of output reporting and budgeting. As such, the portfolio budget statement developed last year has now been updated to reflect our output costs, performance measures and targets.

Last year, I also made mention of my desire to separate the parliamentary appropriation from other government portfolios to recognise the separation of powers, and the difference between the operations of the parliament and the government. To this end, I am hopeful of developing a paper and draft legislation to present to the House Committee this coming fiscal year. This has been conducted by many other Australian parliamentary jurisdictions, and is an important step for the Northern Territory. I ask the Estimates Committee to consider this in their report and, perhaps, the Public Accounts Committee also to pursue.

In summary, I believe we have managed well this year in an often changing environment. We have remained flexible and responsive to the needs of parliament and its members, but it would be difficult to sustain this approach without additional funding as extraordinary situations arise. I want to place on record my thanks to the officers of the department who have worked tirelessly over the last few weeks to prepare for this Estimates Committee meeting. Might I say that it has been very difficult considering that we were unaware of what questions are likely to be asked. I hope members will bear with us while we search through our records if they ask a question that is not easy to access. Thank you, Mr Chairman.

Mr CHAIRMAN: Thank you very much, Madam Speaker. Are there any questions in respect to Madam Speaker's statement? If there is not, what I propose to do now is to proceed to consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of the Legislative Assembly. Members, I draw your attention to the schedule of ministers' appearance by output group, which the committee has endorsed as a base document which it will work through. I will now call on questions in respect to output group 1.0, output 1.1.

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

OUTPUT GROUP 1.0 – Parliamentary Services

Output 1.1 – Assembly Services

Mr BURKE: Madam Speaker, it is our intention to not make this a painful exercise for you because we understand how the Assembly works in all of our interests. As a point of clarification, based on your statement, there was no additional call on funds from Treasury during the financial year? Is that as I understood it?

Madam SPEAKER: What ...

Mr BURKE: Well, there was a budgeted figure and there was no additional call on funds?

Madam SPEAKER: We did have to have some additional funding, but perhaps Rex could actually explain. If you look at our financial statements, there is a difference in our original budget and the revised budget.

Mr SCHOOLMEESTER: Our allocation went up by about \$30 000 across the board. This was made up of the \$95 000 increase for members' salaries. Treasury took \$62 000 from us because of the change in the way long service leave is now done. What we received was some additional money to cover bills that were on hand. We received an additional \$126 000 approval from Treasury through the use of balances and some extra revenue we received to cover bills that were not on hand at the end of last year. They were, however, related to last year's work.

Mr CHAIRMAN: Can I just remind officials to provide their name because it does assist the *Hansard*.

Mr BURKE: Madam Speaker, the budget allocation for 2002-03 was \$15.982m. Did that include the 2% deficiency dividend already taken out?

Madam SPEAKER: Does it? Yes.

Mr BURKE: It does. The budget for 2003-04 of \$16.275m includes the 2% taken out?

Madam SPEAKER: Yes.

Mr BURKE: So, if we compare the budget of 2002-03 to the budget for 2003-04, the clear increase in the budget is on those figures. I think the difference is \$230 000 – no, that is for the estimate. They are the differences in your budget with the dividends taken out, correct?

Madam SPEAKER: From last year's to this year? Yes.

Mr BURKE: The estimate of expenditure for 2002-03 is \$16.212m, above a budget of 2002-03 of \$15.982m. You have just explained \$156 000. Could I ask where the rest is?

Mr SCHOOLMEESTER: Madam Speaker, I will clarify that. The difference between the \$16.212m and the \$15.982m is basically made up of an increase of \$95 000 for members' salaries, a reduction of \$65 000 for long service leave, plus an approval from Treasury to pay accounts of \$125 000 that were not in our opening balance in last year's figures. During the course of the year, we noticed that those accounts were coming through, so we sought approval to pay them out of the opening balance that was on hand from the previous year.

Madam SPEAKER: So, basically, there was additional, but also there were some offset costs against it.

Mr BURKE: That total is about \$156 000. The difference between your budget and what is being estimated for you to spend is \$230 000. That is the figure I am looking for. You have given me \$156 000; I am looking for \$230 000.

Mr McNEILL: I might be able to help. In April this year, in the course of the normal budgetary review process, in consultation with Treasury, the following adjustments were agreed to, which resulted in an increased allocation of the \$230 000. There were some additions which include: \$95 000 for increased members' salaries, which was the 1 July increase from last year; \$126 000 which was agreed by Treasury should have been added to our opening balance for the first year of the accrual accounting format - and that was in large part to address bills and accounts that were on hand at the start of the financial year, which we had funding for the previous financial year, but which had to be paid this financial year; an increased allocation of \$16 000 which is offset by increases in revenue - and an example of that item is Hansard working for another agency and billing them for the casual staff costs, which entails increased expenditure but is balanced by an increase in revenue, but still sits in that \$230 000 equation; \$55 000 that was transferred more or less as a paper transfer from Department of Infrastructure, Planning and Environment as minor new works that could not be capitalised by this agency; and less \$62 000 which was the long service leave liability, which is taken over by the central handling agency. It might be best if we provided those pluses and minuses in a tabulated form, because even in the transcript it probably will not make ...

Mr BURKE: That explains the nett nett. That is the \$230 000?

Madam SPEAKER: Yes. In additional, less ...

Mr McNEILL: Effectively, our budget for next year and the allocations that we have made in the preliminary sense following the outcome of Budget Cabinet, is we treat next year's allocation using the current year's outcomes as the baseline because it is a matter of tens of thousands of dollars of last year's final result. Those issues that Madam Speaker referred to as requiring some attention are currently being dealt with in respect of possible increased outgoings in security and related matters.

Mr BURKE: There was a note of warning in Madam Speaker's opening statement. Are you confident, given the Chief Minister's determination that departments will stay within budget, that \$16.275m will be sufficient, given that it is taking in those increases in outcomes from the previous year?

Madam SPEAKER: We already recognise the fact that there has been an increase in members' salaries effective as of 1 July that has not been factored into our budget. We are also aware there may be additional demands for overseas travel this financial year; that we had minimum last year. If we do find that we are running short we will just have to go back, and I am sure we can justify any increases necessary. However, be aware that we have worked extremely hard this year to make sure we have kept within our budget. However, as I say, the unexpected always comes up; it is unpredictable what the overseas travel may be. As I say, that salary increase was not predicted so, of course, eventually we may have to go back to Treasury and ask for more.

Mr BURKE: The Treasurer has highlighted in his budget books that salary increases are expected to be 3%. CPI is expected to be 2.5%, yet your budget has only increased by, it looks to me to be less than 1% overall.

Madam SPEAKER: You mean for the next financial year?

Mr BURKE: Yes.

Madam SPEAKER: You have to take away the 2% efficiency dividend that was imposed upon the department as well.

Mr BURKE: Yes, I recognise that. I have taken that out, but I am saying that, in real terms, is it true that your budget has probably only increased by less than 1%?

Madam SPEAKER: I guess so, yes.

Mr BURKE: Sounds like you have a fairly tough job ahead of you, Madam Speaker, in staying within the budget, particularly given just the security aspects alone that could increase.

Madam SPEAKER: Yes. We have had a security audit, and we know that we will have to implement some things. At this stage, we have not prioritised what we will need to do. We will wait and see.

Mr BURKE: Could we just talk a little bit about Alice Springs? I have the questions but I will just need to maybe flex from them depending on your answer. What is the estimated cost of the sittings in Alice Springs and what is the breakdown of those costs, including but not inclusive of hire of the Chamber and offices suitably fitted out, including *Hansard* requirements; travel, accommodation and TA for MLAs and Legislative Assembly staff; travel, accommodation and TA for ministerial staff, Leader of the Opposition and security staff?

Madam SPEAKER: We were very fortunate the hirer of the convention centre was so cooperative. The hire of the convention centre was \$4363, and we were there quite a while prior to the sittings, so that was extremely good. Information and technology was \$43 457, our highest bill; our sound and vision was \$23 862; security \$10 016; transport and accommodation for our staff was \$32 124; and transport and accommodation for our members, remembering that these are direct costs which were offset by the fact that the Alice Springs members did not have to travel, was \$8648. I do not have the costings for the Chief Minister's staffing or your own members' staff travel. They were our direct costs and there were related costs as well. By related costs, I am talking about the education packs - \$5276, the public relations advertising - \$6770, equipment hire - \$2899, freight - \$1574, and miscellaneous things like uniforms and consumables - \$7878, which was a subtotal of \$24 397, and our total is \$146 867.

Dr LIM: This figure is quite different to what you tabled in parliament.

Madam SPEAKER: Has that been varied a little bit because ...

Captain HORTON: There was a slight variation of \$1917 for some late billings that came through. There is an adjustment of \$1917 in those figures tabled the other day.

Mr REED: Madam Speaker, in terms of accrual accounting and the attribution of all costs for an activity to an activity, you have mentioned that security costs were \$10 016. Does that include any Northern Territory police component?

Madam SPEAKER: We actually met with Gary Manison, the Southern Commander, and other security people and discussed the security arrangements we would have. The police component is not shown within our budget. We took the Southern Commander's advice that he would provide police as he felt needed. Might I say, they do it also here in Darwin whenever there is a demonstration or during sittings. If the police feel the need, there will be a presence in Parliament House.

Therefore, in answer to your question, no, the police costs were part of their operational costs. Perhaps you should refer that to the police minister.

Mr REED: Yes, it is an important issue because accrual accounting, if it is to be successful, is just that; all costs accrued by a particular activity should be addressed to that activity. I suspect that the police costs would have been high. On one occasion, for example, I counted 16 police officers in attendance at the convention centre where the sittings were conducted. Were there any other like services provided by other agencies that were not attributed to the cost of the sittings?

Madam SPEAKER: Deputy Clerk, DCIS provided some service to us?

Captain HORTON: Yes, we did receive administrative assistance support from DCIS and the Chief

Minister's Department in Alice Springs. Some of that was related to liaison between the IT people and some of the setting-up arrangements.

Madam SPEAKER: I would say that they were part of their normal operational duties anyway and, certainly, were not an additional cost to us. However, I hear what you are saying.

Mr REED: I accept that to a point, except that we are now in a system which has accrual accounting. If accrual accounting is to be successful and complete and open, then all costs of an activity should be attributed to that activity. Was there any advice received from Treasury as to charges in relation to, for example, the police activities and support for the sittings?

Madam SPEAKER: None whatsoever. All the negotiations occurred between my department and whatever agency we were working with. I suggest perhaps you might like to ask the police minister.

Captain HORTON: I just add to that, under normal arrangements for the provision of IT in Darwin, we utilise the people in DCIS as contact managers. There were people in Alice Springs who were performing that same task because of their location. Therefore, in relation to it, it is almost a correlation, or direct offset, if you like, between two locations.

Mr REED: I accept that, but it still is an activity that should be charged, particularly in relation to police, because it was such a big exercise and definable. I would be very surprised, for example, if 16 police officers attend the convention centre on duty on a very regular basis. It is fair to assume that that would be attributed. However, as you say, Madam Speaker, it is nothing that you can cover in that regard.

Madam SPEAKER: Perhaps that was rather an extraordinary reason for them being there.

Mr REED: I also ask regarding the Alice Springs sittings – that was the extent of the other staff from other departments: DCIS and Chief Ministers?

Madam SPEAKER: Would anyone like to answer?

Mr McNEILL: Mr Chairman, probably in that equation, if we were looking at the contribution made by other government agencies - whether it is an accounting issue or not - it probably should be recognised that the education folk did a fair bit of coordinating work in respect of the school groups, and also in support of the Youth Parliament preparation as well. That would probably be the extent of other government agency involvement in respect of the Alice Springs sittings.

Mr REED: Thank you for that. It is fair to say then, that the figure – and this is not a criticism – in relation to the costs provided, \$150 000 or just under, does not include all of the costs that were required and, indeed, the services provided by at least four other agencies, being Education, Chief Minister's Department, DCIS and Police?

Madam SPEAKER: They were the direct costs to the Legislative Assembly that I have given to you.

Mr REED: Yes. Yes, only?

Madam SPEAKER: Yes.

Mr REED: Only the direct costs?

Madam SPEAKER: Yes, the direct costs to our department only.

Mr CHAIRMAN: Are there any other questions in respect to that?

Mr BURKE: I have some more. Can you tell me how much was spent on advertising, promotion and dissemination of policy issues and provision of information that include the Speaker's photograph and/or a message from the Speaker, with additional breakdown for print media, television, radio or brochure, including direct mail by the Speaker's office, by the Speaker's department or agency and the Speaker's electorate office?

Madam SPEAKER: There has been very little with my photo on it except the four-page spread that was in the *Centralian Advocate* prior to the Alice Springs sittings, which also had photos of you, the Chief Minister and the Mayor of Alice Springs. It was like a combined advertisement. I do not have any other advertisements that I have done for the department with my photo on it. Deputy Clerk, you might have that figure on the spreadsheet we did for the *Centralian Advocate*.

Captain HORTON: The cost of the Alice Springs 'Wrap Around', as it is referred to in the newspaper, was quoted as \$5500.

Madam SPEAKER: There was also the parliamentary booklet we produced for the sittings. That, again, was a combined booklet that contained the photos of you, the Chief Minister, me and the Mayor as well. However, that was part of our parliamentary public relations exercise.

Mr BURKE: Madam Speaker, are you aware of this publication, *In Your Parliament*, that is produced by the government?

Madam SPEAKER: Yes.

Mr BURKE: Is that an accurate reflection of what happens in the parliament?

Madam SPEAKER: That is produced by the government, not by the Legislative Assembly.

Mr BURKE: But it is your parliament?

Madam SPEAKER: It is our parliament, yes. It belongs to all members, I suppose, in a way. However, that production is one that has been put out by the Chief Minister's Department. It is not one that is put out by the Legislative Assembly. We have had discussions on this. Clerk, do you want to make any further comment?

Mr McNEILL: Historically, I understand the production and publication of *In Your Parliament* advertisements - and now web site content - have always been under the management of the Department of the Chief Minister. There was a period that I recall, about three or four years ago, when I believe the production and publication of that material lapsed for a period of time. At that time, it was suggested that the Department of the Legislative Assembly may fill that gap. We have always been fairly comfortable that access to information about proceedings in the Assembly - especially in the last year or so, with the web site material and electronic access to the *Hansard* and related materials - is probably adequate for us.

As far as the content, I would be loathe to contribute a subjective judgment on ...

Madam SPEAKER: We do not have input to that advertisement.

Mr BURKE: I ask the question in terms of accrual accounting. We are talking about the outcomes of the Assembly and the services it provides. This is, on the face of it, services to the reading public who, in many respects, would not read anything else other than this. Accepting the fact that it is a government publication - you need not answer it if you do not wish to, Madam Speaker, but I think it is important that you give an opinion as to why the Chief Minister's photo is in your parliament rather than yours, as the Speaker of the Legislative Assembly. Second, in bills currently before the

parliament, there is a list of government bills before the parliament for this particular issue. If I pick up the Notice Paper for that particular period, there are two bills before the parliament in your name, Madam Speaker. One was Sentencing Amendment Bill 2003 and the other was the Container Deposit Bill. Therefore, even your own bills before the parliament do not appear in this publication.

I wonder if, in that context, you might wish to reconsider the accuracy that is being provided to the reading public. I made comment in the last estimates that the opposition has no provision to be included here. I believe that if it is to say 'in your parliament', it should be accurate reflection of the parliament as it stands at that time.

Madam SPEAKER: We are more than willing to assist the Chief Minister's Department if they wish to put out such an advertisement to ensure its accuracy. To date, I suppose, we have not been consulted, but perhaps you have given us a fairly good reminder that in future we should make sure that whatever comes out does accurately reflect what goes on within the parliament. Thank you for pointing out to me that my bills were not included.

Mr BURKE: Would you be prepared to go so far as to say that you agree that this is government propaganda?

Madam SPEAKER: It is obviously a publication from government to highlight government business in the parliament.

Mr BURKE: Well, it should read that way, Madam Speaker – government business only.

Mr REED: Madam Speaker, you made reference in your opening remarks to staff overtime and that some staff took time off in lieu instead of overtime for the Alice Springs sittings. Was that totally optional for the staff?

Madam SPEAKER: Yes, it was their choice.

Mr REED: They had that option and the department was not asked by other agencies to pursue an option like that?

Madam SPEAKER: Staff from other agencies?

Mr REED: Well, the department was not asked by other agencies, for example Treasury, to see ...

Madam SPEAKER: No, no.

Mr REED: ... if costs could be reduced by offering that?

Madam SPEAKER: No. It is my understanding - and the Clerk might like to reinforce this - that it was purely optional. Some staff did and some did not, but it was their choice.

Mr McNEILL: Yes, that is right.

Mr REED: In terms of the Alice Springs sittings, could you detail the number of functions that were hosted by your department - or you as Speaker - the number of invited guests and the cost of those functions?

Madam SPEAKER: We had some Speakers and Clerks visiting from interstate. I do not have the total number with me at present. We had a luncheon on the first day to which we invited the visiting Speakers, Clerks or staff. Perhaps I can get that figure back to you because I would imagine it would only be in the vicinity of about 12 people.

Mr REED: That is fine. If you do not have it there, that is fine.

Mr McNEILL: There was that and the joint hosting of the welcoming function on Monday night.

Madam SPEAKER: With the Mayor and the Chief Minister, that is right.

Mr McNEILL: We can provide that.

Mr REED: Okay. That cost was included in the \$150 000, I take it?

Madam SPEAKER: Yes.

Mr REED: And what ...

Ms LAWRIE: One moment on that. Sorry, I am a bit confused. Is that a question to be taken on notice?

Madam SPEAKER: We are going to provide the answer for that, the number of people who attended that luncheon, the cost and also the cost of the joint reception.

Ms LAWRIE: Well, if that is the case ...

Question on Notice

Mr CHAIRMAN: If I may, at this point in time, in respect to circumstances where questions may be placed on notice, perhaps I should then ask the member for Katherine if, indeed, he wishes to place that question on notice; and if he does, could he restate the question.

Mr REED: The question was: the number of functions that were conducted at the Alice Springs sittings, the number of invited guests and the cost of the functions. The Speaker has undertaken to provide those and I appreciate that.

Madam SPEAKER: I am happy to provide that.

Mr REED: Thank you.

Mr CHAIRMAN: In that case, I will allocate 1.1 to that question on notice.

Mr REED: In terms also of the Alice Springs sittings – I thought I would have one more there. No, I have not. It was in relation to the 2% dividend. Was that 2% efficiency dividend applied to all aspects of the agency's budget, or were some excluded?

Madam SPEAKER: All of them. The 2003-04 budget you are talking about?

Mr REED: Yes.

Madam SPEAKER: Yes. Can I ask the Chief Finance Officer? I think the answer is yes.

Mr SCHOOLMEESTER: The answer is yes, it was applied across the board.

Mr REED: To salaries as well?

Mr SCHOOLMEESTER: Salaries as well.

Mr REED: To all components.

Dr LIM: Can I come back to the question about the functions in Alice Springs, Madam Speaker. You spoke about hosting people from interstate. Did you host them at the function only, or did you actually host them as part of parliament; and who paid for the cost of them coming to Alice Springs?

Madam SPEAKER: They paid their own costs; we had nothing to do with that. They paid their own costs and accommodation. I hosted the luncheon as a courtesy, which usually occurs between Speakers when they visit interstate. I guess it was an opportunity for them - remembering that a couple of them, for instance, the Western Australia and Tasmanian Speakers, are looking to have a regional sittings in their state - to actually see how we implemented it. I obviously hosted them as a courtesy.

Ms LAWRIE: Mr Chairman, are the questions across members on Alice Springs? Is this how we are handling this area?

Mr CHAIRMAN: Sorry, what was that?

Ms LAWRIE: Are the questions across all members of the committee on Alice Springs? Is that how we are handling this area, because it has jumped from the shadow onwards, so ...

Mr BURKE: No, it has not. The shadow has people who can assist him, and then it is open, as I understand it. We have a series of questions and then, when we are finished, it then switches to others.

Mr CHAIRMAN: I am ...

Mr BURKE: We do not intend to hog the time, we are just ensuring ...

Madam SPEAKER: I am quite comfortable the way we are going.

Mr CHAIRMAN: I am quite happy to proceed down our present path.

Mr BURKE: Thank you. Madam Speaker, you have heard this one before. How much was spent on consulting services in 2002-03, and detail the individual contracts ...

Mr KIELY: I still have some questions on the sittings, if that is possible.

Mr BURKE: That is.

Madam SPEAKER: Well, I do not mind jumping to get these over and done with, sorry.

Mr CHAIRMAN: Well, no, what I would like to do - are you now moving on to output 1.2, Leader of the Opposition?

Mr BURKE: Hang on.

Ms LAWRIE: Members and clients services consultancies would fall under that.

Mr BURKE: It is all part of parliamentary services, I would thought.

Mr KIELY: I still have some questions on output 1.1, Assembly Services.

Mr BURKE: Well, we are on 1.0.

Mr CHAIRMAN: We will proceed as it is. We will continue as we are anyway, so please continue.

Mr BURKE: Thank you, Mr Chairman. How much was spent on consulting services in 2002-03; detail the individual contracts; that is, who were they awarded to, at what cost and for what reason? How much is estimated to be spent on consulting services in 2003-04? How much has been expended so far this financial year? Detail the individual contracts; that is, who were they awarded to, at what cost and for what reason.

Madam SPEAKER: The amount spent on consulting services to date in 2002-03 is \$11 993. This was spent on the following categories: layout of the annual report, constitutional advice to the Legal and Constitutional Affairs Committee and the Public Accounts Committee, and the conduct of a grievance investigation.

Planned expenditure for 2003-04 at this stage is: constitutional advice to the Legal and Constitutional Committee, and our building integrity and asset management plan that we hope to undertake. At this stage, they are the only two planned consultancies.

Mr BURKE: Is that grievance investigation separate to the money that was expended by an MLA last year on legal service?

Madam SPEAKER: Yes. That is internal staff matter.

Mr BURKE: Okay. In parliamentary services on outcomes, for 2002-03, operational and procedural support and advice for the Chamber sitting hours is listed as \$240 000, yet for 2002-03 in the current budget paper it is stated as \$320 000. In that context, could you detail the difference and why?

Madam SPEAKER: We have actually had an increased number of sitting hours this year - excuse me while I look around.

Mr BURKE: It is quite a large increase.

Madam SPEAKER: It is quite a large increase that we have had. I do not seem to have my bit of paper here. We are so well planned, we have probably over-planned.

Mr BURKE: It is in performance measures ...

Madam SPEAKER: Yes, 1.1. Bear with me.

Mr McNEILL: The significant increase appears, on the face, as a result of having two Estimates Committee sets of sittings in this financial year. To the end of last week, there was 296 hours and this 42 to 45 hours will bring us in at closer to 335 hours for this current financial year. Back to the normal cycle of having just the one set of estimates hearings in each financial year, we think 300 hours would be closer to the final result.

Madam SPEAKER: It is a bit unusual this financial year that we have had the two Estimates Committee meetings in this one financial year, whereas next year there will probably only be one. Sorry, I probably did not answer all of your question.

Mr BURKE: That is fine.

Mr REED: On the question of sittings and this PAC process - and I ask this question in the context of I know how much staff have to prepare and how much time and effort is required to prepare for sittings - you may not want to comment. However, have you found this process more difficult - given that there are questions without notice rather than questions on notice? I ask it in the context of the committee and the parliament is going to review the process that we are currently proceeding through, so that we can reflect back on the effect that it has on officers in departments.

Madam SPEAKER: It is my personal view that it has created an enormous workload for officers to try to anticipate any question across the whole budget. I would certainly have preferred to have known what areas we are going to be questioned on, so that we could have perhaps had details for people. Yes, there has been an extraordinary number of hours by our staff. I hate to think what would happen is some of the larger departments. It is because we have been trying to anticipate and guess what we would be asked. Therefore, in my view, I would like to recommend to the committee that we go back to the stage of at least knowing what areas we are going to be questioned on. Certainly, it would make the task of the department a lot easier and less time consuming. Did you want to make a comment, Clerk?

Mr McNEILL: Only that there are benefits in this process, in that we are comprehensively well prepared to present our answers.

Mr REED: I noticed that, Mr Chairman, and I commend the officers and the Clerk for their preparation.

However, on a related question - and please do not take this as a criticism. However, because last year was the first time we did this it took an awful long time for an awful amount of work to be done in relation to the *Parliamentary Record* of the last PAC committee stages of this process. Will that be easier this time, and do you think there is the ability to get the records out earlier than on the last occasion?

Madam SPEAKER: You are referring to the transcripts and things like that, because there was a huge amount of time. However, we have put in measures to make sure it is more efficient. Clerk, you might like to elaborate on that.

Mr McNEILL: Immediately after the last Estimates Committee in September, there were a number of groups who examined the process. One of those elements was a review of how we could better facilitate the production of the early editions of the *Hansard* and also the final product. Taking out the written questions element, and putting in place a more regulated question on notice process - and probably that we anticipate a reduction in the number of incorporated materials this time around - we anticipate having the lightly edited *Daily Hansard* transcript available the next day, in line with the normal sittings *Daily Hansard* timetable - barring extended periods of sitting. However, we think that, in the event, this year's production of the *Hansard* will be a lot easier than we were experiencing last time.

Madam SPEAKER: It was messy last year.

Mr REED: That is an excellent outcome - an excellent outcome. I thank those that are working behind the scenes listening to all this for the effort that they are currently making. Thank you, Madam Speaker and Mr Clerk.

Mr Burke: Do you have any ...

Dr Lim: Not for this ...

Madam SPEAKER: You do not have to ask us anything, you know.

Mr KIELY: No, I like asking you questions, Madam Speaker. In relation to the Alice Springs sittings, how many schools and how many schoolchildren had access to the sittings there?

Madam SPEAKER: I, unfortunately, do not have those details. I should, having been very actively involved in them. I do not know if the Deputy Clerk does, but I am sure we can get them to you. We were more than pleased with the number of schoolchildren who turned up from the schools that were involved, plus the Youth Parliament which occurred on the Friday. I would anticipate, when we go back to Alice Springs, that we will have a similar response.

Mr KIELY: Was it only Alice Springs urban schools that attended, or did you get communities?

Madam SPEAKER: No, we had remote schools. We had schools from the Barkly Region as well as the Alice Springs region, so that was great.

Ms LAWRIE: Madam Speaker, could the figure of 1400 students and some 21 schools sound within the vicinity of your knowledge?

Madam SPEAKER: Yes. That is close to it. Do you have the ...

Mr KIELY: I did not know the answer.

Madam SPEAKER: I did not know the answer either.

Captain HORTON: We do not have them down. What we do have is the overall outcome for the parliamentary education program for the year, which was 180 school tours, and included in that will be the ...

Madam SPEAKER: That includes up here.

Mr KIELY: Following on from that, is it possible to provide an estimate of the expenditure injected into the Alice Springs economy as a result of the sittings?

Madam SPEAKER: We actually tried to do that but we found that was, in fact, an impossible task. We were not privy to the amount of what people actually spent - visitors or schools. Restaurants were a bit loathe to tell us of any increase in costing. Therefore, unfortunately, we really have not been able to come up with information of how much was injected into the Alice Springs economy.

Ms LAWRIE: Madam Speaker, on the question of the cost of the Alice Springs sittings, I am aware that you visited Townsville to see a regional sittings of the Queensland parliament. Do you recall any figure attributed to their regional sittings?

Madam SPEAKER: It was huge. It was \$0.5m.

Ms LAWRIE: Just to clarify, you said that the direct cost of the Alice Springs sittings to the Legislative Assembly was \$146 847?

Madam SPEAKER: That is correct, and related costs, yes. By 'related costs', I refer to the education packs and other ...

Ms LAWRIE: You have knowledge of \$0.5m for the regional Queensland parliamentary sittings. Did you have an anticipated 'guesstimate' of the sittings in Alice Springs prior to expenditure?

Madam SPEAKER: We were not able to anticipate what it was going to cost us; as simple as that. We knew we would not be able to spend \$0.5m, put it that way. We just did not have it. But we did try

to minimise costs and we have done it very well. For the parliament to have moved such a large exercise down to another town, the costing has been very minimal.

Mr KIELY: Madam Speaker, as a local member down there as well, and being in touch with your community, what feedback has been obtained by you, as the Speaker, on how the people of Alice Springs considered the sittings there?

Madam SPEAKER: I am a little biased, remember, whenever I offer this sort of comment, because the feedback I obviously get is from people who really appreciated it. We had some parliamentary 'junkies' there, who attended every day and night – I could not believe it. We have had some wonderful communication back from schools, who have sent us their notes and the children's work in booklet form, to show what they thought of the sittings. As I say, I am a little biased in my comments about this, but I believe that Alice Springs generally really appreciated the sittings. I am quite sure, if we were to do the exercise again, we would probably get an even larger number of visitors, because of the number of people who were not able to attend were disappointed once they heard about it. As I say, I am a little biased, I really believe it was good.

Mr WOOD: Are we dealing with 1.0?

Mr CHAIRMAN: 1.0, output 1.1.

Mr WOOD: I might just ask a question. It relates to something the member for Katherine said when looking at accrual accounting as regards the cost of extra police at the Assembly. Whilst I understand where the member for Katherine is coming from, I just want to know if you think that is a fair assessment, or fair way to judge the cost, considering police do a lot of things, you might say, in their normal duties? For instance, they will walk the oval during the Aussie Rules grand final; they will perhaps go down to Mindil Beach. Do you see that as being different from asking police to turn up to the Legislative Assembly function?

Madam SPEAKER: I consider it part of their operational cost. I do not believe it would be an increased cost to the police. It is something they would do in their normal duties, such as when the Prime Minister was in Alice Springs at a conference a bit earlier this year. They obviously attended then because they realised the importance of the visit, thus they realised the importance of our visit. We sat down and talked about it with the police and the security people. However, in my opinion, that is not a direct cost to the running of parliament there; it is a cost associated with the normal operations of the police. I will not comment whether I think it is unfair or otherwise to bring that up, but that is what I believe: it is part of their duties.

Mr REED: If I could just ask a question then. I am interested by that answer, Madam Speaker, because when I asked it, you said that I should ask the police minister; yet, you have now given an opinion on it. In accrual accounting, it is the practice to accrue those costs to the activity for which they are directed. Whilst I accept your assertion that police go to other things, they do not go in numbers of 16 to the convention centre, and they do not have police stationed at the convention centre on an ongoing basis, as in the sittings that we had in Alice Springs. However, I will pursue the matter with the police minister.

Madam SPEAKER: You are basically saying that you think it is a cost over and above the normal operational costs. I cannot comment on that, as I say. Refer it to the Treasurer or the police minister. From where I sat, I felt as though it was not a direct cost to the parliament. But that is a matter for ...

Mr REED: We could equally say that the police might have been out protecting Territorians or investigating other things, rather than being in large numbers at the sittings.

I am prompted to ask another question, and it relates to one asked by the member for Karama. In terms of the costs of the Alice Springs sittings, you made reference to some preparatory works and travelling to Queensland to look at the parliament that was held in regional Queensland. Were the

costs for your travel and others who accompanied you on that and similar occasions - bearing in mind that they related directly to the Alice Springs sittings - included as part of the cost of the Alice Springs sittings; the \$150 000 or thereabouts?

Madam SPEAKER: No, they were not.

Mr REED: Would it then be possible for us to obtain the cost of that travel to Townsville, and are you able to explain to us any other like activities - investigations into the conduct of the sittings – that, in an accrual accounting sense, should be attributed to the cost of the sittings?

Madam SPEAKER: Personally, I do not think I undertook any other research trips on that. We did have one staff member go over to Townsville later on. We can provide that information but, Deputy Clerk, can you think of anything?

Captain HORTON: Not directly, but I suppose it was related. I happened to be in Melbourne for other matters when the Victorian parliament conducted regional sittings and I was able to attend a number of their briefings. However, on that occasion there was no cost to the Assembly.

Mr McNEILL: There was one other preliminary visit to Alice Springs I and the Clerk Assistant undertook during March. I was there to brief the council. We also briefed an in-service day of remote area teachers who were in Alice Springs, about how we were going to run both the Youth Parliament and the school visit program. We also had a workshop with Alice Springs-based students at St Philip's for getting them organised and involved in the Youth Parliament program. That was in March for two days for me and the Clerk Assistant. You can add that on to the detail as well.

Mr REED: Thank you, Clerk. Madam Speaker, in that regard, with the visit to Townsville, apart from yourself as Speaker, were there any other members of the Legislative Assembly who went to Townsville on that occasion?

Madam SPEAKER: Yes, we had the Building Manager, Derek Stafford, basically for the functions that he would have had to be involved with. We had my personal executive officer – I am trying to remember who was there - who, in fact, was able to do a lot of the liaison with other Speakers from other states when this came about. There was also the Clerk Assistant who wanted to see how they operated *Hansard* and Table Offices during that period of time. There were three staff.

Mr REED: And members of the Legislative Assembly, parliamentarians.

Madam SPEAKER: No, we did not, did we? No.

Mr REED: Other than yourself?

Madam SPEAKER: I am not sure. If they did, they did not do it through my office. I am not aware of any visits by parliamentary members taken for that purpose.

Mr REED: Mr Chairman, there is an undertaking then to provide that information, so that might be another question that is required to be noted.

Madam SPEAKER: Can I perhaps give the answer also now to that previous question regarding the schools. There were 23 schools and 1200 schoolchildren, if I could have that recorded.

Question on Notice

Mr CHAIRMAN: I just want to clarify that, member for Katherine. The Speaker has just responded to one of the questions. Do you wish to still place the question on notice to ensure ...

Mr REED: If there is a commitment to provide the information, I am happy with that, Mr Chairman.

Madam SPEAKER: And what you asked for was the number of staff who travelled to Townsville, or any other related costs of travel to the sittings and the costs of those trips?

Mr REED: Yes, and any other investigative activities that were undertaken in relation to planning for the sittings in Alice Springs.

Mr CHAIRMAN: For the *Hansard* record I will allocate 1.2 to that question.

Ms LAWRIE: Just a question on those costs, to put in context of the cost of a regional sittings. What is the cost of the Assembly's energy bill per annum?

Madam SPEAKER: Do we have that?

Dr LIM: That is a building management question. Surely this is a different output group.

Madam SPEAKER: \$600 000.

Ms LAWRIE: \$600 000. Thank you, Madam Speaker.

Mr CHAIRMAN: In respect to output 1.1, do we have any further questions? If not, I would like to close that component and move on to output 1.2. That being the case, that concludes consideration of output 1.1 and I now move on to output 1.2, Members and Client Services.

Output 1.2 – Members and Client Services

Mr BURKE: Madam Speaker, could you detail the costs by individual member and electorate officer to fit-out electorate offices, and/or relocate electorate offices during financial year 2002-03; and what is in the program for 2003-04?

Madam SPEAKER: Do you want me to detail what we have actually done for this financial year and what we plan to do for next year?

Mr BURKE: Yes.

Madam SPEAKER: The expenditure to date for Casuarina electorate office is \$4545; Johnston - \$5110 ...

Mr BURKE: Could I just interrupt for a second there, Madam Speaker? Do you have another copy of those? There might be a procedural issue here as we go along, because you cannot possibly just take them on the run.

Mr CHAIRMAN: Madam Speaker, would you like to table that?

Mr BURKE: Yes, if I could get - on some of these questions it is going to be the case, Mr Chairman, that we will need to have another copy when they are reading some of that tabulated stuff.

Madam SPEAKER: Rex has a copy there also. Let me have a look. You want me to go right through each of these individually, now that you have a copy in front of you?

Mr BURKE: There are others who might be interested, Madam Speaker.

Madam SPEAKER: If I could just say Casuarina, Johnston, Nelson, \$17 604; Barkly, \$8290; Karama, \$84 304; Katherine, \$7441; Stuart, \$40 468; Millner, \$101 675; Fannie Bay, \$320; and Port Darwin \$622 - a total of \$270 382 for expenditure for this financial year to date.

Mr BURKE: And next year planned?

Madam SPEAKER: Next year - I am advised that we did not get our full allocation that we applied for. Therefore, at the moment nothing has totally been decided. We are in consultation with some members regarding electorate office upgrades. I do not have ...

Mr BURKE: That is fine.

Madam SPEAKER: I have some minor new works for electorate offices, but we do not really have anything for major upgrades at this stage.

Dr LIM: Madam Speaker, last year there was a member who incurred some legal costs on behalf of the Assembly. What costs have been incurred by which members of the Assembly seeking legal advice on work-related matters pertaining to the Assembly and paid for by the Assembly? Any this last 12 months?

Madam SPEAKER: Clerk, could you answer that?

Mr McNEILL: Mr Chairman, the only legal services cost that the department has incurred this year is the amount of \$247 with the firm of De Silva Hebron. That was seeking some legal advice through the Office of the Solicitor of the Northern Territory on the issue of an insurance claim which was made by, I understand, one of the security officers in respect of an injury incurred on the site. We have sought and received a number of legal advices from the Solicitor's office in the course of the normal year's proceedings, and they have largely been matters of statutory interpretation and other advices that would be the normal course of events.

I should also add that, as a consequence of some of the proceedings in the last year, we have put in place, in conjunction with the Office of the Solicitor, a management of legal services regime - which we think will stand us in pretty good stead - which now fits in with their revised process. In the event that it is considered, either by myself and/or the Speaker, that there is merit in seeking legal services on behalf of a member in respect of their official duty, we will be doing that very much under advice from the Office of the Solicitor.

Dr LIM: Is that cost as generated by that exercise through the Office of the Solicitor, taken in through accrual accounting as expenses running the Assembly?

Mr McNEILL: To this stage, no. However, from the discussions we have had, and across the board with whole-of-government, there is a likelihood, as with other services provided by agencies such as DCIS that, ultimately, these will be costed at least notionally, and ultimately charged if it is available under the accrual accounting principles. However, at this stage, we are still working under the old regime. The only costs we incur are under advice from the Solicitor's office, and they monitor those contracts for the whole-of-government and verify and validate the charges that are made by the various legal firms.

Mr REED: Madam Speaker, just returning to electorate offices, the document that has been tabled indicates that expenditure on CLP members' offices was \$8000, Independent members' offices was \$17 000, and ALP members was \$245 000. Would you be able to advise whether or not there were initial allocations to a particular office? So no one is offended, if I use my own office as an example, where \$8000 was spent, was there an allocation at the beginning of the financial year to that office for works to be undertaken there, and is the \$8000 part of that allocation or were allocations not made in the first instance - or estimates?

Madam SPEAKER: We have introduced a procedure now so that we are a lot more involved in the whole process. In fact, when a member does come to us with a request for an upgrade and we seek a costing on it, there is a lot more liaison between the member - for instance, in your case, whether you wanted that particular scope of work to go ahead or not. In many cases the member says: 'No, at this stage, I do not think I need that to go ahead'. We are trying to refine the process whereby we, as the Legislative Assembly, have a lot more input in it.

Mr McNEILL: Probably Vicki could walk through the process.

Madam SPEAKER: Do you want to know what the process is?

Mr REED: Well, yes. I suppose just to better explain the question, for example, I understood that - and I think the figure was \$27 000 that was 'available', if you like, to have works undertaken at my office of which \$7440 was spent. Were similar funds allocated to - obviously different amounts - all electorate offices along that line?

Ms LONG: The minor new works program for the coming year is done through consulting members in the first instance and electorate officers, obviously, who have a good understanding of what the issues are in the office, and liaising in terms of what their needs are in works that might be required in the office. That is also done in conjunction with the Construction Division of DIPE, which provides advice. As you would be aware, Speaker's Determination No 1 of 2001 outlines the members' entitlements to office accommodation, and there is a generally accepted standard of office accommodation. Therefore, DIPE will provide advice on what is required to be done to an office in order to ensure it meets with those standards.

The initial minor new works submission that we put up to Cabinet is based on that advice from DIPE and liaison with the members. From that we also, once that has been confirmed, get some estimates from DIPE in relation to the likely costs. That forms our minor new works submission to Treasury. When that decision is made, obviously not always the full amount is allocated, we then need to go back and prioritise that. Again, that is done in conjunction with members. Once those negotiations have been concluded, it is then a process of the member signing-off on that, and it then goes to the Clerk and the Speaker for final signing.

Mr REED: Thank you. Can we just then reflect on this current financial year regarding the electorate offices for the members of Stuart and Millner. Were they planned works regarding the \$40 000 and the \$101 000 expenditure to date? How does one plan then, in that context, if it was a change of electorate office as occurred with the member for Millner?

Madam SPEAKER: It is hard to say they were planned. The member for Stuart - I mean, some of our electorate offices really needed an upgrade, as you would appreciate.

Mr REED: That is taken, yes.

Madam SPEAKER: Certainly, the member for Stuart's office required certain works to be done to it. The original costing that came through for the upgrade for that office was significantly reduced. It was much higher than the \$40 000 costed. The member for Millner's, the relocation from that - I had a paper about that, which I cannot seem to find.

The member for Millner, as you know, sought relocation on the grounds that he felt that the Jape Homemaker Village did not provide appropriate access and was not visible enough for him, so the new location at Rapid Creek. The procedures for requesting, approving and funding an office relocation was all complied with. Remember, our role is to provide a service to members and, if a member makes such a request, then it is not for us to say: 'No, you cannot do that'. We try to make sure that all our members have an office suitable for their work and in a suitable location.

The annual lease, for instance, is cheaper in the new premises than it was in the old one, but the cost of the fit-out of the office was \$94 437. Then we had to make do - the office that was left at Jape - to the value of \$7238. That is how you got the total of \$101 675. I guess these costs are probably in line with some of the past fit-outs that we have done in offices and, might I add, the work was all done by a local builder.

Mr REED: Madam Speaker, in relation to the member for Stuart, I seem to recall reference being made earlier in this financial year that he was to establish an office in Katherine. Have you any details for that?

Madam SPEAKER: I do not think that has gone ahead. We did discuss that, and I do not know – has the member for Stuart gone ahead and established an office in Katherine? No. Because that was part of the determination, the RTD, that he could have ...

Mr Reed: A second office.

Madam SPEAKER: ... a part-time person in Katherine. I do not think, at this stage, we have actually gone ahead and done that, even though we have had discussions with him.

Mr REED: Is that second office for the member for Stuart, and indeed, do you have any information available on works that have been requested by members in their offices for the year 2003-04?

Madam SPEAKER: Where are we at with that? I discussed that with the member for Stuart some time ago, but nothing has come before me since then. Vicki?

Ms LONG: We have a draft plan but, at this stage, that is under review because of the reduced level of funding. I can say that the major focus, in broad terms, of minor new works for the coming financial year will be a review of security in electorate offices. Also, because of an upgrade of the IT systems to provide better access to the government WAN, there needs to be a need to ensure that all electorate offices have the appropriate standard of cabling. Those are the two focusses. In individual offices, that is currently being looked at through consultation with members and DIPE.

Madam SPEAKER: But has the member for Stuart actually discussed an office in Katherine with you?

Ms LONG: No. My understanding is that the determination relates to staffing support rather than an office.

Madam SPEAKER: At this stage, I have not had any further discussions with the member for Stuart. Clerk?

Mr McNEILL: Mr Chairman, to date the only informal discussions we have had were based around the member for Stuart having his part-time assistants based in an existing office location on a temporary basis. However, nothing has progressed beyond that suggestion. We have had no formal approach and nothing on foot, or nothing has been presently allocated to do anything in respect of accommodation in Katherine.

Mr KIELY: Could I ask a couple of questions on that accommodation issue?

Mr REED: If I could finish this chain of questioning, if you do not mind. In the document that you circulated: estimated value of works \$386 000 plus, expenditure to date \$270 000 plus. Was the \$386 000 the allocation for this financial year, and will you achieve that level of expenditure?

Madam SPEAKER: You are talking about this financial year coming up?

Mr REED: Yes. On the sheet that you circulated the estimated value was \$386 000 and expenditure to date was \$270 000. Was the \$386 000 the allocated amount, or was there additional funds allocated to this area during the course of this financial year?

Madam SPEAKER: I am not totally sure. You are talking about the \$270 000 which has been expended to date?

Mr REED: Yes. But \$386 000 was the estimated value.

Madam SPEAKER: Yes. But we will not need to expend that much. There has been a review in some cases of that.

Mr REED: Right.

Madam SPEAKER: Vicki, do you want to elaborate?

Ms LONG: Yes. The amount of \$386 000 consisted of a revote amount, plus the minor new works program for 2002-03, so there are two amounts in there. As you will understand, this is a bit of a moving feast, the minor new works.

Mr REED: Yes.

Ms LONG: At the time when this was developed last week, \$270 000 had been expended. Today that amount will be higher as the invoices come through. It is difficult, but we estimate possibly about \$27 000 will be revoted into next year.

Mr REED: Madam Speaker, was then the allocation increased for this activity during the course of the year? Was it necessary to increase the amount of money that was available?

Madam SPEAKER: No.

Ms LONG: No.

Madam SPEAKER: No, we did not seek any additional money for that.

Mr REED: And there were no transfers within the agency to this allocation?

Madam SPEAKER: No.

Ms LONG: No.

Dr LIM: With regard, Madam Speaker, to the move ...

Mr CHAIRMAN: Can I just remind members that they come through the Chair, because it is very difficult for me to determine the order of questions, or questions waiting to be asked. I cannot be looking in every direction at the one time.

Dr LIM: Mr Chairman, if I may ask a question of Madam Speaker? The member for Millner moved his office to Rapid Creek Shopping Centre. Was there a tendering process to award this contract? Did it go to tender at all? If it did, how many people tendered for that?

Madam SPEAKER: There is a policy, was there not, that the owner of the building has first priority to actually do that work? However, in this case it did actually go to tender ...

Ms LONG: No, it went to the building owner. That is the policy; that the building owner has first priority.

Dr LIM: Meaning Jape?

Madam SPEAKER: The owner of the building ...

Ms LONG: At Rapid Creek.

Madam SPEAKER: ... whoever it was. That policy has been in place for a number of years ...

Dr LIM: You mean the local member negotiates with the building owner?

Madam SPEAKER: No, it is not the local member. No.

Mr McNEILL: Mr Chairman, the leasing arrangements for the electorate office properties are done through NT Property Management. They have an existing certificate of exemption with the Procurement Review Board to facilitate fit-outs by building owners as the first available option to them. That arrangement was put in place in respect of the Rapid Creek fit-out. In the event, the work was subcontracted to a local building firm. However, it was the actual head of power to undertake the fit-out that was done under those arrangements. That was the result: on the first call basis of being able to fit out their own property.

That was within the range, as advised by officers of the Construction Agency, that it was very close, indeed, to the original quote upon which we based the ultimate request to shift. In the event, there were some significant increases in some of the quotations that were received from the previous building owner. It would also be worth recording that the ownership of the building actually changed hands during the course of those negotiations.

Madam SPEAKER: In some cases, owners do not exercise that option to undertake the works on their property, and are quite happy for you to advertise. However, in this case, Morstall Pty Ltd utilised a local building contractor, John Glynatsis to do the normal works.

Dr LIM: I assume that the Jape tenancy contract was coming to an end?

Mr McNEILL: That is right. It was being held over on a month-to-month basis in the interim.

Mr WOOD: Mr Chairman, a question for yourself. Are we going down the order as in outputs 1.1, 1.2, 1.3? In other words, are we all asking questions in 1.1 and then - because we have now really got onto members and client services, I believe and I had a question for 1.1.

Members interjecting.

Mr REED: That is where we have been for the last half hour, I think.

Mr WOOD: I realise that. But 1.1, I was ...

Mr CHAIRMAN: Output 1.1, member for Nelson, has been concluded. We are now on output 1.2.

Mr WOOD: Well, I believe we just mixed them up together.

Mr CHAIRMAN: I am being very flexible in the context of how these questions are to be asked.

Madam SPEAKER: Good idea, Mr Chairman.

Mr WOOD: It is only a point of clarification; I do not mind if you mix them up. I just want to know where I go with my questions.

Mr CHAIRMAN: We are in output 1.2. Feel free to ask the question, if you have a question.

Mr KIELY: I have some questions. Madam Speaker, in regard to expenditure of minor new works for electorate offices, are you able to provide us with what expenditure was incurred by the Legislative Assembly for 2000-01, 2001-02, and what offices that expenditure was held against?

Dr Lim: That was in last year's estimates.

Madam SPEAKER: I believe we do.

Ms Lawrie: Comparative.

Madam SPEAKER: We do have that? Tell me ...

Dr LIM: Yes, Madam Speaker, you provided that last year actually.

Mr KIELY: I will give you that question again if you like. Somewhat similar to what you provided to ...

Madam SPEAKER: 2000-01, 2001-02 is what you are ...

Mr KIELY: Yes, 2000-01, 2001-02 expenditure on ...

Madam SPEAKER: Yes. Can we take that on notice, Mr Chairman?

Mr KIELY: I am happy for that to be taken on notice.

Question on Notice

Mr CHAIRMAN: Can I just clarify that again, member for Sanderson? You wish to ...

Mr KIELY: Yes, please provide me with the minor new works expenditure for electorate offices for 2000-01 and 2001-02.

Mr CHAIRMAN: Madam Speaker, do you take that question on notice?

Madam SPEAKER: Yes, we have taken that on notice. We do not have that.

Mr CHAIRMAN: In that case I allocate number 1.3 to that question.

Mr KIELY: Madam Speaker, under clause 8 of the RTD, Interstate travel, a member is entitled to a single interstate trip per year. Under clause 8.3 there is scope for a member to apply to take more than one interstate trip per calendar year if he or she applies to the Speaker. For 2002-03, can the Speaker identify which members, if any, applied to do more than one trip in a calendar year, and what the destinations for the multiple trips were?

Madam SPEAKER: Are you talking about interstate trips?

Mr KIELY: That is right.

Madam SPEAKER: I do not have that information with me. Can we take that on notice and get back to you?

Mr KIELY: Sure. Would you like me to re-state the question?

Mr CHAIRMAN: Just very quickly if you will.

Question on Notice

Mr KIELY: For 2002-03, can the Speaker identify which members, if any, have applied to do more than one trip in a calendar year, and what the destinations for the multiple trips were?

Madam SPEAKER: We are talking about interstate trips?

Mr KIELY: Under the RTD.

Madam SPEAKER: Travel under RTD, Interstate trips.

Mr KIELY: Yes, under clause 8.3.

Mr CHAIRMAN: Can I just clarify this again. That question just asked by the member for Sanderson will be 1.4. Madam Speaker, you are prepared to take that on notice?

Madam SPEAKER: Yes. We said we would.

Mr KIELY: I reiterate that is under clause 8.3.

Dr LIM: Mr Chairman, I have a question.

Madam SPEAKER: This is why it would have been great to have had these in advance. We could have had this information for you.

Mr CHAIRMAN: Unfortunately, that is not the case on this occasion.

Mr KIELY: Madam Speaker, under clause 11 of the RTD, this provision allows for shadow ministers to be allocated travel within the Territory at taxpayers' expense. The determination provides a limit to the number of shadow ministers who are able to claim this benefit. It provides that the number of shadows does not exceed the number of ministers. That means that only eight of the nine shadow ministers can benefit from this entitlement. I have two questions for you and I will make them clear in case you wish to take them on notice.

Has the Leader of the Opposition advised you of which of his nine shadow ministers is not entitled to this benefit, or has the opposition decided to pool its benefits, payable under clause 11.3?

The second question I have for you: if it has been pooled, what was the global allocation given to the Leader of the Opposition to utilise, and how was this allocation divided up amongst shadow ministers?

Madam SPEAKER: I do not have that information at all. I am not aware of how the Leader of the

Opposition actually does that. It is really his decision.

Mr BURKE: As per the remuneration and your approval, Madam Speaker.

Madam SPEAKER: I do not have to prove that travel is purely to the Leader of the Opposition. It is discretion of how he utilises that. But we can give figures? We can take that on notice also.

Question on Notice

Mr CHAIRMAN: Would you like those questions again? I think you referred to two questions.

Mr KIELY: Question one under RTD clause 11: has the Leader of the Opposition advised you which of his nine shadow ministers is not entitled to the benefit, or has the opposition decided to pool its benefits payable under clause 11.3? That is, that only the same number of shadow ministers are entitled to travel as per ministers. We have an excess of shadow ministers under this opposition.

Mr CHAIRMAN: Madam Speaker, are you prepared to take that question on notice?

Madam SPEAKER: Yes, I will take that on notice.

Mr CHAIRMAN: I allocate 1.5 to that question

Question on Notice

Mr KIELY: Question two: if a global allocation has been given to the Leader of the Opposition to utilise, how is this allocation divided up amongst shadow ministers? If you have that information fine, but if you believe it to be a matter for the opposition, then so be it.

Madam SPEAKER: I will take that on notice. Perhaps we should direct that to the Leader of the Opposition?

Mr KIELY: It is probably available on the number of shadows who travel.

Mr BURKE: Just read the remuneration tribunal and you will get your answer.

Madam SPEAKER: We can get those, Mr Chairman.

Mr CHAIRMAN: That question has been allocated 1.6.

Mr WOOD: Madam Speaker, I have two questions here. I will just go back to output 1.1, Assembly Services. Where does the additional \$145 000 for the creation of a permanent Environment and Sustainable Development Committee show up in the budget figures? What sort of impact will the expanded committee system have on staff resources, and will some of the other committees lose some of their staff or administrative support?

Madam SPEAKER: We did get an additional allocation for committees. I explained that. I have worked with committee chairs on the allocation of that. The additional funding of \$145 000 was approved to establish an environment committee and to expand not just that committee but the activities of the other parliamentary committees. What was your other question?

Mr WOOD: Will some of the other committees lose some of their staff or administrative support?

Madam SPEAKER: What we will do is negotiate with them as time goes by and, if there is a case for additional funding because of the activities that have been generated, I will go back to government. That is part of the policy that, when government actually puts a reference to a committee, additional funding should be allocated so that committee can work in that way.

Mr WOOD: On a Building Management Services ...

Mr CHAIRMAN: Before you go on to that ...

Ms LAWRIE: I have a question on Members and Client Services.

Mr WOOD: Well, I could go back to Members and Client Services.

Dr LIM: Yes, I want to ask some questions on Members and Client Services too.

Mr CHAIRMAN: What I suggest we do is – I have been very flexible in this particular exercise, given that there are not a lot of outputs. I am prepared to continue down this track. However, bear in mind that, that being the case, then I would expect matters in regards to output 1.3 also to be addressed as being inclusive. So, just bear that in mind.

Mr WOOD: Three short questions. Spending on building management is down in 2003-04 by \$51 000. Why is that so? Will security upgrades be included in building management?

Madam SPEAKER: Security upgrades: we have just done a security review and we have not prioritised, out of that review, what we will be doing with regards to security. I will flick that to Rex.

Mr SCHOOLMEESTER: The output has come down for the following major adjustments: we have changed the costing model, which actually put the cost of it up; we have increased the allocation – sorry! The cost of the output has come down, but with the efficiency dividend and a lot of the costs associated with that, we would expect to find savings within that area, and that is then applied. However, in actual terms, we have removed the one-off non-cash depreciation item of \$44 000 out of this year's allocation. We have had negative Treasury for other increases of \$9000, and we have an increase slightly for IT funding of \$2000. Those basically add up to the \$51 000.

In real terms, because of the efficiency dividend, the output has remained fairly much stable, because most of that output is based on the CPI costs. That output is primarily costs associated with running the building, and the 2% efficiency dividend has really impacted on that area.

Mr WOOD: Mr Chairman, just two questions. How do you distinguish between minor new works and smaller works done on electorate officers? Would you regard shifting an office a major new work rather than adjusting a ...

Madam SPEAKER: It comes under our minor new works program.

Mr WOOD: Is that just a ...

Ms LONG: Minor new works is under \$150 000.

Mr WOOD: The last one: I have had on my office for the last three or four months a satellite dish that Optus had put on there for broadband Internet. Anyone who has tried to get me on e-mail will know that something had to be done. However, that has been sitting there for three or four months and is not connected.

A member: Likewise.

Mr WOOD: I must admit I have argued that it should be connected to both computers - I cannot see any point in it sitting there only connected to one computer. However, at the moment it is not connected to any computers. Would someone be able to say what is happening with this roll-out of broadband?

Mr Reed: Beam me up, Scotty.

Madam SPEAKER: I am not the best person to talk to about IT services to electorate offices. I have suffered greatly in Alice Springs from breakdowns and what have you. Who wants to answer that one? Vicki?

Ms LONG: I can answer that, yes.

Madam SPEAKER: I am happy for you to raise it.

Mr WOOD: Do you want to take that on notice?

Ms LONG: I will give you an answer. You may still want to put something on notice. At the moment you would be aware there is a virtual private network, VPN, trial going on, which will replace the current dial-up system for electorate offices. The satellite dishes were part of that trial for those offices which do not have ADSL connections - and yours was one of those.

In the trial, there were some issues that arose with the way it was operated. A decision was made by the people managing that project to focus on a small number of electorate offices, rather than trying to address issues across the range. They have done that. Yours was one of the offices that was left there. The trial has now been concluded and the approval has gone ahead for the implementation of the project. So, your satellite dish will become live and VPN will be implemented.

Mr CHAIRMAN: Are you satisfied with that, member for Nelson?

Mr WOOD: Yes, and the people in the hardware next door will know I am not receiving the cricket.

Ms LAWRIE: Madam Speaker, under the RTD there is a cap on the costs associated with overseas travel, and that is detailed at Clause 9.1(g). Can you advise what that rate was for the 2003-04 period?

Madam SPEAKER: Two thousand and ...

Ms LAWRIE: This current financial year period.

Madam SPEAKER: The RTD provides for the cost of a direct return business class fare from Darwin to London for a member and his or her spouse. As advised by Qantas, currently the cost is \$12 200 plus tax, which comes to \$12 450.

Ms LAWRIE: So that is the cap under the RTD provisions on overseas travel?

Madam SPEAKER: At the moment, yes.

Mr KIELY: \$2500.

Ms LAWRIE: \$2450, was the figure of the total?

Madam SPEAKER: No, \$12 450 per member and spouse.

Dr LIM: Mr Chairman if I may ask a question of Madam Speaker?

Madam SPEAKER: I will just qualify that travel allowances are additional to that travel cost.

Dr LIM: Staying on Member and Client Services, Rolldata is the electronic database used to maintain electoral rolls for members of the Assembly. What is the cost of maintaining the database? Could you provide the list of members who are still using Rolldata? Is it still cost effective to maintain Rolldata for these remaining members?

Madam SPEAKER: It is my understanding that the two Independents still use Rolldata.

Mr McNEILL: And others ...

Madam SPEAKER: And others as well? Perhaps the Clerk - and I am sure for those two members it is important that we maintain that service. Clerk.

Mr McNEILL: At present, the Remuneration Tribunal Determination provides that members can be reimbursed for the use of an alternative commercial application, or still continue to receive the Rolldata service. Currently, the Rolldata service, under a software contract with the service provider, costs us \$550 a month, or \$6600 a year. Presently, we are still providing that service for - most recently advised, as well as Madam Speaker and the member for Nelson - there is a total of 16 still receiving Rolldata.

However, we understand that a high number of those are members of the government who are currently in the process of acquiring their preferred software. The contract for the support of the Rolldata system falls due in August. It would be our intention to renegotiate that on the basis of a requirement for a very much diminished service level. We will know the outcome of that in the next few months. However, at the moment, because the provisions of the tribunal determination are effectively statutory provisions, we are in a position of being obliged to provide that support. It is something we are very mindful of and, in the event that an alternative software package that is commercially available and able to be supported in a cheaper manner, is available, we will certainly pursue that.

Dr LIM: Mr Chairman, if I could move now to Building Services. In Budget Paper No 3 for 2002-03, the Department of the Legislative Assembly managed 23 000 m² of space. In Budget Paper No 3 for 2003-04, the area of space managed decreased to 12 970 m². Who is looking after the rest of parliament?

Madam SPEAKER: I am sorry, could you repeat your question, please?

Dr LIM: Budget Paper No 3, page 34 of the year 2002-03, the Department of the Legislative Assembly managed 23 000 m². In Budget Paper No 3 of 2003-04, page 42, the area of space managed has decreased to 12 970 m².

Madam SPEAKER: The original measure for the majority output was based on the total enclosed square metres of Parliament House floor space. It was felt that a better unit measure of this output would be to divide Parliament House's useable rentable space into two distinct sub-outputs, being the parliamentary office space managed and the public and function rooms managed. The measures were changed to provide a better comparison with commercial properties. The unit measure decreased from 23 000 m² to 12 970 m² because the original unit measure included building support areas such as plant rooms, stairs, common passageways not occupied by any tenants. So, we are now talking about the useable space.

Dr LIM: So the rest of the space ...

Madam SPEAKER: Was, yes, corridors ...

Dr LIM: But you are still managing them? You are still managing them, that is the question.

Mr CHAIRMAN: Before we go on, just a reminder that we actually did start about five minutes late, therefore, we will extend this period until 11.05 am. Bear in mind that is the time we have for questions.

Dr LIM: There appears to be a large increase in the budget figure for land and improvement between the 2002-03 budget figure of \$93.053m and the 2002-03 estimate actual of \$135.518m for this financial year yet to end. What was the cause of that large increase? Page 44, Budget Paper No 3.

Madam SPEAKER: Just start it off again with the first ...

Dr LIM: There appears to be a large increase in the budget figure for land and improvements between 2002 and 2003.

Madam SPEAKER: Can I ask Rex to add to that?

Mr SCHOOLMEESTER: The increase is primarily the result of a change in the depreciation methods. In the first method, the building has been consistently valued at about \$153m. The depreciation was originally \$68m. When we looked at the revised depreciation in accordance with the Treasury standards, it should have been set at depreciation over 100 years. The change actually resulted in a change of the accumulated depreciation, rather than a change in the building value. So, it was revalued down by \$40m in accumulated depreciation.

Dr LIM: Madam Speaker, I now refer you to the function hours held in Parliament House. What are the total function hours in Parliament House for 2002-03? How would this figure be calculated? What proportion is likely to be functions hosted by you, and what could be hosted by the Chief Minister or other ministers? It is not included in the budget papers for 2003-04.

Madam SPEAKER: You are basically asking the number of function hours and the break-up between ministers and other functions? Is that what you are after?

Dr LIM: That is right. In last year's budget papers there was a global figure of 2262 hours. These budget papers have nothing at all.

Madam SPEAKER: Yes, 2262 was the estimated number of function hours, based on the original 2001 year, the latest full year of data available when the estimates were originally made. The estimated actual function hours for 2002-03 are 1509. Of these, 721 were for the ministers or the Chief Minister; the remaining 788 were for commercial functions. The number of functions has increased from the previous financial year, but are below the year before. Therefore, basically, for 2002-03 they have increased from 2001-02, but they are less than 2000-01.

Dr LIM: Could you table the number of hours? It is hard to follow from this.

Madam SPEAKER: Yes. That gives you the number of hours, the guests, and, basically, the cost.

Dr LIM: Thank you.

Mr McNEILL: Mr Chairman, as well as tabling that document, which I believe needs some refinement and updating to fully satisfy a detailed answer to your question, we might also place Dr Lim's question

on notice. We need, on the face, to separate our parliamentary functions from commercial functions, to provide that appropriate detail.

Mr CHAIRMAN: Thanks, Mr McNeill.

Question on Notice

Mr CHAIRMAN: Member for Greateorex, would you like to just restate the question please?

Dr LIM: I will restate the question formally. What is the total of function hours in Parliament House for 2002-03? How is this figure calculated? What proportion of it is likely to be, or has been, functions hosted by the Speaker and what have been hosted by the Chief Minister and/or the other ministers?

Madam SPEAKER: I am happy to take that on notice and clarify that the functions are broken up into government functions and a couple for the Speaker. Most of them are commercial functions.

Mr CHAIRMAN: I allocate number 1.7 to the question asked by Dr Lim.

Madam SPEAKER: I take that on notice.

Mr KIELY: Madam Speaker, under clause 10.7 of the RTD, members who are not provided with a government car are entitled to an allowance – a user supplementary general allowance. Are there any MLAs who have taken up this option? If so, what are their electorates?

Madam SPEAKER: Sorry? Ask me again.

Mr KIELY: Under clause 10.7, MLAs who do not take up the offer of a government car may take up the offer of a supplementary allowance in lieu of that car?

Madam SPEAKER: Yes, okay. So, you are asking did anyone actually take up this second part?

Mr KIELY: That is right, and what electorates were they?

Madam SPEAKER: Yes, one member has taken up the option of a supplementary allowance.

Mr KIELY: What electorate was that?

Madam SPEAKER: The member for Katherine.

Mr CHAIRMAN: The Leader of the Opposition, do you have some questions?

Mr BURKE: Yes, thank you, Mr Chairman. I refer you, Madam Speaker, to Budget Paper No 4, page 13, for the capital works program for 2002-03. There might be a simple explanation, but it is confusing me. It shows a revote of \$144 000 from 2001-02 and new works of \$610 000. Yet, if you look at the capital works program for this year's budget – well, firstly, if we just stay on that year, how can you reconcile the fact that there is a total capital works program of \$754 000 yet, on the 2003-04 budget, it shows that only \$41 000 has been spent?

Madam SPEAKER: I am going to have to flick that.

Mr McNEILL: The \$41 000 is not a capital works item. It is a capital items entry and that is to identify the photocopier replacement program for the electorate offices. It is available to give a step-by-step rundown of the revotes and the allocations for the works program that appears in the Budget Paper

No 4 documents.

Mr BURKE: If you go to Budget Paper No 4 for the current year, page 13 shows that you have revoted \$144 000 and you have new works of \$610 000, a \$754 000 program.

Madam SPEAKER: That is last year's.

Mr BURKE: No, that is the current year. I would just like to know why, if you look at the current Budget Paper No 4 it shows you that you have only spent \$41 000.

Madam SPEAKER: I will ask Rex.

Mr SCHOOLMEESTER: The budget paper you are referring to on page 13 is actually the minor new works program. It is not the capital program.

Madam SPEAKER: We do not have any capital works, do we?

Mr SCHOOLMEESTER: We have capital ...

Mr BURKE: Capital works, Legislative Assembly.

Mr SCHOOLMEESTER: It is actually minor new works. It actually covers minor new works and not capital items. Capital items is what is shown in the other budget paper, No 3. Minor new works is shown in Budget Paper No 4 on page 13. Minor new works relates to the electorate offices, fit-outs, those sort of items and also building – any of the ongoing works for parliament.

Mr BURKE: Just explain to me the difference then, because it is revoted of \$144 000 and \$610 000 allocated. Whether it is minor new works or capital works or whatever, the total spent was \$41 000.

Mr SCHOOLMEESTER: No, the \$41 000 was spent on capital items, not capital works.

Mr BURKE: Okay, so no capital works were done?

Mr SCHOOLMEESTER: Yes, capital works were done and that figure was – we had it before ...

Mr BURKE: Well, your revoted works were \$253 000. So, is the difference \$754 000 minus \$253 000?

Mr McNEILL: Yes, that is right.

Mr SCHOOLMEESTER: Yes, it was. It is. Those works are projects within DIPE. With minor new works, the \$754 000 you have there, DIPE spent that money on our behalf. When the projects are finalised, the assets out of DIPE are transferred to us as a transfer of an asset and a transfer of that expenditure. We make a decision in the Department of the Legislative Assembly whether to capitalise the item or to expense it. In our case, of that money for this year we have expensed only \$55 000; the rest has been capitalised. The only projects that were completed this year that we have so far on our books is the \$121 000 for the Millner office; and there was \$20 000 for one of the other offices that was complete.

The balance is still works in progress within DIPE. It has not been transferred to us yet. This money is not in our control. We will set the projects, but we do not control the transfer of this money to us. When a project is finished, it is transferred to us. This year they have transferred, at this stage, up to the end of the third quarter, \$170 000 to us only of that \$500 000. The rest is works in progress.

Mr BURKE: Perhaps I could ask, if I may, that you to take those questions on notice.

Question on Notice

Mr CHAIRMAN: Do you wish to restate your question, Leader of the Opposition?

Mr BURKE: Yes, it is probably easier if I get a written answer. The question is: I refer you to Budget Paper No 4, budget 2002-03, Capital Works Program, page 13, which shows a rebate of \$144 000 from 2001-02 and new works of \$610 000, a total capital works program of \$754 000. How can you reconcile these figures when Budget Paper No 4 for this new year, 2003-04, shows \$41 000 spent, yet your program for the year budgeted was \$754 000?

Mr CHAIRMAN: Madam Speaker, you will take that question on notice?

Madam SPEAKER: Yes, we will take that on notice.

Mr CHAIRMAN: I allocate number 1.8 to that question.

Mr CHAIRMAN: That concludes questions to Madam Speaker in respect of that output group. Madam Speaker, on behalf of the committee, I thank you for your attendance here today, also to officials associated with the Department of the Legislative Assembly.

Mr BURKE: Thank you, Madam Speaker, and thanks to the staff.

NORTHERN TERRITORY TREASURY

Mr CHAIRMAN: I welcome the Treasurer. Treasurer, would you like to introduce the officials accompanying you, and, if you so desire, make an opening statement?

Mr STIRLING: Mr Chairman, thanks for your welcome. I have with me on my left the Under Treasurer of the Northern Territory, Jennifer Prince; Jodie Kirkman, Director of Financial Analysis; Kathleen Robinson, Director Budget Analysis; and on my right Andrew Smith, Deputy Under Treasurer, Revenue and Licensing; and Tony Stubbin, Assistant Under Treasurer, Economics.

Mr Chairman, I take the opportunity to make an opening statement to the Estimates Committee. The Estimates Committee is operating under new rules agreed earlier this year; rules that are similar to those operating in other jurisdictions. For the first time, written questions have not been submitted. While the processes of the committee have been set out clearly in the standing orders, these new arrangements will inevitably be refined over this coming week.

In order to assist the committee with the smooth running of its business, I want to set out the basis that ministers will adopt in answering questions and providing information to the committee. In addition to answering questions about her portfolio responsibilities, including Arts and Cultural Affairs, the Chief Minister will deal with questions on agencies that report to the parliament: the Auditor-General and the Ombudsman. The Chief Minister will also address questions relating to ministerial expenses on behalf of all ministers.

To assist with the management of proceedings, each minister will make an opening statement outlining the matters that they will address and the order in which questions should be raised. Questions should be submitted in order of output groups. Once an output group has been dealt with, questions in relation to that output group cannot be revisited. Questions that relate to the whole of the agency will be answered after each of the output groups have been dealt with. Some ministers have responsibility for matters where the main carriage of that agency is with another minister. For

example, even though I am responsible for the Northern Territory Treasury, I am not the minister responsible for procurement. In such cases, and for the administrative convenience of agency's officers, questions on outputs where the main carriage for the agency rests with the more senior minister will be dealt with first. Returning to the procurement example, questions on procurement will be answered before output groups of DBIRD and Police, Fire and Emergency Services.

In relation to capital works, ministers will answer questions about capital works projects and capital grants in their portfolios. These will relate to what and why issues. The Minister for Transport and Infrastructure will answer questions about the general government capital works program, including cash and program matters and timing of specific projects. Capital works of GBD's, for example housing, should be addressed to the relevant portfolio minister.

As Treasurer, I will address a number of issues from a whole-of-government perspective. These include financial and accounting policy matters as apply in the 2003-04 budget; performance against the deficit reduction strategy; the fiscal strategy; parameters used in developing the budget, both financial and economic; nett debt interest payments; Territory borrowings; employee superannuation liabilities; Territory revenue paid into the Central Holding Authority, including taxes, royalties and GST revenue; revenue measures in the 2003-04 budget; and the *Fiscal Integrity and Transparency Act*, including financial statements for the general government and the non-financial public sector.

As Treasurer and Minister for Racing, Gaming and Licensing, I am responsible for the activities of the Northern Territory Treasury and I will answer questions on output groups within Treasury, with the exception of questions related to procurement. Minister Henderson will deal with any procurement matters tomorrow. Also, the shareholding minister for PowerWater will address issues that arise in the budget papers, and *Appropriation Act*, in relation to PowerWater. Any operational or policy issues which are outlined in the Statement of Corporate Intent which are not covered by Community Service Obligation dividends or tax equivalent payments, should be dealt with by the GOC Scrutiny Committee and PowerWater representatives on Friday.

As Minister for the Office of the Commissioner for Public Employment, I will address issues in relation to public sector employment matters from a whole-of-government point of view, as well as answering questions on the output groups of OCPE. I am also the Minister for Employment, Education and Training, and will answer questions in relation to policy matters which are the responsibility of this portfolio and the DEET output groups.

Questions taken on notice during the Estimates Committee proceedings will be dealt with as outlined in the handbook. However, I can assure the committee, Mr Chairman, that ministers will attempt to answer all questions during their allotted time before the committee. I thank you.

Mr CHAIRMAN: Are there any questions to the Treasurer in respect of that statement? Okay then, the committee will now consider Item 1 on the Schedule – Whole-of-Government Questions, Budget and Fiscal Strategies Debt. Are there any questions?

**OUTPUT GROUP 00.01 – Whole-of-Government Questions -
Budget And Fiscal Strategies Debt**

Mr REED: Mr Chairman, in Output 00.01 – Whole-of-Government Questions - Budget and Fiscal Strategies, is it appropriate that we address some questions now in relation to that?

Mr STIRLING: Whole-of-government? Yes, go for it.

Mr REED: In the inflation factor used in developing the budget, what inflation factor was used?

Mr STIRLING: 2.5%.

Mr REED: Does that take into account the current inflation factor rate?

Mr STIRLING: A number of factors go into deciding what inflation factor will be used, undoubtedly.

Mr REED: Yes, but does it take into account the current inflation rate, which is greater than 2.5%?

Mr STIRLING: The inflation factor for the Territory predicted at 2.2% is lower than the 2.5%, but the 2.5% has been factored in for all agencies.

Mr REED: But the current inflation rate nationally is, I believe, 2.8%.

Mr STIRLING: Yes, but we are considerably under that in the Northern Territory. We expect to be under the national CPI rate again in 2003-04.

Mr REED: Was that 2.5% rate applied across the board?

Mr STIRLING: How do you mean?

Mr REED: Well, to all agencies - all areas of all agencies?

Mr STIRLING: Yes.

Mr REED: In relation to an efficiency dividend, which is not mentioned at all in your budget speech, Treasurer, was there an efficiency dividend required to be provided by agencies and, if so, what was it?

Mr STIRLING: In 2002-03 or 2003-04?

Mr REED: Both years.

Mr STIRLING: In 2003-04 it will be 1% across all agencies with the exception of Police, Fire and Emergency Services; Employment, Education and Training; and Health and Community Services, where it is 0.5%. It is 2% for all agencies in 2003-04 and 0.5% ...

Mr REED: Not 1%, it is 2%.

Mr STIRLING: 2% in 2003-04 and 0.5% for Police, Health and Education.

Mr REED: And the rate in 2002-03?

Mr STIRLING: The productivity dividend in 2002-03 was 4% across all agencies, with the exception of Police, Health and Community Services, and Employment, Education and Training, where it was 1%. It is applied at 2.5% across government in those three agencies.

Mr REED: Does that apply to all aspects of an agency's activities, or are there some omissions or some areas that do not have to provide it - for example, salaries?

Mr STIRLING: It is applied against the output appropriation.

Mr REED: That is in total to an agency's total budget?

Mr STIRLING: Yes.

Mr CHAIRMAN: Are there any other questions?

Mr REED: Yes. In terms then, of that 2% for 2003-04, what is the total amount that that provides?

Mr STIRLING: We will just get that figure, Mr Chairman.

Mr CHAIRMAN: Are you happy to accept that?

Mr REED: Yes, thank you. For both years if you could - 2002-03, 2003-04. Also in terms then of – I will just wait for the Treasurer.

Mr STIRLING: Sorry, 2002-03 at the 4% equals \$30m, and in 2003-04 at the 2% it is expected to be \$15.8m.

Mr REED: Mr Chairman, the Treasurer might want to deal with this in the non-output specific budget questions – we will just see how we go. How does that relate to specific budgets? For example, the 2% dividend and the inflation factor to the Department of Education budget and others, compared to the amount of increase that you have announced in your budget speech and the amount of inflationary factor and the efficiency dividend. Do you want to deal with those questions now or in a ...

Mr STIRLING: No, I am happy to take them now.

Mr REED: ... at a later time?

I draw then your attention to your budget speech in, for example, the Department of Education at page 11, where the overall budget for Education is said to increase but, in fact, when you take into account the increase and then allow for inflation, the inflation factor cancels out any increase, thereby meaning that there is no effective increase to the budget. Would you care to explain that, Treasurer?

Mr STIRLING: Well, that simply is not true. You have to take the effect of the EBAs and the salaries, that is picked up. The inflation factor of 2.5% is in excess of what we would expect of what the projected Northern Territory inflation figure is likely to be. The projections for that are around 2.2%. So, you have the EBA against the salaries in there, of which the salaries are about half of the agency's overall spend, and you have a 2.5% inflation factor across the agency. So, of course, there is an increase.

Mr REED: Well, look at Health then. You say in your budget speech there is an increase in the budget of \$14m. You have taken 0.5% - is it? - of their budget in efficiency dividend. There is an inflation factor of 2.5%, so the \$14m really only accounts for a little over the inflation factor. If you add 2.5% to last year's budget for Health, you do not come out with much change from the \$14m that you generously provided them, over and above the inflation factor.

Mr DUNHAM: In fact, it is a reduction. In fact, they are not getting inflation, are they?

Mr CHAIRMAN: Can I just remind members to please address all their questions through the Chair?

Mr REED: Well, Mr Chairman, there is the question. The Health budget has gone up by \$14m. The Treasurer has provided an allowance of an additional 2.5% for inflation which, in fact, cancels out the \$14m increase. Yet elsewhere, in his budget speech, he tells us that Health is going to do all sorts of wonderful new things, all of which are commendable and add up to the \$14m. However, in fact, the \$14m has gone with the inflation increase.

Mr STIRLING: If we were to go back historically - I do not have all the figures with me now - it is probably a better and bigger increase in real terms than what you guys ever provided. However, if you take out the - I do not have detail right in front of me – the one-offs in 2002-03, the increase for 2003-04 is in line with anticipated growth in personnel and operating costs. The increase is funded by the

output appropriation of \$8.1m, and agency revenue coming through from the Australian Health Care Agreement at \$7.5m. The productivity or efficiency dividend operating on Health at 0.25% - this was something you guys brought in, in 1991, at higher or lower levels, and is something that every jurisdiction in Australia has in its budget.

Mr REED: I am not arguing with that, Treasurer. What I am asking you is: in relation to this year's budget, you have told Territorians that the budget will be \$561m, an increase of \$14m over the \$546m provided to it last year. If you add inflation, that is about \$14m, which does not leave them any increase to do all the wonderful things that you said would be done by Health and Community Services on pages 12 and 13 of your budget speech. I will not go through, in detail, what they are, but they amount to an extra \$14m, which has already been gobbled up by the inflation factor and takes them back to square one. How are they going to achieve the additional activities that you told Territorians that they will achieve? It leaves only one option; and that is to cut services in other areas to pay for the increases.

Mr STIRLING: Mr Chairman, this is typical of the misleading information that the former Treasurer - and this is why he was such a dud as Treasurer of the Northern Territory, because he puts misleading information out before the committee. He just made it plain that inflation across Health would be \$14m. At 2.5% CPI, it is a figure of \$5.069m. You are out by a factor of three there, for a start. You cannot mislead this committee. You cannot come in here and say: 'Inflation across Health is going to cost them \$14m and there is the increase'. At 2.5%, it is \$5.069m. Inflation in the Northern Territory is expected to be lower than the national average, as it was in 2002-03, and likely to be around 2.1% or 2.2%. So, that \$5.069m will not even be realised in real terms against the cost, far from the \$14m that you suggest.

Mr REED: It is a shame that you are getting into personal criticisms, especially at this early stage of the game.

Mr STIRLING: Well, man, you blew budgets. That was the reality of you being Treasurer.

Mr REED: This is your opportunity to answer questions in relation to your budget.

Mr STIRLING: Yes.

Mr REED: The \$14m - okay. You have admitted then that they will be down \$5m. So they are down to having \$9m to do \$14m worth of work. Let us proceed on that basis. Where is the extra money going to come from to be able to achieve that? That is without going into the area of medical services and medical supplies which, in fact - and have historically and still do - inflate at a rate greater than the average inflation rate.

Mr STIRLING: Again, Mr Chairman, he seeks to mislead the committee by suggesting that Health is going to be out \$5.069m on the factor of CPI. That is the figure: at 2.5% CPI, which will not be realised in the Territory, we would not expect. They have been given an extra \$5.069m. They are not out of pocket. That is the CPI factor applied that has given that extra \$5.069m. How can you suggest that they are down \$5m and they only have an increase of \$9m?

Mr DUNHAM: May I ask a question, Mr Chairman?

Mr CHAIRMAN: Yes.

Mr DUNHAM: Are you aware of ABS inflator for this sector, Mr Treasurer?

Mr STIRLING: On?

Mr DUNHAM: Are you aware that there is an inflator for the Health sector that is not the CPI inflator

for the rest of the community? Are you aware that there are two different numbers?

Mr STIRLING: I will let him tell the story, Mr Chairman.

Mr DUNHAM: Are you aware or are you not aware?

Mr STIRLING: He has all the information here.

Mr DUNHAM: I assume you are not aware. Can I inform you, then, that it is higher than the general community and probably approximates close to 3% and above? This does not worry you?

Mr STIRLING: No.

Mr DUNHAM: This does not worry you that the sector we are talking about here is probably going to have an inflator closer to 3%, and you are saying it is 2.2%?

Mr STIRLING: Mr Chairman, I go back to the original premise here, that they are suggesting that the Northern Territory aligns perfectly with ABS national predictions. If CPI nationally is expected to be in the order of 2.5%, and the Northern Territory is 2.2%, and there is a national health care indicator of 3%, we are going to be somewhat under that in the Northern Territory as well, in line with the general CPI movement.

Mr DUNHAM: So which inflator would you use to best describe the inflation problems that the Department of Health and Community Services will have next year? If you do not agree with ABS, I do not have a problem. If you are confident that it is going to be 2.2%, I would like you to say that categorically. Or if you believe that Treasury has a figure that is a much better approximation, can you tell us what that number is?

Mr STIRLING: The question you are asking me – Mr Chairman, I will clarify the question - is what does Treasury believe the growth in Health will be?

Mr DUNHAM: No. I want Treasury to tell you what figure they would be using to estimate the inflation in the Health sector that would be appropriate for the Department of Health and Community Services.

Mr STIRLING: The 2.5% has been added in against CPI.

Mr DUNHAM: So you think that is an appropriate figure?

Mr STIRLING: That is the figure that has been applied.

Mr DUNHAM. Okay, 2.5%.

Mr REED: In terms of the 2.2% figure for inflation that you have adopted on the basis of ABS ...

Mr STIRLING: Sorry, member for Katherine.

Mr REED: You were getting some advice there. Do you want to share that with us?

Mr STIRLING: No, I was just checking.

Mr REED: In terms of the 2.2% inflation factor that you have used, which you said from ABS ...

Mr STIRLING: 2.5%.

Mr REED: 2.2% for the Territory. This is what you are implying?

Mr STIRLING: We are expecting 2.2%; we have applied 2.5%.

Mr REED: And what was the basis of the 2.2%?

Mr STIRLING: That is a Treasury projection.

Mr DUNHAM: Do you have confidence in that figure?

Mr REED: In the last budget, there were projections given in relation to both population and employment by Treasury, which have come to light now as being vastly wrong. What confidence do you have in this 2.2% figure?

Mr STIRLING: I am not prepared to accept that Treasury was vastly wrong on population. In fact, we have taken this argument to no less than at the Treasurer's conference. We have addressed the matter directly with the federal Treasurer, Peter Costello, and he has undertaken to have a look. He has accepted that population estimate by the ABS in the Northern Territory - and he very strongly made the point at the meeting. He said: 'We are not trying to dud you. But if you think there are genuine questions about the way ABS estimates population in the Territory, we will ask them to have a look. We will ask them to revise their practices, their methodology, to see if we can get a better fix'. Now, that is the undertaking that the federal Treasurer has given us, without obviously saying: 'Yes, ABS is wrong'. He has undertaken to have a look.

Mr REED: Yes, I accept that.

Mr STIRLING: So, I do not accept your premise that Treasury got it wrong. ABS may have got it wrong.

Mr REED: My recollection from last year's budget paper was that the population factor increase for the budget that you presented last year was a growth of 3.2%. In fact, at that very time in your budget paper of last year, the Commonwealth was predicting a growth then of something in the order of 1.7%, and you chose to use the higher figure. Given that that amount that you included as a population growth in last year's budget was proven wrong and, indeed, was wrong at the time according to the Commonwealth, and notwithstanding what you had a talk to the federal Treasurer about, what confidence can you have in this prediction of the 2.2% inflationary factor for the budget this year?

Mr STIRLING: I have every confidence in Treasury. Economics and Treasury is not the most exact science. You cannot predict always to the decimal point what growth factors might apply in any area. The projections are made on all the best information available. That is the way it always has been, that is the way it always will be.

Mr REED: To pursue that point though, quoting from last year's Budget Paper No 2, page 19, you predicted a population increase of 1.2%, when, in fact, it went negative. It is a fairly large discrepancy.

Mr STIRLING: A bit like your deficits.

Mr REED: If that is going to be the tone of your answers - your answers ...

Mr STIRLING: Well, I do not accept that ABS is right. I have made that point clear, and I ...

Mr Reed: I am not talking about ABS.

Mr STIRLING: ... have made it clear to the most senior person in the land responsible for this - the federal Treasurer - and he has accepted the argument. If it is good enough for Peter Costello, and it is not good enough for you, I am sorry.

Mr REED: All right. Can we use another example then?

Mr STIRLING: I will give you an example. You are saying: 'What confidence do I have in the CPI, Territory at 2.2% for this year as a Treasury projection?' In 2002-03, they originally forecast 2.3%. The revised forecast for 2002-3 is 2.3%. Did they get it right? I think so, the figures prove it.

Mr REED: Can I then ask you to have a look at page 18, Budget Paper No 2 last year, where gross state product is estimated to have increased by 1.7% lower than the 5% forecast in your November mini-budget 2001. The point I am trying to make, Treasurer, is that we cannot have a lot of faith in your predictions because they have been proven wrong in the population growth, in your estimate of GSP over the mini-budget and last year's budget and, indeed, there are other areas - for example, unemployment. Unemployment was predicted to be quite a different outcome to that which we are now experiencing.

Mr STIRLING: The Northern Territory economy, Mr Chairman - if I could refer the member for Katherine to that - in annual growth in gross state product, in 2002-03. The original forecast was 3.7%, in 2002-03 the revised forecast is for 3.7%. That is in the Northern Territory economy budget papers. We can sit here and swap how accurate any estimate might be on the budget, I do not know that it gets us very far in the end. Each one that you have shown to me, outside population which I do not accept, Treasury have been proven right on the 2002-03 projection to their revised figure for 2002-03.

Mr REED: Well, in returning to the Health budget - which has increased some \$14m, as you said in your budget speech - your payments to employees for that agency will increase some \$13m, from \$279m to \$289m. Does that then not consume most of the \$14m increase that you have announced?

Mr STIRLING: As a former Treasurer he would understand that you have to put a nominal amount of increase, even when the EBA for that particular industry sector has not been worked through, as is the case with nurses and doctors. In fact, we are only just beginning that enterprise bargaining process. Nonetheless, Treasury and the agency themselves have to have a figure. However, it is a nominal figure in the sense that it is based on what the general public sector wages movement would have been against the last EBA.

To do anything more than that would be signalling fairly clearly in advance that government is going to move to a higher or lower level of wage movement, predicting the outcome of the EBA process which would seem to be - and I am sure the former government did the same thing - if wages movements across the board generally were in the order of 2.5%, that is the figure that will go in the agency budget, in advance of the EBA process.

I remember asking the questions from opposition: what figure are you anticipating for maybe an Education EBA. I was told very clearly, and rightly, and I understand and understood then, that we are not going to be publicising what figure we might be prepared to accept or agree to in an EBA. To do so would be to throw away the game before it has even started regarding negotiation.

Mr REED: All right. In that then, there is \$10m provided for payments to employees, and a \$14m increase in the agency's budget leaving \$4m to do all of the other things that you said they were going to do, which add up to \$14m. Do I take it from your last answer that the agency has the extra \$10m for additional payments to employees?

Mr STIRLING: Sorry, member for Katherine, I did not catch the last part.

Mr REED: Does the agency have the extra \$10m to pay the employees, or is this what you call the nominal figure, that is just a paper figure and they do not have the dough? You have said that there is \$10m here for payments to employees. The increase in the agency's budget is \$14m for a whole range of activities that you have listed, but \$10m of that will be consumed in increased payments to employees. What happens if the EBA comes in over that \$10m?

Mr STIRLING: Mr Chairman, I will just check. Is the member for Katherine asking in terms of the EBA process, if it was a higher figure what would happen?

Mr REED: Yes, well in part. That was part of the question.

Mr STIRLING: That would be a matter for the agency to come to government – I have no idea genuinely; no view as to what that increase is going to be as I sit here now.

Mr Reed: I appreciate that.

Mr STIRLING: There is a process to be gone through. If it was to be considerably higher than what is in there - and bearing in mind you do not want, as I said, signal any forward punches there - the agency is left with the situation: are they able to manage within given resources the level of increase? Let us say potentially higher than may otherwise be forecast, are they unable to manage it within resources? Their course of action is to come back to government and Cabinet, as with any situation that arose in any agency.

Mr REED: Otherwise, they are going to have to find the additional money out of their hide and further erode the \$14m increase? Or is it a likelihood that they get the extra money? Is that the policy of government, the position that government would adopt?

Mr STIRLING: You are asking almost hypotheticals in terms of yes, it is going to be a much larger increase than reasonably foreseen and, therefore, they have the right – and Cabinet will approve that. As I said, I do not know what the figure will be; there is a process to be gone through. Only when the EBA has signed off and the salary increase is agreed to, is it known what the effect it will be.

Mr REED: Just going back to the inflation factor, whereby the inflation factor you have provided for agencies is 2.2% ...

Mr STIRLING: No, no, 2.5%.

Mr REED: You expect 2.2%. Your Territory economic review of June 2003 says, and I quote: 'Darwin CPI rose by 1% in the March quarter 2003 with annual inflation rate increasing to 2.8%'. So, can you see from that, Treasurer, why I am pursuing this line regarding agencies are going to be behind the eight ball from the outset of the financial year 2003-04 because inflation is, in fact, higher than you have provided for and their budgets will be affected to that extent?

Mr STIRLING: Well, one quarter does not establish the annual average. Despite the 2.8% - if you say it was 2.8% in March - the annual average for 2002-03 is still going to be 2.5%, whatever that figure was. The 2003-04 budget and the forward estimates incorporate wage growth of 3% - that was the general public sector movement; 3% per annum - and inflation of 2.5%. The inflation parameter was based on the long-term *ex ante* estimate of the eight capital cities' CPI rather than Darwin CPI, as it is considered a better indicator of cost pressures faced by agencies across the Territory.

Mr Dunham: Except Health.

Mr REED: I will just get you back to your Territory economic review, and the government's report that states unequivocally and I quote again: 'With the annual inflation rate ...' - and I am talking about

Darwin's annual inflation rate - '... increasing to 2.8%'. So I am not taking it, as you suggested, on a monthly basis; I am taking this statement from you that this is the annual inflation rate. My argument is simply that you have allowed for agencies a lesser rate than what is the annual inflation rate as published by the government. I argue that, as a result of that, some agencies - and the bigger the budget they have, the bigger the change is going to be - will be some millions of dollars out of pocket because they will not have been provided with the inflation rate that they are experiencing, and which they have to pay for goods and services.

Mr STIRLING: Mr Chairman, there are two points in relation to the member for Katherine's comments. He is correctly referring to a Darwin figure there, and it is one quarter. It is one quarter, not the 2002-03 figure; it is one-quarter of that.

Where we are looking in the budget across the board it is a Territory inflation figure, not the Darwin CPI figure. So there are two differences: he is referring to Darwin, but 2.5% is Territory; and he is referring to one quarter and claiming it is the average for the year. You cannot do that, of course.

Mr REED: The annual inflation rate is your figure: 2.8%.

Mr STIRLING: You said it was the March quarter figure.

Mr DUNHAM: I can understand the difficulty with estimates and predicting the future, Mr Treasurer. However, you must have some competence in the figures and I ask what margin you would use for your various forecasts for error? For instance, would you use a plus or minus figure of 10% or 20%? We have already seen the GSP, which was estimated at 5%, came in at 1.7%. It would seem that that is a fairly large margin for error. I am asking what margin for error would satisfy you, given that your estimates on taxation take, Commonwealth grants, unemployment, employment, and total population of the Territory are wrong?

I can understand that there is some margin for error there. What I am asking is how wrong can you be? We know, for instance, that last year in the budget papers you had two \$800m errors. I am asking you, in these papers, now that we have had the opportunity to look at your estimates from last year, how much margin for error do you want to put into these figures?

Mr STIRLING: Again, you seek to mislead the committee by saying that Treasury got population, GSP and CPI wrong. Certainly, gross state product and CPI are, at the end of 2002-03, exactly as forecast at the beginning of the 2002-03 budget year. I do not accept the ABS population figures. As I have said, we are going to continue to pursue that argument. Now you can stand there and say they got all wrong. The fact is, they did not. I believe ABS have methodology problems in relation - Mr Stubbin, would you like to ...

Mr STUBBIN: In terms of gross state product, and you have pointed out ...

Mr DUNHAM: No, margin for error is what I wanted. How big a tolerance for error do you want to build into your predictions, particularly if you are not using ABS? I can understand you have a problem with it. You are going to use an internal device which has a very poor track record, I have to tell you, going from budget paper to budget paper.

Mr STIRLING: What has a poor track record?

Mr DUNHAM: Pardon?

Mr STIRLING: What has a poor track record?

Mr DUNHAM: Your predictions are abysmally wrong.

Mr STIRLING: Mr Chairman, let us go back to a few predictions, if we got it so wrong.

Mr DUNHAM: Yes.

Mr STIRLING: This is the government, in 2000-01 financial year, that said we had a surplus of \$1m. Nett result at the end? \$275m deficit. Who got it wrong, Mr Chairman?

In relation to the 2001-02 budget, around about the time the election was held, they brought it into parliament and said we would have a \$12m deficit. Within 10 days of forming government, we were told the budget was in an unsustainable position. 'How can that be, Mr Under Treasurer?', we said - Ken Clarke, at the time. 'We put a budget in and it went through the parliamentary process, projecting a \$12m deficit'. He said: 'No, cannot possibly happen'.

After considerable investigative work, bringing people in to work with Treasury, we estimated that budget deficit for 2001-02 would be in the order of between \$126m and \$139m. How far wrong can you get it? \$1m surplus comes in at a \$275m deficit; a \$12m deficit comes in between \$126m and \$139m deficit. Who has it wrong here? We fought tooth and nail to get that deficit down to \$83m at the end of 2001-02. God knows what it would have been had the Country Liberal Party remained in government, Mr Chairman, because ...

Mr DUNHAM: You have gone back four budget papers.

Mr STIRLING: ... this is the guy – he stands here and says we have it all wrong.

Mr DUNHAM: You did.

Mr STIRLING: I tell you what Territorians are interested in: they are interested in a government which lives within its means, and that is what we are about establishing.

Mr REED: We are trying to get some answers to some questions in relation to this budget.

Returning to the Health budget. You have used a figure in the Health budget of some \$92m in relation to the Australian Health Care Agreement, where your minister for Health is of the view that the health agreement is faulty and will not be accepted. If the nominal figures, as you say in your budget speech, have to demonstrate fact and meaning, how is it that, on the one hand we are told that the health care agreement is considered to be faulty and unacceptable by the minister for Health, yet you have included in the budget the full amount for that from the Commonwealth?

Mr STIRLING: It is not just the minister for Health in the Northern Territory who is having difficulties with the Australian Health Care Agreement. It is some \$1bn less to all jurisdictions than state and territory Health ministers are considering should be the case. The minister for Health in the Northern Territory is not the only one having difficulties with the Commonwealth offer. It is a five-year agreement, for 2003-04 through to 2007-08. It includes three funding scenarios. The first position is to just sign the agreement and commit to match the Commonwealth rate of growth over the five years of the agreement, and receive maximum funding of \$512m over the five years, \$92m in 2003-04. The second scenario is to sign the agreement and commit to a lower rate of growth in funding over the five years, in which case we would receive 86% of the maximum funding, which would be \$441m over five years. In the third place, if we fail to get agreement with the Commonwealth, we would receive 83% of the maximum funding - \$423m over five years.

I said that the jurisdictions consider it inadequate to the extent of about \$1bn less than the continuation of the existing arrangements. The Territory's share of that \$1bn loss in the next agreement is around \$16m. Of course, all states are going to be concerned about the proposed introduction of these matching requirements, because it reduces flexibility in the ability of jurisdictions to provide and deliver the services. There are additional penalties for non-compliance; new reporting requirements, and a lack of any Commonwealth commitment at all to reform the whole process. In

addition, the Territory is particularly burdened with a much greater matching requirement and penalties for non-compliance than the other jurisdictions. So, given all those concerns, all states have collectively rejected the Commonwealth's offer, and it is expected that negotiations will continue for some time.

The Territory's budget and forward estimates includes the maximum funding outlined in the Commonwealth's latest offer. We expect that is a conservative estimate, given the inadequacy of the Commonwealth offer and the fact that negotiations with the Commonwealth are continuing. If we are wrong, and all the other jurisdictions are wrong - and I cannot see all the jurisdictions being wrong - and the offer does stand and is not be enhanced, then that is the figure that is in there: the maximum offer that is on offer from the Commonwealth at the moment. However, we would expect - and every other jurisdiction is expecting - enhancement to the offer that is on the table from the Commonwealth at the moment.

Mr REED: Mr Chairman, the Treasurer, in his budget speech, said that there was little point in including figures in his budget that meant nothing ...

Mr STIRLING: It does not mean 'nothing'.

Mr REED: My point simply is that you have two options: to include under this arrangement an \$80m increase in the budget this year, because that is the minimum you will get, or \$92.3m. Coincidentally, that equals the \$14m increase in the Health budget for this year that you have announced, so you are getting it all from John Howard if you get the \$92.3m. Therefore, it would have been more appropriate then - would you think? - given that your Health minister is saying that she does not like the agreement and it is unlikely that it will be accepted in its current form, which can only mean that you will get less money and will end up with \$80m. Why did you not include the lower amount, if you are going to be conservative and use a factual figure, rather than the higher figure of \$92.3m to make things look better?

Mr STIRLING: There is every expectation that we will get the higher amount; that is why the figure is in there.

Mr REED: That is an interesting conflict with the comments by the Health minister, who says that you are not going to sign up to it because it is faulty and you are not happy with it in any respect. Indeed, it is contrary to some of the remarks that you have just made. So we can ...

Mr STIRLING: That figure represents a continuation of what the current agreement is.

Mr REED: Yes, I appreciate that. I also appreciate that it seems you are going to sign up for it then, and that is what you expect to get - what you have just told us - \$92m.

Mr STIRLING: I never gave any indications to where - that is for the minister for Health to make that decision.

Mr DUNHAM: I am interested in how you are going to match the additional monies that the Commonwealth is giving you, given that it is some \$13.7m, I think, in your budget book. I need an explanation of a statement in your Budget Paper No 2 on page 12, which says:
... although not affected by the total grants and subsidies category, \$9.1m has been transferred from general purpose payments to specific purpose payments, due to the proposed new arrangements for the Australian Health Care Agreement ...

Can you explain the bookkeeping with that \$9m?

Mr STIRLING: Yes, certainly the Under Treasurer can, and will.

Ms PRINCE: There is an unusual arrangement with the Health Care Grant and its interaction with GST payments. That particular arrangement has been in place for many years. The way it works is that the Commonwealth, when calculating the share of the Territory's untied or GST funds, takes into account the distribution between the states and territories of the Health Care Grant, removes that amount and then estimates the GST share based on a combined share of the GST pool and the Health Care Grants pool.

As a part of this new offer, which is still being negotiated, the Commonwealth has determined that it will remove some untied funds and transfer those to the health care agreement pool. What it means is that, in aggregate, the total is not changed but the shares change, so that the share changes from untied funds to tied funds. For all jurisdictions other than the Territory, this makes almost no difference between the shares of tied and untied funds. For the Territory, however, because of the unusually high level of interaction between the two pools, it means that we would be seeing a transfer of about \$9m from the untied funds - the GST share to the Health Care Grant. The Commonwealth seems quite immovable on that point. Those transfers were included in the Commonwealth budget and those similar changes have been included in the Northern Territory budget papers. So, in aggregate, the total for Health related funding has not changed but the shares have changed. What you are seeing in the Health budget is an apparently large increase in the health care funds. What is not so clear in the Health budget itself is the reduction in the GST pool, and that is what Budget Paper No 2 is talking about.

Mr DUNHAM: So, for the layperson ...

Mr CHAIRMAN: Member for Drysdale, through the Treasurer.

Mr DUNHAM: Sorry, through the Treasurer, for the layperson then, it means that funds that you used to get that you could deploy anywhere in Health - including public health care programs, community health - have now been specifically tied to the Australian Health Care Agreement and can only be deployed in the acute sector. Is that correct?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Yes, that is so. I should say that state and territory Health departments are negotiating with the Commonwealth about how broad the definition of funds that can be used and applied in the Health Care Grant would be done, and that is still proceeding.

Mr DUNHAM: We will revisit that with the Health minister.

Mr REED: If I could then move to some Commonwealth funding in relation to roads. In Budget Paper No 3, page 288, there is a statement there and I quote: 'The Territory expects to receive \$27.3m under the program in 2003-04' - Commonwealth funding for that purpose. Treasurer, we asked this question a week or two ago of the minister responsible and got a rather vague answer regarding just how much it was. He also spoke in terms of a figure of just over \$30m. Can you clarify the issue in relation to the amount of national highway funding that the Territory is receiving from the Commonwealth?

Mr STIRLING: I recall the question in the Assembly and I thought it came to me. I am not sure I recall the minister for DIPE's response on this. However, I thought there was a clear understanding of the \$27m - \$14m of it being capital and the remainder \$13m was repairs and maintenance. It was treated in the budget papers as such, breaking the grant into what it was going to be spent on. I am pretty sure that would be the same treatment that those amounts from the feds used to be treated previously. That is my understanding. If you want to delve further I am sure we can ...

Mr REED: I would like to delve a bit further, Mr Chairman. In national highway funding for construction - that is, bridges of the Hugh River and whatever, widening and rehabilitation of various places across the Territory - it is my understanding that the Territory is to receive \$11m for those purposes. For

asset preservation – that is program maintenance, safety and urgent minor works – the Territory is to receive \$18.02m, coming to a total of \$29.02m, plus funding of \$1.5m under 'Roads of National Importance', which brings the Commonwealth grant for road funding to \$30.52m, which exceeds by some \$3m-plus the amount that your budget papers say that you are going to receive from the Commonwealth. My question then is: where is the other \$3m?

Mr STIRLING: The Under Treasurer.

Ms PRINCE: The final estimates for roads funding were not advised to the Department of Infrastructure, Planning and Environment until either the day of, or shortly before the day of, the Commonwealth budget. So the number that is included in Budget Paper No 3 for the 'Specific Purpose Payment' is the amount that the Department of Infrastructure, Planning and Environment had been advised of previously. It is often the case with SPPs that announcements are made on Commonwealth budget night, or negotiations proceed shortly thereafter. As there is confirmation of those numbers, the estimates will be adjusted through the year, and we will increase the Commonwealth funding for those additional 'Roads of National Importance' that will be then included through the year. Those funds will flow through to the Department of Infrastructure, Planning and Environment. That is the normal process that is used every year.

Mr REED: Yes. Thank you. I appreciate and understand that answer, but it was my understanding that the Territory agency was advised in March what the level of funding would be, and it was \$30m. There has already been an announcement in relation to the Tiwi Islands timber roads under 'Roads of National Importance'. Therefore, I ask the Treasurer then if he would be prepared to take on notice a question as to when that information in relation to Commonwealth funding for national highways and other roads in the Territory was received by the agency, and get back to us in relation to the actual amount?

Mr STIRLING: Mr Chairman, the member for Katherine is asking me a question that can immediately be directed to the minister responsible for Infrastructure, Planning and Environment. I do not intend to have my staff bowling around to some other minister's office to get a response that he is responsible for.

Mr REED: That is rather unfortunate ...

Mr STIRLING: Ask the minister; he has to come before the committee.

Mr REED: ... in that I am quoting from the Treasurer's budget and it is an important fact. He has stated categorically in his budget documents that they are receiving \$27.3m. It is my understanding that, in March, this government knew that they would be getting just over \$30m. Territorians would like to know where the money from the Commonwealth is going in relation to the roads that are crumbling under them.

Mr STIRLING: Mr Chairman, an SPP is the responsibility of the agency, and the agency minister will respond.

Mr REED: The Treasurer is unable to answer the question.

Mr STIRLING: No, I am not going to respond. I am not here to answer every question that ought to go to every other minister in the Cabinet.

Mr REED: Unfortunately, at this early stage - we have only been going for half an hour - and we are getting very few answers from the Treasurer, which is most unfortunate.

Mr STIRLING: Well, you are asking dumb questions.

Mr REED: Thank you for your arrogance.

Mr WOOD: I hope these are not dumb. Anyway, on page 5 of the *Budget Overview*, Treasurer, there is a pie chart that sets out general government expenses by function. I have a few questions in relation to that chart. What percentage of the other purposes relates to interest payments? You will see a section there says 'Other Purposes', it is marked 22%. In other words, what percentage of the government's budget will be spent servicing debt; what percentage was it in 2002-03; what interest was the government paying on the total debt in 2002-03; and how much was paid off that debt in 2002-03?

Mr STIRLING: I can answer little bits of it, and we will get more information. I believe the average interest payment across 2002-03 was 6.5%. Now I have stumped you. Look, we will check that figure, member for Nelson. The ...

Mr CHAIRMAN: Can I just seek clarification there from the member for Nelson? Do you want to put that question on notice? Are you prepared to accept ...

Mr STIRLING: I am sure we will have this information, Mr Chairman. If we have not, we will certainly take it on notice.

Mr WOOD: Do you want me to keep going on other questions and come back?

Mr STIRLING: You want the average interest for 2002-03?

Mr WOOD: Yes. What percentage of the government's budget will be spent; what percentage was it in 2002-03; what interest was the government paying on the total debt in 2002-03 - which you gave me I think; and how much was paid off that debt in 2002-03?

Mr STIRLING: In 2002-03, the interest payments per day were \$523 000.

Mr WOOD: \$523 000 per day?

Mr STIRLING: Per day. You wonder why we are worried about debt.

Mr DUNHAM: How come it has gone up then?

Mr STIRLING: Who caused it? Member for Nelson, there was 5.5% average interest rate in 2002-03, and we are predicting 5.3% in 2003-04. We are just calculating the percentage here for you, doing it on the run. If you are looking at the bottom pie chart, 'General government expenses by function', the Under Treasurer's calculation estimates that the interest payments would form 5.86% of general government expenses.

Mr WOOD: I raise that because, maybe when we bring out a pie chart – I know that some of the other states have pie charts – it is an important section of that 'Other Purposes', and it should be separated out on its own. It is an important part of what Treasury information should be supplied to the public. Could I keep going ...

Mr STIRLING: Good point, and I am sure that could be factored in quite easily and we would not have to sit here with the calculator next time.

Mr WOOD: Treasurer, the Territory government allocates 8% of its budget on recreation and culture - I am still referring to the pie chart. In Western Australia that figure is 2%, and Western Australia spends a greater percentage of its budget on health, education, police and housing. Can you tell me, within a Labor policy framework, why the government is spending a larger part of its budget on recreation and culture, rather than on housing, transport and infrastructure?

Mr STIRLING: I will deal with that in a broad sense and then the Under Treasurer can pick up on detail. Traditionally, sport and recreation has had a high spending profile within Northern Territory budgets. All members, when we were in opposition, commended the government for that. It is in part, at least, a recognition of the young profile of the Territory's population, and sport is recognised - certainly by the previous government and by us now - for bringing a whole range of benefits, including benefits to health and a better lifestyle. In relation to the differences, perhaps the Under Treasurer could pick that up.

Ms PRINCE: Mr Wood, the categories that we have used here are the ABS general purpose categories and it allows you to make comparisons of like functions across states. It is difficult for the Territory's comparisons by function to be looked at simply on this basis, because you find that with functions where there are high scale-related costs - and the Legislative Assembly is a good example where the costs of running the Legislative Assembly in the Northern Territory are not dissimilar to costs of running the parliament in say, Western Australia. However, but the per capita cost of running the Assembly here is substantially higher, more than 10 times higher.

So, when you have those per capita differences, you find that when you look at it on this basis, as a proportion of the total budget, we would, in the Territory, spend more as a proportion of our total budget on things which have high scale costs, and a lower proportion on, say, education, health and police, which have low scale costs. However, in terms of their per capita costs, we are still spending two to three times more on, say, education than in Western Australia.

In relation to the specific category that you have mentioned, recreation and culture, it is quite a large category, and it includes not only the recreation aspects of sport, but includes libraries, museums and parks. We have particularly high scale-related costs in libraries and museums, and it is those elements that actually result in this higher share of expenditure than in other jurisdictions.

Mr WOOD: Are you saying that Parks and Wildlife are included in that figure?

Ms PRINCE: Yes.

Mr WOOD: Could I just ask what do you count as 'General Public Services'? What does that represent? You have '6% of general government expenses by function are General Public Services'?

Ms PRINCE: 'General Public Services' includes the Legislative Assembly, the Department of the Chief Minister, Treasury. The interest payments are including in that - they are in 'Other Purposes'. So, it is generally the Justice - no, Auditor-General, Ombudsman. We could provide a full listing of that if that would be of help.

Mr WOOD: Well, it may be. Again, it might be clear if the pie chart explained those, because I have a couple of other questions on the pie chart. Through you, minister, what percentage of the Territory budget is spent on social security and welfare? It has certainly shown up in other states like Western Australia with 5%, and New South Wales 8%.

Mr STIRLING: Under Treasurer.

Ms PRINCE: The table in the Budget Paper No 2, page 155, table 10.14, provides the main ABS categories that contribute to that pie chart. Social security and welfare in ...

Mr WOOD: What page, sorry?

Ms PRINCE: Page 155. Social security and welfare is about 3.6%. When we were putting this pie chart together we did, in fact, include all of the categories at our first presentation of it. However, there are very many categories with very small slices of the pie. Therefore, we did some aggregation to

make it really more readable. But we have the full breakdown there. There is always a balance between – to make it useful.

Mr WOOD: Maybe put more room in the book and make it a bigger pie chart?

Ms PRINCE: Have a bigger pie.

Mr WOOD: I have a fair number of questions here ...

Mr CHAIRMAN: Well, continue.

Mr WOOD: I will continue. Treasurer, in the budget paper under 'Capital Works Program' it says that the government is devolving greater responsibilities for capital works to agencies. What responsibilities are being devolved?

Mr STIRLING: Just give me a minute, Mr Chairman.

Mr CHAIRMAN: Yes.

Mr STIRLING: Mr Chairman, the agency has picked up responsibilities for R&M during 2002-03. It is a process that we want to continue to build on, so there is a lot more work that has to go on throughout this year. We are looking at ways and management arrangements for capital works funding to make sure agencies are right in the picture, and have the hands on exactly what is going to happen in the capital works process. At the moment, because it is DIPE as the lead agency when it comes to capital works, they are get the dough, basically, in appropriation sense. I have had concerns as minister - and I know other ministers as well.

Some priorities jump out and everyone knows that is No 1 priority that has to be done. When you get down to, say, lesser items and DIPE are calling the shots, if you like, in what gets done first, you have to have a whole-of-government priority and approach to it. However, agencies ought to be well in the picture. We have to build them into it in establishing somewhere in the hierarchy their level of priority, and then sorting it out at the whole-of-government level. However, for DIPE it ought not simply be DIPE saying: 'We are going to do item A, B, C and D, and the others when we get to it'.

When you look at the back of the capital works paper, it actually sets - and this government and I as a minister, would not be worried about the really big items because they tend to pick themselves - actual commencement dates or projected commencement dates against those large ones. It is more, I guess, the smaller items which were extremely important for particular agencies, as they are to each agency, and which one gets the nod first. That is the way we want to build agencies into that process so that they have greater responsibility in establishing a priority list. Not everything can be done at once, but you have a whole lot of things that you want to get done for the year.

Mr WOOD: Through you, Mr Chairman, just to clarify that, the 'Capital Works Program' for the budget sector agencies is \$274m – I think it is on page 7 of the budget – but that is not all new money. That includes \$119m or about 40% that is revoted from the 2002-03 budget. So, is that \$119m cash?

Mr STIRLING: On page 7 of 'Capital Works Program and Estimated Capital Expenditure', under 'Total Capital Works', the 'Cash Expend' figure is \$171.6m. At the bottom, Budget Paper No 4, 'Capital Works Program', if you go to page 7, come across the top headings to 'Cash Expend', second last column, down to the bottom - \$171.6m. But if you go to page 43 of the same document, it has 'Committal Target Dates for Major Capital Works'. If it has a committal target date, it would give you a fair idea of how much might get done against that particular project in 2003-04 year.

Mr WOOD: Would it be true to say that we would only be spending \$53m of new money if you have \$119m as revoted? This year you are expecting to spend \$155m – or \$155m is allocated to the

budget ...

Mr STIRLING: \$171m.

Mr WOOD: That is the 'Minor New Works', the 'Major New Works' and the 'Program Delivery' added together, and you are going to 'Revote Out' \$102m. Would it be fair to say that the only new money to be spent in the budget this year on capital works is \$53m?

Mr STIRLING: On new ...

Mr WOOD: New works?

Mr STIRLING: ... but \$171m will be spent. When we were elected, we were faced with a pretty massive backlog in the sense that capital programs had been announced but had not been cashed so that revote coming out of the particular financial year was pretty high. The commitment is there and that has to be cashed up in the next financial year. We have tried to get that revote down by boosting capital works on the two years; by this time next year we will have pumped \$900m through the capital works program. Part of that is getting the revote down to a reasonable and manageable level. In fact, of the \$274.1m this year, if you take out PowerWater, there is a cash allocation of \$171.6m. Now, that is a cash to program ratio of 63%; 62% cash against the 2002-03 program, 51% in 2001-02; and if you go back five years from that, you will find that it never got over 60% ever. In fact, that 51% is probably fairly indicative of that five years leading up to 2001-02. Of course, what happens when you are only cashing half the program, is that the big items are not getting done and they are there to carry into the next year every time.

Mr WOOD: I suppose from a budget point of view, is it sometimes makes a budget look great when, in actual fact, you have to remember it is either what was agreed on in the previous year or what you have agreed on two years hence. So, it is good if that can come out and say: 'Well, this is what we are spending on capital works this year'. It is not always clear until you pull out the figures. Again, it is good for the lay person to know the government is spending this much this year on capital works, and it is not the bit that we counted from last year and it is not the bit that we are going to do next year, but this is what we are clearly going to spend out of this year's budget.

Mr STIRLING: The key figure – and it is in the papers – is: was the percentage cash against the overall program? It is as a fair indicator and, at \$171.6m, represents 63%. As I said, five years prior to 2001-02, it never made 60%.

Mr WOOD: What is the actual nett debt? You might be able to help us. I am referring to page 143 in Budget Paper No 2 ...

Mr STIRLING: It is a big number, \$1.813bn.

Mr WOOD: I am looking at ...

Mr Dunham: Page 27, Budget Paper No 2, down the bottom.

Mr WOOD: I am looking at page 143, Budget Paper No 2, on table 10.2, 'General Government Sector Balance Sheet'. I am looking at the 'Nett Debt' column on the ...

Mr STIRLING: In round figures, if you are on page 149, the 'Non-financial Public Sector Balance Sheet', it stands at \$1 182 740, so it is \$1.8bn.

Mr WOOD: Maybe my terminology might not be right, but look on page 143 and compare that with page 144. On page 144 we have what I thought was nett debt which was minus – naturally minus - \$24.307m. If you turn back a page, to the balance sheet, where it says 'Nett debt', and compare that

with last year, we have a nett debt of \$12m.

Mr STIRLING: I wish, Mr Chairman!

Mr WOOD: No, as a difference.

Mr STIRLING: In round terms, on page 143 is 'General Government Sector'. It does not include everything. You need to go to page 149 to get the full picture on the non-financial public sector for the whole. It is around \$1.8bn.

That figure does not tell the full story either, because you have a big number against 'Employee Liabilities', which is a contingent liability against government, made up of superannuation, long service leave, and workers' compensation. That figure stands at around \$1.7bn. Now, debt it is, but it is not debt that has to be realised tomorrow or next week, because those entitlements are accruing over time. If you look at the whole picture of what government owes at this point in time, you would say \$1.8bn and then nearly \$1.8bn again in outstanding employee liabilities.

Mr WOOD: I have plenty more, but do you want ...

Mr STIRLING: So, we are owing \$3.6bn.

Mr CHAIRMAN: It is entirely up to you, member for Nelson, if you wish to continue. Obviously, the remainder of your questions will be in respect of the whole-of-government issues?

Mr WOOD: Yes. You might have answered my question on the next one. In relation to the table on page 144 of the budget book, where would I find the South Australian payment at \$23m towards the railway?

Mr STIRLING: It comes into the uniform presentation tables, I am advised, on page 144. If you go to page 144, 'General Government Sector Cash Flow Statement', in 'Receipt from sales of goods and services' at \$133.119m. It is part of that.

Mr WOOD: Right. Would it show it going out somewhere, because it is an in and out isn't it?

Mr STIRLING: 'Cash payments for operating activities', the next few lines down, 'Payment for goods and services'.

Mr WOOD: So it is buried in there?

Mr STIRLING: Yes. It is part of the \$1 587 758.

Mr WOOD: While we have that page opened, you have an item there called 'Nett cash flows from investments and financial assets for liquidity purposes', \$30 000.

Mr STIRLING: \$30m.

Mr WOOD: It stands out there all by itself. I do not know what it means in the first place ...

Mr CHAIRMAN: So you are seeking an explanation?

Mr WOOD: Explanation, yes.

Mr STIRLING: \$30m it is.

Mr WOOD: \$30m, yes, sorry.

Mr STIRLING: Under Treasurer? Ms Kirkman?

Ms KIRKMAN: What we have done for 2003-04 is - what that is saying is we are actually declaring some of our equity assets, our non-cash assets, and using that for cash, because at the moment the investment market is not so good. So we have liquidated some of that and we will be using a portion of that to retire debt in 2003-04.

Mr CHAIRMAN: Gerry, I was just wondering if it might be an appropriate stage now to adjourn for the lunch break and we could then commence your questions after lunch, if that is okay.

Mr WOOD: Yes.

Mr CHAIRMAN: I advise members that we are going in to a very quick deliberation and we will adjourn until 1 pm. Is that correct? Thank you Treasurer, officials.

The committee suspended.

Mr CHAIRMAN: We will make a start in respect to this afternoon's deliberations. Prior to lunch we were still on whole-of-government issues. As I understand it, the member for Nelson still had a number of questions to ask. Please continue.

Mr WOOD: I will prioritise, Mr Chairman. Just one, to the Treasurer. When we were talking about the pie chart in the *Budget Overview*, I raised that sometimes the information is probably not always there for the lay person. I am just wondering whether the Treasury has given any consideration to a reader's guide to the budget? Western Australia and Queensland have one and, I suppose, I need it for myself at times because it is not the sort of document you can hand to your local constituent and say: 'Have a quiet bedside read of that and you will know everything'. Have you ever thought of a reader's guide to the budget?

Mr STIRLING: Thanks for the suggestion; it is very worthwhile. I, in my days in opposition, had enormous trouble understanding and following budgets, and used to have to get a fair bit of assistance in that task. It is getting better, now the accruals have settled down, and you have the apples with apples comparisons. I have much sympathy for what the member for Nelson is suggesting. There is nothing in train at the moment to do that. However, I would be very happy to take that suggestion forward and ask Treasury what we might do by way of a very user-friendly, if you like, basic 'how to', or even maybe a simple synopsis of the whole thing. There would be lots of questions: 'How much you had in that?', 'How many it was?'. It is a worthwhile suggestion and something I will pursue with Treasury for sure.

Mr WOOD: Mr Chairman, on pages 140 through 143 of the budget shows that the government's cash will decline from \$56m in 2002-03 to just over \$36m in 2004-05. Why has the government decided to run down the cash reserves and, on the same page, what are 'Other non-equity assets'?

Mr STIRLING: Give me a minute, Mr Chairman. 143?

Mr WOOD: Yes. I hope I have the right book. It varies a bit here. That cannot be the one, it must be Budget Paper No 3.

Mr STIRLING: Under Treasurer.

Ms PRINCE: We are trying to reduce our level of cash holdings to the minimum required so that we are not incurring any unnecessary interest expense, and there is a small reduction in cash and deposits being held between 2002-03 and 2003-04. The other part of your question was 'non-equity assets', and why was that ...

Mr WOOD: What is it actually? What does it mean?

Ms PRINCE: The non-equity assets that we hold are the - this is going to sound strange when I say it, and perhaps I will just go to the next line, if you like. There is an item there called 'Equity'. That is, the equity in all of the general agencies. So it is the value of general agency's assets. The 'Other non-equity assets' is non-equity in that sense, but we actually hold equities, so it is a confusing use of terminology, I suppose. The 'Other non-equity assets' are some of the investments in the Conditions of Service reserve, and the difference between the two years is a revaluation in those investments. They are a different type of investment.

Mr WOOD: On page 10 of the Budget Paper No 2, it says that there were lower superannuation benefit payments of \$10m. Is this referring to the \$10m that has not been set aside to reduce superannuation liabilities, or were the superannuation payouts this year \$10m less than expected?

Mr STIRLING: No, it is nothing to do with the \$10m in question. It is a simple fact that the payouts came in lower than the projected estimate. That is one of those again - there is no science. You put your profile - there are scientific methods of working it out, but you just have to get as close as you can.

Mr WOOD: In the same book at page 35, it says that cash receipts are high in 2003-04 due to an increased estimate associated with land sales. Are the increased land sales expected to occur at East Arm; or where, if not?

Mr STIRLING: I am advised, yes, with the business park, and the sale of the dental clinic.

Mr WOOD: On dividends, what dividends did the government receive from the GBDs in 2002-03?

Mr STIRLING: Just give us a minute, Mr Chairman.

Mr CHAIRMAN: You have them under pressure here, Gerry.

Mr STIRLING: No, it is all there, Mr Chairman. It just takes some time to find it. I do not know whether I can short cut it, but are you looking at Budget Paper No 2? Page 120?

Mr WOOD: Yes.

Mr STIRLING: 'Total Dividends to Government'?

Mr WOOD: Yes.

Mr STIRLING: It goes by GBD, with a total dividend to government of \$34.652m?

Mr WOOD: Yes.

Mr STIRLING: Is that your question?

Mr WOOD: The question was following that: and this year it is \$10.247m? The Auditor-General raised this in his report, and the budget estimates showed that there were big losses to the Darwin Port Corporation, the Treasury Corporation and Housing and Business Services. I suppose the question is:

why are we getting a worsening situation?

Mr STIRLING: If you look at the line above 'Total Dividends ...', you will see 'Northern Territory Treasury Corporation 2002-03', with a \$26m - big one-off and held higher than would normally be the case with the settling down of the accrual process in the first couple of years. There is a big debit in there, returning to a more sustainable year-by-year figure of \$7.2m. Therefore, there is \$18m of that \$19 – or \$18.8m of \$19.5m.

Mr WOOD: The Darwin Port Corporation is also showing – it is not there but it was mentioned in the Auditor-General's report. Is there any reason why its dividends are going down, especially as, I presume, the rail is coming in this year and we would expect things to be growing rather than decreasing?

Mr STIRLING: Under Treasurer?

Ms PRINCE: The Darwin Port Corporation is not expected to pay a dividend; the reason being they are in the process of writing down the value of the assets associated with the new East Arm Port. That asset, as you know, cost quite a deal of money. However, the asset valuation rules are based on the revenue that is likely to be received from those assets and, in the short term at least, the revenue associated with those new assets is quite low, and so the assets have been revalued. The dividend is based on 50% of their nett profit after tax. Because of the revaluation, the Darwin Port Corporation will not make any profit after tax, and so they will not be paying a dividend.

Mr WOOD: One last question. The Auditor-General has also recommended that the government should consider including the trading results of government business divisions which are consistently loss-making, such as the Territory Wildlife Park, in deficit. Will the government do that and, if not, why not?

Mr STIRLING: Under Treasurer.

Ms PRINCE: In putting these whole-of-government statements together, we, as all other jurisdictions do for the UPF tables, follow the ABS rules. The ABS categorises certain business divisions as either being part of general government or being trading enterprises. The Territory Wildlife Park is a general government business division and it is, therefore, included in the general government surplus or deficit. So, it is already in there.

Mr WOOD: It does not make any money?

Ms PRINCE: No, it does not. It receives quite substantial assistance by way of Community Service Obligations. That is in recognition of the fact that the wildlife parks undertake quite a lot of research, as well as providing general benefit to the community and to visitors.

Mr WOOD: Thank you, Mr Chairman.

Mr CHAIRMAN: Thank you, member for Nelson. As I understand it, that considers all questions ...

Mr DUNHAM: Can I just ask one question?

Mr CHAIRMAN: Certainly.

Mr DUNHAM: It goes to the readability of the papers. The Chief Minister, when we were discussing this, asked us to go to the key variations which would describe the larger variations in budget changes. Can you tell us why the key variations do not do that? Why do key variations not include all the key variations?

Mr STIRLING: Can you give us an example?

Mr DUNHAM: One example, if you go to Budget Paper No 2, under the Australian Health Care Agreement, you will see that the Territory's share of the Commonwealth's offer is \$16m. Yet, an enormous amount like that which is going to Department of Health and Community Services is not listed as a key variation. A cynic would say it is because they are only going to get an extra \$14m. However, one would have thought among those dot points there, that there would be some description of that enormous amount of money flowing from the Commonwealth which has been included in other portions of the budget, but not here as a key variation.

Mr STIRLING: Under Treasurer.

Ms PRINCE: The variations in Budget Paper No 3 are variations in relation to output expense. The variation that Mr Dunham referred to, that is explained in Budget Paper No 2 for the Health Care Agreement, talks about this transfer of general purpose funds to specific purpose funds, which is part of the Commonwealth agreement. I believe we are talking about two different types of variations. The variations in Budget Paper No 3 deal with changes in expenses between the years.

Mr DUNHAM: So, an additional \$10m is available specifically in this portfolio, whereas, in no other portfolio area would it be considered a key variation?

Ms PRINCE: That is a variation in relation to the changes in sources of funds. The changes in the arrangements that are expected in that particular SPP will not result in any changes that are material in any of the output groups or the expenses.

Mr WOOD: I left one question behind. Minister, what is the total across-government ministerial and departmental expenditure for entertainment for 2002-03?

Mr STIRLING: The Chief Minister will have ministerial expenses, as a whole. I do not think any one of us have the full cost across the board of entertainment, but I can answer for Treasury. I suggest you ask each minister.

Mr WOOD: Okay, I will get a running total.

Mr STIRLING: The figure is \$412 500 and it is broken this way: accommodation \$78 000 - this is to 31 May, okay? - air fares \$234 000; travel allowances \$72 000; and entertainment/hospitality \$28 000. There is a little note here:

Accommodation, air fare and travel allowance expenditure is mainly incurred by Territory Revenue Management, conducting audits both interstate and within the Territory; the Northern Territory Licensing Commission which conducts here and some meetings throughout the Territory; the Public Finance Division which attends Commonwealth Grants Commission meetings and conferences, and the GST administration subcommittee meetings, and generally enables the staff to represent the Territory in inter-governmental forums interstate and intrastate conferences.

Mr WOOD: Thank you.

Mr CHAIRMAN: Any further questions? That now completes consideration of questions in regards to the whole-of-government issues.

The committee will now proceed to consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the NT Treasury. I now call on questions in regards to output group 1.0 and output 1.1 Territory Revenue.

OUTPUT GROUP 1.0 - Territory Revenue
Output 1.1 – Territory Revenue

Mr REED: Treasurer, could you explain in terms of 2002-03 the expected revenue from Territory taxes and what the actual revenue is, up until perhaps the end of May or expected to be at the end of the this month? Also give reasons as to the variations in the expected and actual.

Mr STIRLING: Give us a minute, Mr Chairman, and we will have that. In total, the 2002-03 original figure was \$2 313 233 for total operating revenue. Are you talking unsourced?

Mr REED: Taxation revenue. Sorry, \$231 ...

Mr STIRLING: No, that is total operating revenue. You are talking own-sourced taxation revenue, aren't you?

Mr REED: Yes.

Mr STIRLING: Let us go to own sourced taxation revenue: the original 2002-03 was \$226.924m, revised \$254.049m budgeted for 2003-04. Do you want that?

Mr REED: No, but ...

Mr STIRLING: And the variation?

Mr REED: The variation.

Mr STIRLING: Stamp duty one-offs versus ongoing, \$18.9m; lotteries and gaming revenue, \$3.3m; vehicle registrations, \$0.5m; Temporary Budget Improvement Levy, \$400 000; payroll tax, \$4m.

Mr REED: Sorry, what was the stamp duty one-off figure?

Mr STIRLING: One-off versus ongoing - \$18.9m.

Mr REED: Could you explain the one-off \$18.9m?

Mr STIRLING: Exactly that. Large transactions going through in 2002-03 that – you make one or two of them in 2003-04; you do not know, but they jump out because they are very large transactions.

Mr REED: And how many of them were there in that \$18.9m?

Mr STIRLING: \$3.8m worth of one-offs.

Mr REED: Oh, right. So, that \$18.9m is the total one-offs, and there was \$3.1m one-offs?

Mr STIRLING: No, no.

Mr REED: No?

Mr STIRLING: \$3.8m in one-offs and additional growth in the other \$15.1m.

Mr DUNHAM: In this paper here called *Building a Better Territory*, under taxation there is a priority action of ensuring that aggregate taxes and charges are comparable to the average in other jurisdictions. I note in your budget paper you make great play of the fact that our taxation take is less than the other jurisdictions. Why would you want to be comparable with them?

Mr STIRLING: As a whole that is true, but we are higher in payroll tax for one. That is one that has a competitive edge to it that we would want to get to our nearest neighbours being Queensland, Western Australia and South Australia, and we will continue to work at reducing the payroll tax level. Notwithstanding I believe Western Australia put theirs up in the budget round we are just going through, we have a view of getting that down. Where we are higher than state averages, you have to take into account those duties on mortgages, foreign service levies, and land tax that we do not have but are fairly common in other jurisdictions. So, we are not looking to up our taxes to the comparison across the board of other jurisdictions but, where we think that there is a competitive edge to them - and payroll tax is one as a direct cost to business - we need to continue to look at getting that down to those near neighbours.

Mr DUNHAM: So you do not really want to be comparable; you want to be competitive?

Mr STIRLING: I would accept that definition.

Mr DUNHAM: In last year's Budget Paper No 2, Treasury had the comment, immediately after talking about taxation revenue per capita, and I quote:
This would suggest the Territory has scope to raise additional revenue without exceeding the average effort of all states and territories.

Do you believe that you have scope to raise additional taxes here?

Mr STIRLING: No. You have to look at the capacity across the board, and there are measures – if someone could find me those measures - of capacity versus effort. It is in Budget Paper No 2, 'Fiscal and Economic Outlook', page 26. Total taxation capacity for the Northern Territory is 74%. It is quite a low capacity that we have. But our effort against that capacity stands at 97% and our own-source revenue, within that mix, is a capacity of 86% and an effort of 92%. In terms of effort, your capacity is your capacity, judged against the other jurisdictions. Our effort is not bad there.

Mr DUNHAM: I am glad you have gone to that page because I will be going there, too. In last year's Budget Paper No 2 at page 30, you estimated that Territorians would be paying in this current budget, \$1136. Your estimate now is that they will pay \$1270, an extra \$142 for every Territorian. Is this part of your strategic direction to ensure comparability with the other states?

Mr STIRLING: No. The point you made before was a valid one, and if I go to that little paragraph you had, Mr Smith, that I lost. This is page 25 of Budget Paper No 2, in the tax and the environment that you are trying to set, and this says it:

Target: Ensure Territory taxes and charges are competitive with the average of the states. The government is committed to maintaining taxation at levels that are competitive with other states. Comparisons of relative tax competitiveness are complex due to inherit differences in respective economies and in taxation regimes. Taxation revenue per capita is a simple summary measure.

Mr DUNHAM: So you are not trying to ensure comparability?

Mr STIRLING: Competitive.

Mr DUNHAM: Competitiveness?

Mr STIRLING: Competitiveness with ...

Mr DUNHAM: So, in this document where it has it as a strategic aim, that really should read competitiveness rather than comparability?

Mr STIRLING: You are reading from a 2002-03, yes?

Mr DUNHAM: This is your current strategy to build a better Territory.

Mr STIRLING: This is Budget Paper No 2, 2003-04, and this sums up where government wants to be.

Mr DUNHAM: To what do you attribute the fact that Territorians are paying extra \$142 each - man, woman and child? How come your tax take has gone up so much?

Mr STIRLING: The Director of Revenue advises it is a function of economic growth. Certainly payroll tax was up throughout the year, which is a sign of economic growth out there. Stamp duties are up throughout 2002-03, which suggests things are happening out there, things are moving around. If payroll tax is up to the extent that it was, that means there must be more wages being paid by companies above the threshold that accrue payroll tax.

Mr DUNHAM: Well, this is a very interesting phenomenon because, if you look - and I am glad your Director of Taxation Revenues has put you in this direction because, only in August last year, you expected to raise \$227m. By mid-term, you factored this up by \$17m - so, between November and early this year, you had underestimated that by \$17m - up to \$243m. The budget papers now tell us you are going to raise \$254m, another \$27m up on your original estimate. Therefore, from November to now, you have raised \$27m on \$227m, which is 12%.

Now, I can understand you saying there are some sectors of the community doing well. Can you point to those sectors of the community that are doing better than 12%, because the vast bulk are doing less than 12%.

Mr STIRLING: Look, I do not - and nor should I, nor should anyone in government - have the details of what company is paying what individual tax levels to government. Certainly Treasury have that information because it flows through to them. However, if economic activity is rising, if more people have been employed by those companies that have a payroll greater than \$600 000 per annum which attracts payroll tax, then payroll tax goes up. If more properties change hands - a sign, I guess, of greater activity out there, it is not dormant, things are moving around, people are buying and obviously selling, and buying in - then stamp duties go up. I would have thought those increases suggest economic activity is occurring at greater levels.

Mr DUNHAM: Okay. This goes to your capacity to predict the future: last year, you expected the tax take to grow over 1.2% - that is at page 11, Budget Paper No 2 - and it grew at 10 times that rate. You are now telling us you anticipate tax will grow at 0.1% this year, 2.4% in 2004-05 and 2.9% in 2005-06. Why would you have any confidence in those figures, when the figures provided for you in November are out by a whopping 10 times?

Mr STIRLING: Well, I guess you cannot ignore the fact that we cut taxes. We have cut taxes.

Mr DUNHAM: Not your tax take, you have not. I am talking about your tax take.

Mr STIRLING: We have cut back taxes in this budget. We have reduced payroll tax; the Temporary Budget Improvement Levy has gone. That is revenue forgone to government that is going to affect what otherwise might have been revenue coming to government. However, if there is anything to add to that, I would ask the Under Treasurer.

Ms PRINCE: The revenue, and particularly stamp duty receipts, are particularly difficult to forecast. The part that is difficult to forecast are the one-off activities which occur because of commercial reasons that are often unrelated to the underlying economic trends. What we have is a model that we use to determine, at some level of detail, the own-source revenue estimates. That takes into account estimated changes in the size of payrolls, the number of employees, the nature of stamp duty transactions on residential conveyances - those sorts of things that can be predicted within reasonable bands. What we cannot predict is if there are, for commercial reasons, a major sale of a

hotel, another business or a major building. It is those sorts of things that we do not try to guesstimate. We rely on an underlying amount of those that are built into our model.

If you have a look at our own-sourced revenue estimates over time and compare that to the states, you will also see that, in the states for a number of years, they have been underestimating their stamp duty receipts, in particular, because of a long and sustained property boom - one that we have not experienced here to the same degree. However, it simply is an area that is difficult to predict. Our estimates do not try to anticipate things that we do not know, rather ones that we can predict with some confidence.

Mr REED: Treasurer, if the taxation income is up by 12% because of the buoyancy of the economy as you say, why then do you and your budget papers predict that GSP will fall from 3.7% this year to 3.4% next year?

Mr STIRLING: Mr Stubbin.

Mr STUBBIN: It is very difficult to look at GSP figures in isolation. We were talking this morning about GSP figures, and the first thing I have to say is that GSP figures produced by the ABS are labelled as experimental; they do not meet ABS's normal standard of accuracy. ABS would be the first to admit that those for the smaller jurisdictions, and especially the Northern Territory, are the most difficult for them to calculate and to be relied upon.

Whilst we are forecasting a reduction next year, in 2003-04 compared to 2002-03 we are expecting to actually see more of that economic activity that takes place in 2003-04 actually take place onshore within the Territory economy as we know it, rather than in the Timor Sea where there is a large escape spending. Therefore, a lot of the Bayu-Undan Stage 1 was generated by importing of equipment into the Timor Sea. So, the benefits to the Territory economy and to our own-source revenue was very weak. We do not have the ability to tax activity out in the Timor Sea to the same extent as we do onshore. Those linkages are not as strong as we would like.

Therefore, whilst we might have a slightly lower GSP forecast for next year, we expect the onshore economy to actually perform better than it did in 2002-03. That will flow through to the budget.

Mr REED: Thank you. I accept and thank Mr Stubbin for that answer, and understand why the Treasurer did not answer it, because he would not accept that proposition only two years ago.

Mr Chairman, I want to turn now to a question of some of the taxes; in particular the stamp duty on motor vehicle sales to be collected by motor traders. Treasurer, when is this practice to be implemented?

Mr STIRLING: I made it clear in at least the budget speech but, certainly, in answer to a question in the Assembly, that there was no date for commencement because, quite clearly, there needs to be a process of discussion and consultation with the motor traders themselves in relation to setting up a mechanism that will capture this stamp duty on used cars at an early point in the cycle than would otherwise would occur, if it occurred at all. The Treasury people have to work with the industry to overcome objections from the industry in the first place, to find what is feasible, practical, efficient, less cost burden, I guess, on all which ways round, to get in place an efficient mechanism.

Victoria has such a system and it seems to work well for them. Therefore, we very deliberately did not set a commencement date until such time as processes work through, and a mechanism is put in place that everyone thinks will work.

Mr REED: Yes, it is unfortunate that the consultation, I suppose, did not start before the announcement because that seems to have upset the industry a bit. In addition to that, the ...

Mr STIRLING: Mr Chairman, no Treasurer announces revenue measures in advance of a budget.

Mr REED: In addition to that, the fact that the Victorian model is going to be adopted without any consultation is provocative, I suppose, you would say. But ...

Mr STIRLING: Well, again, if I could just pick you up, member for Katherine. I said they have a system in Victoria that works well. I do not believe I said that is the system we will adopt. What the Victorian experience shows is that it can be done at that point of sale by the second-hand car dealers; which suggests that if it can be done there it can be done here, if not exactly that way, by a process that fits and suits both the industry and allows for efficient and timely collection.

Mr REED: In respect to the present requirements, upon payment of stamp duty at the MVR, customers also pay a registration transfer fee which allows ownership of the vehicle to be legally transferred to the new owner. What is the government's proposal in respect of the transfer of registration?

Mr STIRLING: Andrew Smith.

Mr SMITH: The intention will be - as part of the discussions we had with both the Motor Traders Association and the Motor Vehicle Registry - to have the second-hand dealers operate in a one-stop shop fashion, such that the registration fee, the transfers and the stamp duty would be instigated at the point of sale.

Mr REED: Then, is it proposed that dealers facilitate the transfer of registration process as well as collect the stamp duty?

Mr STIRLING: Mr Smith.

Mr SMITH: That is the intention. As I say, we still need to have further discussions with both Motor Vehicle Registry and the Motor Traders Association. The intention would certainly be to streamline processes which would currently take place regarding how registration, transfers and stamp duty are undertaken, so that can be undertaken at the point of sale and through the dealers.

Mr REED: Treasurer, would you see a position where consumers, after purchasing the vehicle and paying stamp duty to the dealer, are then forced to attend MVR to transfer the registration into their own name?

Mr STIRLING: I believe Andrew just explained that we will be looking for a system that ties it all up at the point of sale.

Mr SMITH: Similar to the system that works in Victoria, and Queensland has something that operates in a similar fashion as well.

Mr REED: In Budget Paper No 3, I think it is page 225, it is estimated by MVR that the cost to them of each registration transaction in 2003-04 will be \$26.62. Is it proposed that dealers be recompensed the same amount for carrying out the collection of government revenue under these arrangements?

Mr STIRLING: Andrew Smith.

Mr SMITH: Again, the intention will be to work through some arrangements with the Motor Vehicle Registry and the Motor Traders Association. The intention would not be to pay some sort of collection fee to the motor traders for that. I suppose precedent for that can be seen in a number of jurisdictions where the dealers collect the duty and do the transfer papers at the point of sale - and not only from a stamp duty context or Motor Vehicle Registry stamp duty context. The precedent is in other forms of taxation, whether it be goods and services tax, insurance duty, hiring duty, pay-as-you-go taxes. There are already a number of taxes collected by businesses and remitted, as a more efficient

process through the government collectors.

Mr REED: I take that as a no. Treasurer, just prefacing this next question, can I just say that in your second reading speech, and I quote: 'The amendment ...' that is to facilitate this process that we are talking about '... will bring the Territory into line with legislation operating successfully in Victoria and is expected to result in the improved timeliness of collections'. So, it is clearly the intention of you to use the Victorian model, notwithstanding that you have not made your mind up.

Treasurer, if the average dealership – say a middle of the range dealership – sells around 20 used vehicles per month at an average of \$15 000, an amount of \$9000 stamp duty is accrued. A larger dealership may be dealing in 80 vehicles, \$25 000 each, and \$60 000 stamp duty must be put aside. For the mid-range dealership, if the stamp duty is remitted by credit card, \$9000 at 3% or whatever, it incurs fees of around \$270. That is to say, where remittance to Treasury of this amount is by cheque, bank debit fees of around \$200 are incurred. There will be additional on-costs for the administration of your tax collection. Therefore, will the actual trading cost incurred by dealers in administering the government's funds be reimbursed?

Mr STIRLING: Notwithstanding the Treasurer's quote, my intention at least was 'It is done in Victoria and it seems work well for them'. Obviously, the sorts of hurdles or impediments that the member for Katherine is suggesting are a difficulty here in incurred costs, has been worked through in Victoria. I think the note says Western Australia had something similar; Queensland has a part model of it.

The fact that it is done completely in Victoria is just an indication that it can be done and that these extra cost burdens or extra work, extra effort, have been worked through to a successful resolution. That is what we will do with the industry here. I am not saying at this point, in advance of those consultations and negotiations and discussions, what the outcome will be. I do not know in detail what the experience in Victoria was and how any objections were overcome to get to a successful implementation, but that is what we are going to do; we are going to work through it.

Mr REED: In terms of comparing us with Victoria, the situation, I can say, is quite different. For example, at present the Motor Vehicle Registry here requires proof documentation from individual customers – that is, the purchaser of a vehicle – whereas I understand that is not required in Victoria. Here you have to provide a proof of residency, proof of acquisition from where they purchased the vehicle, and proof of identification.

In addition to the collection of this duty, the government will be proposing that dealers facilitate the transfer of registration. Will there be additional resources and counter staff available at MVR to assist dealerships with processing registration transfer certificates, including assessment of the proof of documentation required to validate the transfer? It will be an additional burden, there will be time constraints in terms of the various people who have to process this. Can we deal with that more specifically than a general answer, the like of which you just gave?

Mr STIRLING: In general, because the whole process has not commenced, there has been some early consideration of some of those points you raised. Mr Smith can give you the background to that.

Mr SMITH: I indicated in an earlier response that there were discussions to take place between the Motor Vehicle Registry and the Motor Traders Association. To some extent that has commenced and our intent was to look at opportunities to streamline the processes to minimise the amount of work that dealers would have to be asked to do as part of the administrative verification for registration and the transfer process.

Without committing to decisions which have not yet been made, I just point out that some of the very examples you raised are certainly under contemplation. The current requirements in the Territory regarding proof of residency is certainly an issue under consideration to somehow streamline that, so it is not a burden on the dealers in instigating a transfer. So you are right, that there are more efficient processes in place in Victoria to facilitate this one-stop shop approach, and those considerations are currently something we need to bear in mind in implementing such a scheme here.

Mr REED: In addition to the costs I referred to previously – that is, credit card transfers and remittances to Treasury and the like – it has been estimated by the industry that a small dealership will need at least an additional half person, in the order of \$25 000 a year in resources, to be able to undertake the process of fulfilling the requirements of this initiative. I again ask if, in terms of considering this - and these issues surely must have been discussed when this direction was being considered in the formulation of the budget - did you give consideration to the impost that this would place on small businesses in the Northern Territory?

Mr STIRLING: These issues are the same, in relation to the prospect of extra staff, as raised in relation to use of credit cards and charges that go along with that. Again, Mr Smith might have some views as to where we are with it.

Mr SMITH: Yes. I suppose the immediate concern, or identification that there may be additional costs incurred by motor vehicle dealers certainly has not been ignored, and cannot be ignored. What we have sought to do with the deferral of a commencement date is to provide all parties an opportunity to look at the best ways to put in place the most efficient collection mechanisms so that there does not need to be unnecessary costs on the dealers.

Some of the points you make there are valid, whereas others are costs already incurred by dealers. Therefore, already dealers are now taking on the responsibility for lodging transfer and registration papers with Motor Vehicle Registry. What we are saying now is that they will be able to do that from their offices, and either in the first instance, do that by a batch process and, ultimately, where we would like to get to down the track is to have some sort of online electronic transfer of registration details. The first phase will be some sort of batch process to enable that to occur.

However, as I say, we appreciate that the concern would be that, if the current administrative processes that MVR require had to be replicated in conjunction with this measure then, yes, that is an unnecessary, undesirable burden. However, the intent with giving ourselves some leeway time for commencement is to try to cut a swathe through that unnecessary administration.

Mr REED: Thanks for that answer. Mr Chairman, can I direct the answer now directly and squarely again to the Treasurer because, Treasurer, you were the one who signed off on this process and decided to include it as a revenue raising - or at least collecting – measure. You surely must have taken into account both the political consequences, the impact on small business in the Northern Territory, and a range of other issues before you said: 'Yes, include it in the budget and we will proceed to implement it'. Did you give it due consideration in that regard?

Mr STIRLING: It is not a new revenue measure in a sense, but consideration was given to the impost in terms of everything you are going to do in a revenue sense. This is not new revenue, it is moving a collection point earlier in the process than may otherwise occur. In some cases, it certainly does not occur at all. Consideration will be given to all of these factors, in working with the industry in the implementation of a workable scheme for them and government.

Clearly, we have to have those discussions and consultations with the industry. We do not have a, 'this is the way you have to do it, this is the model, this is the plan'. We want their ideas on the practical obstacles, impediments and difficulties that they see, to be put on the table and a consultative process worked through them so that there is absolute minimum impost on them in implementing the system. There is time to work through that; there is no date set. We have made that clear.

Mr REED: Treasurer, given that you are going to make this imposition and turn motor vehicle traders into tax collectors, will you also be taking action in relation to the collection of the stamp duties for vehicles sold through government auctions, vehicles sold through private sales? If so, how do you propose to apply these measures to those areas of vehicle sales?

Mr STIRLING: In relation to the fleet auctions, the government is not a car dealer. The government is not a car dealer; those auctions represent a private sale, as distinct from what we are talking about here, going through used car dealers. Therefore, those changes will not apply to those sorts of sales.

Mr REED: They will not apply to those sorts of sales?

Mr STIRLING: However, consideration can be given to making the government a dealer, or otherwise facilitating the registration payment of the duty at the point of sale at government auctions. I make the note there that used car dealers acquire more than 50% of all the vehicles sold at government auctions, and they do not pay stamp duty on acquisitions of their trading stock. So, if we are going to put that in, 50% of them are going to used car dealers and they would be having to pay that stamp duty. I do not think they are going to like that.

Mr REED: That might be the case in those vehicles that are not purchased by used car dealers, or are purchased by used car dealers from interstate, or purchased by private individuals. What practices are going to apply in these new arrangements to ensure that the only tax collectors on behalf of the Northern Territory government are not the motor vehicle traders? Where does the fairness come into it?

Mr STIRLING: That simply is not true. New car dealers do it. Who do you think collects the GST? How come they are the only collection point for tax? Who collects the GST ...

Mr REED: I am not interested in the GST ...

Mr STIRLING: Oh, you are not interested in the GST ...

Mr REED: ... I am interested in this new ...

Mr STIRLING: Well, you are trying to pretend that we are making them the only tax collecting agents in the system. It is simply untrue.

Mr REED: No, I am just asking you to explain your taxation process; that is all. It is as easy as that. I am sorry it offends you.

Mr STIRLING: No, it does not offend me. It is just being silly.

Mr SMITH: You started off asking whether anything would change as far as private sales were concerned. The bottom line is, of course, that dealers are not involved in private sales so the current arrangements as they are – where the purchaser bears the liability for the stamp duty - will not change. From our compliance point of view, we would have to continue with our compliance techniques to try to determine whether it is being under the declaration or no declaration for stamp duty purposes.

Mr REED: Thank you. Treasurer, I get from that answer the fact that this is only part solution to a problem; that is, the failure or the slow payment of stamp duty on motor vehicle purchases. Because it is easy and convenient, this impost is going to be made on small business in the Northern Territory - viz motor traders – and they are going to have to employ additional staff and incur additional costs for the sake of collecting your money. I do not think they are going to be happy with the fact that they collect other taxes. So what is the difference with this one? It is a difference; it is a marked shift in the responsibilities that will lie with them. I simply ask that if you have found the part solution to the problem, why did you not go all the way to ensure that when someone does buy a vehicle, they pay stamp duty on it immediately? It occurs elsewhere in Australia. Why can't you fix the whole problem here, instead of part of it?

Mr STIRLING: I ask the member for Katherine to clarify what occurs elsewhere in Australia in relation

to private sales.

Mr REED: If you buy a vehicle, you pay your stamp duty.

Mr STIRLING: Of course it is the same here. Compliance is sought and pursued wherever information becomes available. I guess that is the same in every other jurisdiction.

Mr REED: It will be interesting to see what the industry thinks of your answer. What level of increased returns is expected in relation to this new process of the collection of stamp duty on motor vehicles regarding collecting it up-front as opposed to the current process? What improvement is there?

Mr STIRLING: Just give me a minute, Mr Chairman. Mr Smith.

Mr SMITH: We have not identified a separate amount for any additional revenue from people who have not complied in the past. What we have identified is that there is, effectively, a bring-forward of stamp duty revenue. What this should do is improve the timing of collections.

Mr REED: What will happen in the event that a motor vehicle trader sells a vehicle and a customer refuses to pay stamp duty to a dealer, and will exercise their lawful right? As it currently is, a purchaser of a motor vehicle has to pay the duty to Motor Vehicle Registry. Where does the dealer lie if the purchaser refuses to pay?

Mr SMITH: As I say, we still need to work through the mechanics in consultation with the MVR and Motor Traders Association, but what could be expected to happen if that situation arose is that the dealer would not then be able to do the one-stop shop service. Consequently, the registration transfer and the stamp duty would have to be undertaken by the purchaser going direct to Motor Vehicle Registry.

Mr REED: I suspected that might have been the answer which then imposes further obligations, or another form of processing for that sale, on the dealer which further adds to their costs.

Treasurer, do you anticipate that the amendments that we have before the House at the moment and will be debating later on this week will be sufficient to be able to facilitate this new stamp duty collection process, or do you expect that there will be other changes required and they will become forward before the House at a later date?

Mr STIRLING: The answer, as I sit here – you asked me to preempt what might be the outcome of a process of consultation and discussion with the Motor Traders Association, if there was something further required by way of amendment coming out of that process. I do not know the answer to that. At the moment I would expect not, but I do not preempt the discussions that will take place and what might be the outcome. Certainly, the revenue people in Treasury will work closely with the Motor Traders Association to iron out some of the legitimate points of view you have put forward. I go back, I guess, to where I started: it is done in other jurisdictions where similar concerns would have been raised at the time of implementation and they must have been overcome. So, that is where we go to.

Mr REED: Treasurer, if you were to be conducting this process in good faith and, if the Motor Vehicle Traders and the industry generally could take at face value the fact that you were going to negotiate a position with them and develop a structure that will be easiest both for the government and for the motor traders, would it not be appropriate that the legislation or that part of it that you have before the House that applies to this process, be held over until those negotiations were complete? Therefore, at least there is an open process demonstrating to the industry that they can put forward a position, rather than you bringing in legislation before the consultation even commences, and that those changes can be effected without having to bring them back to the House?

Mr STIRLING: You still need the legislative framework to have been legislated, in that sense, going through at this time. It is not an additional revenue measure but it is certainly a collection of revenue

measure. Many of the mechanics of it, I guess, would be by way of regulation rather than legislation itself – or guidelines.

Mr REED: It does not seem to me to demonstrate a very open process and a willingness to negotiate, if you are going to introduce legislation and pass it this week before there is any consultation with the industry. I am sure the industry will determine their position in relation to that.

Mr STIRLING: Again, there is no commencement date on this because we want a full and proper process of consultation and dialogue with them. The decision is made to do it; the how to has to be worked out.

Mr REED: Mr Chairman, could I move to a matter of ...

Mr WOOD: Member for Katherine, could I just follow on what you are talking about?

Mr CHAIRMAN: Yes, member for Nelson.

Mr WOOD: It is the same issue, Treasurer. I also received the letter from the Motor Traders Association. They said that they had no consultation prior to the release of the budget papers. I believe they were only told by a phone call that this was somewhere in the budget paper. It is fairly hard to find the changes, but anyway, they did not know it was coming up. Surely, it would have made sense if it was not a revenue bill, that that is exactly what could have happened - even if you put a form of legislation not to parliament, but just to the Motor Traders Association to say: 'This is what we are thinking about and what are your comments on it'. It would have been a far wiser way to bring about these changes. It seems like a case of the cart before the horse.

Mr STIRLING: Advice from Treasury officials is that there was discussion with the motor traders as far back as February.

Mr WOOD: I have a letter from the Motor Traders Association signed by Graeme Bevis saying: 'Our members are angry there was no consultation prior to the release of the budget papers'.

Mr REED: Ditto.

Mr STIRLING: Mr Smith.

Mr SMITH: Just to put that in context, what we had was approval to have confidential discussions with the Motor Traders Association, not revealing in any way, shape or form that there was a commitment to make this change, but running the idea past them so they were alerted to the fact that it might be something under consideration, back in January or February of this year. Discussion would have been on a confidential basis so, to that extent, the broad membership would not have consulted. However, the Motor Traders Association executive was certainly made aware of an issue under consideration.

Mr WOOD: Why would it need to be confidential? It was not as though you were going to raise more taxes; you were just having a different process to collect it.

Mr STIRLING: My own view - and I will take any advice from officials here - is it is still, in terms of the budget, a revenue measure, notwithstanding that it is not additional revenue or a new tax measure. Where do you draw the line? Do you say: 'It is okay to talk about that and announce that, then why isn't it all right to announce other changes?' In that sense, it is a budget measure concerned with revenue, and the normal rule is that you do not get out there and announce until the budget – for good reasons.

Mr WOOD: Yes, except you are not changing the amount of money; you are just changing the process. If you are going to have a better method of introducing legislation that does affect people, I

would have thought having it open and transparent at the very front would have been a better way. You do not have to answer that question, because it is more of a statement.

Mr STIRLING: I just make the point, and I take your point, in relation to this. I still see it as a revenue and a budget measure and, therefore, out of bounds other than the confidential discussions that took place. However, the key to this is no commencement date until the industry has worked it through with the revenue people in Treasury. We did not pass this and say: 'You will do it by 1 August'. There is no commencement date in recognition of the fact that there are a number of issues raised in that letter, and some of them raised by the member for Katherine, that need to be worked through.

Mr WOOD: The question I ask then is: why have it as a matter of urgency? It is not urgent; you do not have a date that it has to be implemented by, but it has come to the parliament as part of the urgency bills.

Mr STIRLING: There is no great urgency attached to it other than the fact that it is a budget bill, a revenue bill in that sense, and they go through a parliament before the budget is passed on Friday night. That is the normal process. I would accept your argument totally if we had said it is going to happen by a given date, but there is no commencement date. We will work through the issues with the Motor Traders Association and work with them to get a date. All this is doing is facilitating the amendment ...

Mr REED: With respect, that is a nonsense. If there was a date, it would have to go through on urgency to be able to meet the date. If there is no date, it does not have to go through on urgency and it can come through at a time when the consultation proceeds and industry has had their say.

Mr CHAIRMAN: Member for Nelson, any other questions?

Mr WOOD: No, I do not have any other questions on it, but I think the Leader of the Opposition has.

Mr CHAIRMAN: Member for Katherine?

Mr REED: Treasurer, could you advise what the anticipated collections from the HIH levy were for this financial year; what the outcomes will be; and the same for 2003-04?

Mr STIRLING: Give me a minute, Mr Chairman. We can get those figures but, of course ...

Mr REED: Do you want to move on while they are being got or ...

Mr STIRLING: No. Let us be clear. That is not revenue to the Northern Territory government.

Mr REED: Revenue collected by.

Mr STIRLING: That revenue goes to the nominal insurer.

Mr REED: I do not think the person it is being collected from really gives a hoot.

Mr STIRLING: The nominal insurer, a body established under the Northern Territory's *Work Health Act* to, among other things 'protect employees injured in the event that an insurer or employer defaults', as is the case with HIH. The HIH levy, commenced 1 July 2002, is in place to raise the funding required to meet the nominal insurer's remaining HIH-related liability. The size of the liability determines how long the levy is to remain in place.

The HIH levy is expected to raise approximately \$3.4m annually, of which \$2.5m is funded from the private sector, and \$0.9m funded by the Territory government, which contributes as a self-insurer.

Based on the current rate of contribution, the remaining term is estimated between 11 and 13 years. The nominal insurer has advised that the estimates for the outstanding liability and the term of the levy will be reviewed at the end of the 2002-03 financial year. At this time, the nominal insurer will have updated actuarial advice on the outstanding liability, and will be able to take into account the experience of the levy having been in place a full year in estimating the duration.

I make the point again that that the HIH levy receipts are not recorded in the budget because it is not readily accruing to the Territory - it goes to the nominal insurer. I might just ask the Under Treasurer, where we talk about being reviewed at the end of this financial year with that updated advice, just when we might expect that, because I would be keen to report back as soon as it was known so we have the most up-to-date picture available.

Ms PRINCE: That actuarial review is unlikely to be available until October or November, when the annual reports of the nominal insurer are done.

Mr REED: Treasurer, in parliament recently you advised in relation to the land rich provisions to be introduced in this budget. You gave some examples of where a business was sold and a duty that should have been payable, in your view, was avoided. Will the provisions that you are putting in place capture - or would have the provisions captured - those particular sales?

Mr STIRLING: The answer is yes. The opposition – and I see it in the *NT News* again today - ‘Land tax to get a grilling before the Estimates Committee’. That is a most mischievous and absolute misused description applied to this. This is your scheme. You have had this scheme in for years.

Mr Reed: You are introducing it.

Mr STIRLING: No, no, the same scheme. One minor change to this scheme.

Mr Dunham: How much money are you going to get?

Mr STIRLING: Was it ever a land tax when you had it? Was it a land tax then? No, it was not. I will tell you the difference, and he well knows the difference, Mr Chairman, but he chooses to use this ‘land tax’ as something new that the Labor government is introducing. It is not a land tax. If it was a land tax, it would be levied on property - maybe on the size of it or the market value - paid every year. That is what a land tax does. That is what other jurisdictions in Australia have. There is no such thing here. It is paid by the purchaser of the property if the land is over \$500 000 in the deal, the only difference being that, prior to this change, the land above \$500 000 had to comprise more than 60% of the total asset.

The 60% test has gone. It has gone for a good reason, because for both purchaser and government, on occasion - certainly not every deal, but on occasions – there was a great deal of work having to be done on both sides to determine whether, in fact, land was greater than 60% of the overall deal, or less, in which case it would not have been paid. The 60% test goes - the only difference to what was a long-standing system of stamp duty under the former government. That is the only change to it. To be calling it a land tax is simply an untruth. Land taxes are annual; this occurs at the time of sale, paid by the purchaser.

Mr REED: Won't this change have the effect of - at least in some cases - increasing the duty to be paid from about 0.6% to in excess of 5%?

Mr STIRLING: At the maximum 5.4%. I can tell you, Territorians are quite pleased because Territorians buying a \$200 000 house, duplex or apartment anywhere in the Territory pay - at 3.4% - \$6800. When you have a major purchase such as the example of the \$15m hotel going through the system paying \$480, what is fair there? You want to justify that; you want to say the purchaser, the big high-flier, of the \$15m hotel only pays \$480 in stamp duty. The punter out in the Territory, the normal person in the street, pays \$6800 on a \$200 000 purchase of a home. Is this fair - I asked

myself - is this equitable? No, it is not. Is there any opportunity of reducing the level of these taxes of the stamp duty or conveyancing duty payable, while big purchasers slip through the net and contribute \$480? I think not, and Territorians would be saying: 'Why aren't they paying at the top rate?'

If you broaden the net and you get everyone in the net in the first place - including those big top end of town purchasers - are you suggesting that someone who walks into the Territory and says: 'I want to buy that \$15m hotel', does not have the capacity to pay? Well, my view is that they can. If they are going to be able to pay \$15m for a hotel, they are going to be able to pay the stamp duty accruing to it. If you get the revenues up and you get the net right in the first place then, notwithstanding the debt burden you blokes left us, we might get ourselves in the position to say: 'Revenue is travelling all right, we can twig this down 1% or 2% points'.

Mr REED: Mr Chairman, for that quaint answer I thank the Treasurer. To compare a business proposition with a household proposition is just ludicrous, regarding business sales and the different circumstances that are taken into account with them. Whether or not there is a profit and loss situation or other circumstances that must be taken into account with the sale of a business, and not necessarily in a private household, whilst the Treasurer says his government is a friend of business, it clearly demonstrates that they are not.

Treasurer, what additional revenue do you anticipate will be collected in 2003-04, or for the first 12 months after the introduction of this measure?

Mr STIRLING: It is a difficult one to measure. It is a bit like trying to anticipate one-offs that might occur. Treasury is not in a position - nor is anyone else - to know what might come on the market throughout 2003-04. It is expected, I believe, a couple of transactions ...

A witness: About eight or 10.

Mr STIRLING: ... about eight or 10 transactions might come into this that would not have otherwise been there, and a figure of \$2m.

Mr REED: Treasurer, are you aware of the awakening across the business community in relation to their now-growing awareness of the impost of this measure, and the fact that there are growing concerns - whilst initially the business community thought that there was not going to be much of an impact - and now views that it will be a dampener on business sales and work against the growth of the Territory economy?

Mr STIRLING: No views like that have been put to me. I had one question at the Property Council breakfast following the budget and the announcement of this. I spoke to the Property Council in budget overview terms, and I mentioned this at my breakfast with them. I had one question on it. Any concern is quite welcome to come through to me and I will sit down and talk about it.

The concern I have is this: you blokes are out there trying to portray this as a land tax and you know quite well it is not. There is no land tax in the Northern Territory. You never had one, we do not have one. You can go out there and call it a land tax all you like. I will continue to tell the truth: that this is not a land tax, it is not a recurring annual levy. It is a conveyancing duty and bill incurred at the time of sale paid by the purchaser. If you think it is okay for the top end of town to be buying \$15m and \$20m hotels and paying \$500 to the long-suffering taxpayer, well, I do not - not when the average punter has to pay \$6800 on a \$200 000 house. Now, if you want to defend the top end of town - if you can buy a \$15m hotel you have a bit going for you, you have a bit of cash. I believe they can afford to pay on the terms that everyone else has to.

Mr REED: If that is the case, Treasurer, why will this process not apply to listed public companies? Why is it that only a certain sector of the community will pay this duty and that the big end of town, as you call it - those who can really afford to pay - will not have to?

Mr STIRLING: I thank the member for his question because he well knows the answer, as often he does in these things. It is an agreement that he struck when he was Treasurer with the then federal Treasurer at the introduction of the tax reform of the new system, where they signed off on this and Costello said: 'This is one of the things you are going to have to sign off on'. The then Treasurer, the member for Katherine, did so. And he has the hide to come in here and ask me: 'How can this be, Treasurer?' Well, he is the one who signed the deal. Ask yourself that question.

Mr REED: As did all the other Treasurers.

Mr STIRLING: I cannot tear up that agreement you signed when the GST came in. I cannot go back to that and say: 'Excuse me, Mr Costello, I did not sign this'.

Mr Dunham: You have all Labor states now, you actually can.

Mr STIRLING: Well, your then Treasurer did.

Mr Dunham: Now you have Labor states, you actually can.

Mr REED: Treasurer, in explaining this bill then, he might have a talk to the Minister for Business, Industry and Resource Development who went to sell the budget and, when questioned on this particular new tax, was unable to explain it and, indeed, was just about hounded out of the place because of his inability to explain it. Business is concerned about it, and isn't that a matter, in turn, that concerns you?

Mr STIRLING: If there are concerns out there, I have no doubt that they will come to me ...

Mr REED: Well, they only have four days. This will pass with urgency this week.

Mr STIRLING: Yes, this is ...

Mr REED: It gives business a good opportunity to express their concern.

Mr STIRLING: ... going through.

Mr DUNHAM: I also have one question on taxes. I note that you have dropped the Temporary Budget Improvement Levy and that, in the discussion on it, you have called it a tax. Is it a levy or a tax?

Mr STIRLING: It was a Temporary Budget Improvement Levy - that was its description and that is its name.

Mr DUNHAM: Why is it called a tax in your budget papers?

Mr STIRLING: Mr Smith.

Mr SMITH: It is classified as a tax for recording purposes under the ABS framework.

Mr DUNHAM: So, you do not believe the Chief Minister misled parliament when she tried valiantly to tell us it was not a new tax, it was merely a levy; and there was some distinguishing difference between those two words?

Mr STIRLING: There is an ABS description, and we all know ...

Mr Dunham: A tax is a tax.

Mr STIRLING: ... everyone has their own difficulties from time to time with ABS. It was a Temporary Budget Improvement Levy.

Mr DUNHAM: Can I ask you too, Treasurer – I have, albeit a little bit dirty – was what was attached to registration papers. Did Treasury draft this? Who drafted this piece of paper that was attached to registration application forms? It has a government crest on the bottom, but it does not really say from which department it was derived. It is fairly political in nature and I would be very surprised if it came from the transport department.

Mr STIRLING: If you table that and I get a copy of it, I will find out.

Mr Dunham: It is your paper.

Mr CHAIRMAN: Are you prepared to do that, member for Drysdale?

Mr DUNHAM: Yes. It is your paper. I would be interested to know if it was Treasury, because of its language.

The other taxation question is one your business minister tried to take to the public and parade as something they should not be concerned about, and that is the Exploration Exemption Certificates, which you have now spoken about in parliament on a couple of occasions. Are you convinced that there is no local benefit in Exploration Exemption Certificates? Can you understand why that point of view is not held by explorers out there who use these?

Mr STIRLING: I met with the representatives from the Minerals Council as recently as last Friday on this matter. I go back to the origins of the scheme. Probably the member for Katherine would have the best recollection, being the longest serving member of parliament, after coming into parliament in 1987 at the time the scheme was twiggged. It is called Exploration Exemption Certificate. The origins of this were to provide some form of incentive for explorers, to help exploration ...

Mr Dunham: For local purchases.

Mr STIRLING: For exploration in the Northern Territory. If that was the origin of it and the premise behind the scheme, it seems to have been a roundabout way of assisting explorers, compared to the assistance that royalty paying and operating mining companies got out of it. For example, an exploration company comes into the Northern Territory and spends \$1m on exploration in the Northern Territory. They go to Treasury ...

Mr Dunham: Locally. \$1m locally.

Mr STIRLING: Exploration in the Northern Territory. Exploration in the Northern Territory was the ...

Mr Dunham: On local providers.

Mr STIRLING: They have explored in the Northern Territory for minerals; they have spent \$1m and they could go to Treasury and say: 'We have been out there exploring in the Northern Territory and we have spent \$1m. Here are all of our receipts for that expenditure'. Treasury would issue that exploration company with an EEC to the face value of the \$1m expenditure that they have been able to verify.

Mr Dunham: Locally.

Mr STIRLING: Exploration in the Territory. They could then sell that EEC with a face value of \$1m out in the marketplace to a mining company that might purchase it. The going rate for these certificates, historically, seems to have been about 10%. A mining company that has upcoming royalties to pay

could purchase that certificate for around about 10% of the value; so they pay \$100 000. They have an EEC worth \$1m for that \$100 000. They then have the ability, under the current scheme, to uplift the value by 50%. That meant they could then claim \$1.5m against their royalty payments, and they could buy so many of these certificates so as to offset no greater than 35% of their royalty.

Mr Dunham: Now 25%.

Mr STIRLING: Therefore, for \$100 000 the mining company has a certificate with a face value of \$1m, and uplifts it to \$1.5m. They get \$1.5m, provided it is 35% or less of their overall royalties. For expenditure of \$100 000, they get a benefit of \$1.5m off their royalty. Not a bad benefit: on my estimate \$1.4m ahead. The exploration company - and remember this scheme is about driving incentive for exploration ...

Mr Dunham: No, local purchasing.

Mr STIRLING: An Exploration Exemption Certificate to drive exploration. They paid \$1m in hard cash for exploration in the Northern Territory and for their efforts, they received \$100 000. It has cost, in forgone revenue from the Northern Territory, \$1.5m, and on the exploration side of the equation - and this is what it was all about - got \$100 000. How was this scheme ever going to last in incentive for exploration? It is a great incentive for the mining company that is able to purchase these EECs and write off their royalty liabilities against it; not so good for the explorers.

This was recognised by Barry Coulter as far back as 1987 when it was not working. The EECs were not being bought and he said: 'Oh, they are not worth enough to the mining companies. We will up the uplift factor from 125% to 150%, and thereby make them more attractive to mining companies'. I forget the number of unused EECs floating around the place ...

Mr Dunham: \$280m.

Mr STIRLING: ... but it simply shows that, as an incentive for exploration, a pretty dismal failure, and something that would have had to have been looked at, at some time. The effect of this, in revenue to the Territory, would have been \$3.8m in a full year, by reducing the cap against royalties from 35% to 25%.

Following a meeting on Thursday with the Minerals Council, and Cabinet on Friday, that has been changed. There will be a committee stage amendment to this on Friday night so that the cap, instead of being reduced from 35% to 25% in the first year, is reduced to 30%, and has the effect of halving the impost on those mining companies affected by this, so that the impost on them is halved - \$1.9m instead of \$3.8m.

Mr DUNHAM: Minister, you are aware you are bound by the *Fiscal Integrity and Transparency Act*?

Mr STIRLING: Yes.

Mr DUNHAM: And you are aware that that act requires you, when you are considering policies of this type, to look at the effect on employment, economic prosperity and the development of the Territory? Are you prepared to divulge to this committee that assessment on those three issues in relation to this tax?

Mr STIRLING: If the member is suggesting that jobs are going to be lost because explorers are not going to come and explore in the Northern Territory, it was a grossly inefficient stand for providing assistance to explorers, because by far the greater assistance and cost to government in this scheme went to royalty paying miners.

In 2001-02, the EEC scheme was funded through a royalty deduction amounting to \$14m, and yet

only \$5.2m, or 37% of those funds, went to explorers. The remainder was absorbed by the royalty paying miners. There are similar trends across prior years. You have to ask yourself, eligibility wise, there would be 140 explorers last year who could have put in for EECs. How many did? Seven.

Mr DUNHAM: The issue is how much is spent locally. Is it possible, minister ...

Mr STIRLING: Seven out of 140 is 5%. This is not something that was encouraging people to explore in the Northern Territory.

Mr DUNHAM: Is it possible to get advice from you that would satisfy this committee that you have discharged your statutory obligation on those three counts under the act?

Mr STIRLING: Yes.

Mr DUNHAM: Can I take that on notice, Mr Chairman? I will take on notice that the fact that the minister ...

Mr STIRLING: No, the Under Treasurer wants to have a go.

Ms PRINCE: The requirements of the *Fiscal Integrity and Transparency Act* is that both spending and taxing policies are to be formulated in consideration of the effect of those policies on employment, economic prosperity and the development of the Territory. The decision taken in respect to the changes to EECs under the *Mineral Royalty Act* would be as you have outlined. However, the other part of the decision was that that additional revenue that would be raised through mining royalties would be spent on another form of mining related exploration assistance - the provision of land, or more ready access to land titles and additional exploration activity done by the Territory government. So, taken as a whole, it does meet the requirements of the *Fiscal Integrity and Transparency Act*.

Mr WOOD: I revert to the land rich provisions. Minister, when you spoke you based your arguments on equity and anti-avoidance, and no one could disagree with that. Can you tell us why this original exemption existed in the first place, and why it exists in other states?

Mr Dunham: Every other state.

Mr WOOD: My argument is that the people you mentioned cannot be avoiding tax if they are working within the guidelines of this law. Why was it put in place?

Mr STIRLING: Mr Smith.

Mr SMITH: Historically, there has always been different stamp duty rates applying to different types of property and transactions. Conveyancing of land and other business property have, in the Territory, attracted stamp duty at the rate of up to 5.4%, whereas the transfer of shares has always been historically at a much lower rate - 0.6% is generally the rule. That is consistent with all jurisdictions. They do not impose high tax rates on high transaction-type properties, such as shares which turn over rapidly and continuously, because of the inefficiencies that would create in decision-making for the transfer of shares. Therefore, all jurisdictions have a much lower rate on shares.

Having explained that as background, the fact that we have a much lower rate applying to shares and a much higher rate applying to the conveyance of properties, what emerged, particularly during the 1980s, was avoidance techniques where people packaged land up into companies and, instead of directly transferring the land, they simply transferred the shares in the company and the control thus of the land, and paid a much lower stamp duty. Consequently, all the states moved, in the late 1980s, to introduce what are now quite well known as the land rich provisions, to ensure that where the company was packaged up with a high value of land, then that transfer of the majority interest in that company should attract stamp duty at the higher conveyance duty rates, and not the lower share duty

rate. I suppose it has a bit of history, in that there is always, and continues to be, differential rates between property and share transfers. This is an anti-avoidance measure to ensure that that is not abused.

Mr WOOD: Is it the case that it is not based on anti-avoidance - and correct me if I am wrong. The case that the minister stated in parliament about the \$15m hotel, I gather was a case where it did not fit within the land rich provisions, so it was exempt from paying conveyancing duty?

Mr SMITH: Yes.

Mr WOOD: That is where we have to be careful. But they were obliged to pay share duty, and share duty is based on assets less liabilities. In the case of this particular hotel, I gather that the hotel had very high liabilities, therefore the people paid a very small tax. The minister has said he is basing these changes on anti-avoidance, but the problem I have is that I cannot see them having avoided tax in a manner which could be regarded as illegal. They have done exactly what the law allowed them to do. Therefore, are we using the wrong argument to come up with a system that is claimed to be more equitable? In other words, it was not anti-avoidance in the first place.

Mr STIRLING: Mr Smith.

Mr SMITH: The back-drop to the land rich provisions which were introduced across all the jurisdictions in the late 1980s was certainly with anti-avoidance in mind. The modification that is being made in this budget is certainly with equity as a primary focal; that is, that it would not seem right that these high value business properties could be transferred at minimal duty - albeit as you say, legitimately within the law - whilst residential properties were being conveyed, were incurring several thousands of dollars in tax. The fundamental premise was certainly an equity base.

Mr WOOD: I have a problem with comparing houses with business. I believe you compare houses with houses and business with business. That is what we should be looking at: equity in business transactions. Could the Treasurer please explain to me is there not still inequality? Maybe I have it wrong, but if I buy 49% of the shares in the company, I do not get charged 49/100th of the stamp duty. I can buy lots of shares in companies and not take a majority sharehold and still not pay any tax at all. Isn't that inequitable, compared to what you are changing it to?

Mr STIRLING: Andrew Smith.

Mr SMITH: Certainly, we have to apply the rules somewhere. The rules for land rich across the board in all jurisdictions is that you need to acquire a majority interest in the company, thus you need to be able to exercise control in the assets that underlie in that company. I agree that there seems to be a differential treatment between someone with a 49% interest and someone with a majority control interest. However, that is the consistent approach that is applied: in order to be taxed, you need to have control, and 49% would not represent control.

Mr WOOD: It is still the case that if I buy a business as a sole trader, I would pay the full amount? Isn't that another inequity? A person who buys 51% pays 51% and has control of the property; but if I am a sole trader I pay the full tote odds - I do not pay 51%, I pay 100% of stamp duty. Is that not again an inequity?

Mr STIRLING: Andrew.

Mr SMITH: What you would be paying is your share of stamp duty in reflection of your interest in the underlying property. So, if your interest is 51%, then you pay 51%, not 100%. Again, there are a couple of thresholds before that, if the underlying property value in the Territory is over \$500 000, as to whether or not you would be in the net as well.

Mr WOOD: I do not think that is uncommon. If you have a block of land in Winnellie with, say, a large

industrial shed, you would probably hit \$500 000 without any problem. What I was getting at, Treasurer, is that I have my doubts about this tax simply because the arguments put forward do not match the goal of what you are trying to do. I wonder whether, instead of putting this particular act through, we should have been having a review which included all the business sector to say: 'We have these distortions in tax. Let us look at a method of a more equitable payment of stamp duty', instead of what appears to me as: 'We will grab this one because we just removed the 60% and we get everybody in this position', while we do seem to have other inequities in the system. I felt it was better to have a review of the whole process and include everybody in it.

Mr STIRLING: In response, the entire tax regime of the Territory, from a viewpoint of equity across the board being one consideration, is under constant review - impost on different sectors of the commercial world and the different areas of the economy. Therefore, to say: 'Oh, we should have sat back and reviewed this before we did anything', the whole process is really under review constantly and comes up for review and decision-making around budget Cabinet each year, in the sense of decisions being taken. Everything has always been looked at and considered from a whole range of angles. We talked about competitive factors earlier and equity factors. You say we should have had a review, okay - they really are under constant review.

Mr CHAIRMAN: Thank you, member for Nelson. Are there any other questions in respect to ...

Mr DUNHAM: Just a quick one. I understand from the Under Treasurer, minister, that in weighing up your duties under the *Fiscal Integrity and Transparency Act*, you have made a trade-off to look at whether the activity in mining exploration with geophysical - and there is \$15.2m to be spent over the next four years - is sufficient to weigh off an incentive to get people to buy and purchase locally. What I need is an undertaking from you to the industry, particularly the local industry, that that work will not shift from local to interstate, because they are two different programs. The geoscience program is more than likely to be used interstate for laboratory and other reasons, and the local purchasing scheme was specifically for local people to benefit from mining exploration.

Do I have your undertaking that you will at least monitor that? That is the biggest concern in the industry.

Mr STIRLING: You certainly have my commitment that we will monitor levels of activity and what is going on very closely. However, you have started from the wrong premise again in the sense that there is this question of local. Are you really suggesting that we ought to have been funding, under this EEC scheme, exploration work undertaken in Western Australia or Queensland?

Mr DUNHAM: No, and we were not. They were audited.

Mr STIRLING: The fact is there was no requirement or bias for exploration work to be performed by Territory local businesses or Territory employees - no bias in the scheme to that at all. This idea that it had to be Territorians or local companies undertaking this work, is not true.

Mr DUNHAM: I understand from service providers that they were audited to make sure that their services were locally procured. However, given that there is such a divergence of opinion, minister, I will go back to the mining industry because I am sure they believe you to be wrong.

Mr STIRLING: I commit to what you ask in relation to monitoring.

Mr DUNHAM: Thank you.

Mr WOOD: Treasurer, on page 78 of Budget Paper No 2, the graph there shows that government expects to raise \$73m from stamp duty in 2003-04. However, when you turn over to page 80, the estimate for total stamp duty is then \$90.7m. Could you explain why there is a difference?

Mr STIRLING: I am sure we can, Mr Chairman, if you give me a minute. Mr Smith.

Mr SMITH: The answer is that the graphic on page 78 in the motor vehicle section includes stamp duty on motor vehicles, and so there will be a component of stamp duty in there which is the difference, presumably, between \$90m and \$73m.

Mr WOOD: So you do not distinguish it at that point?

Mr SMITH: Yes, the graphic at figures 7.2 and 7.8 is broadly done under the classifications provided by the ABS, and the ABS in defining motor vehicle taxes includes the stamp duty on motor vehicle registration, so that is the way we have shown it there.

Mr WOOD: That is another example of some of the confusion. The Auditor-General's report for 2001-02 tax shows that the Territory's own-source revenue as proportion of total revenue was declining and, in that year was down 14.7%. What was the proportion in 2002-03 and, if still declining, what will reverse that trend?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Wood, the ratios used by the Auditor-General in his report pick up a period of time where we have own-source revenues changing as a result of national tax reform. Therefore, the reason for the decline is that, over the years that he is picking up, the Territory gave up, as part of the tax reform package, a number of its taxing powers. In 2000-01, the main tax that we relinquished was Tourism Marketing Duty, and in 2001-02 the main tax was Financial Institutions Duty. While, on the face of it, the proportion was apparently declining, if you remove the tax reform effects, there is very little change overall. I do not have the ratio here for this year, but I could calculate it for you.

Mr CHAIRMAN: Is that all, member for Nelson?

Mr WOOD: I only have one more, but you are looking anxious.

Mr CHAIRMAN: No, go ahead, please.

Mr WOOD: Last one. Treasurer, how much interest did the government receive in 2002-03, and what is the prediction for 2003-04?

Mr STIRLING: Mr Chairman, I was endeavouring to inquire – we have a break, don't we?

Mr REED: Mr Chairman, if I could assist, in terms of breaking at the time of the various portfolios of the Treasurer and his other responsibilities - we have had to break up our time to fit all that in - we would propose next going to PowerWater. So, if you want to use that opportunity for a change-over of officers you could have a break then.

Mr CHAIRMAN: Treasurer, will you be having officials from PowerWater present?

Mr STIRLING: No.

Mr REED: There are some here.

Ms LAWRIE: Yes, PowerWater officials are here. So, you are suggesting that we would soon be going to PowerWater?

Mr REED: It might be time to have a break.

Ms LAWRIE: At that point.

Mr WOOD: Mr Chairman, will you be skipping this?

Mr CHAIRMAN: Could I just clarify this because, it is my understanding we made it very clear this morning and the Treasurer has made it clear in his opening statement in respect to the outputs by output group. I am quite flexible in being able to have a look at the PowerWater group provided, of course, we continue to maintain or retain the outputs in order as agreed to.

Mr REED: No argument with that, Mr Chairman. It is just that I am saying that we have no time left before we get to Education to enter into those matters. So, the next matter we would want to enter into would be PowerWater.

Mr STIRLING: Yes, that is fine.

Mr WOOD: I had some matters before that.

Ms LAWRIE: And the member for Nelson has indicated ...

Members interjecting.

Mr CHAIRMAN: Could I just have some order? Sorry, member for Nelson.

Mr WOOD: I have five questions relating to anything between outputs 1.2 to 6.2. I have only have a few questions relating to what is left.

Mr CHAIRMAN: Please proceed, member for Nelson.

Mr STIRLING: Can I answer ...

Ms Lawrie: Interest rates.

Mr STIRLING: No. Under Treasurer, I lost it.

Ms PRINCE: Sorry, this is the answer in relation to the interest income question? For the general public sector, in 2002-03 the estimate for interest income is \$13.8m and, in 2003-04, \$14.7m - page 142.

Output 1.2 – Tax Related Subsidies

Mr WOOD: Output 1.2, Tax Related Subsidies. Minister, how many people were given first home owner grants in 2002-03? How many received grants in 2001-02? Were any first home owner grants given to people who live outside the Territory's major population areas? I am asking that question to see if any people in isolated communities are taking up that option.

Mr STIRLING: Good question, Mr Chairman. We will get that information back to you before the end of the session. We do not have it.

Mr CHAIRMAN: For clarification, do you wish to put that question on notice?

Mr WOOD: If they are going to have it back before the end of the session.

Mr STIRLING: Could you just repeat the question?

Question on Notice

Mr WOOD: All right. The question is under output 1.2. How many people were given first home owner grants in 2002-03? How many received grants in 2001-02? Were any first home owner grants given to people who live outside the Territory's major population centres?

OUTPUT GROUP 2.0 – Financial Management
Output 2.1 – Financial Management

Mr WOOD: My second question is under 2.1, Financial Management. Treasurer, Budget Paper No 3 sets out the performance measures for each department and agency. Is there someone in each agency systematically monitoring those measures to see if they are going to be met during the year?

Mr CHAIRMAN: Treasurer, are you prepared to take those questions on notice?

Mr STIRLING: I will answer that last one. The answer is yes, and they provide quarterly reports to Cabinet.

Mr CHAIRMAN: And in relation to the first question, you will take that on notice, Treasurer?

Mr STIRLING: He has given us that output number.

Mr CHAIRMAN: For *Hansard*, it is 2.1.

OUTPUT GROUP 6.0 - Gambling, Liquor and Other Regulation
Output 6.1 – Gambling, Liquor and Other Regulation

Mr WOOD: Carrying on quickly, 6.1 – Gambling, Liquor and Other Regulation. Minister, how many poker machines were there in the Territory in 2001-02; in 2002-03; and estimated in 2003-04? I will add another one to that question. What revenue do you expect from poker machines in 2003-04, and what was the revenue in the previous two years?

Mr STIRLING: Thanks, member for Nelson, we have all that. Just bear with me.

Mr WOOD: I knew you would.

Mr STIRLING: In relation to numbers, at 30 June 2002, the total was 871. On 31 May 2003, it is 934. We will get the revenue. Look, we will get back to you on the review.

Mr WOOD: If you could get it back on the numbers on the 2001-02, so I can get a fair indication of the growth.

Mr STIRLING: 871 was at 30 June 2002.

Mr WOOD: Sorry, yes. Do you have an estimate or are you just ...

Mr STIRLING: 934 at 31 May. We do not have a prediction of what would be the 2003 figure.

Mr WOOD: So you will get back with the revenue?

Mr STIRLING: If the member for Nelson would just repeat his revenue side of the question to make sure I have it right.

Question on Notice

Mr WOOD: How much revenue do you expect from poker machines in 2003-04, and what was the revenue in the previous two financial years?

Mr CHAIRMAN: You will take it on notice, Treasurer?

Mr STIRLING: We will have that back very quickly.

Mr WOOD: My last question is related ...

Mr CHAIRMAN: Hold on, member for Nelson. That question is now 2.2.

Output 6.2 – Gambling-Related Grants

Mr WOOD: Sorry, Mr Chairman. In Output 6.2, 'Gambling Related Grants', minister, what harm minimisation strategies or programs are in place for gambling? If we are now looking at outputs and outcomes in this budget, can the government say if its harm minimisation strategy is working, and how do you determine if it is working? I am especially referring to poker machines.

Mr STIRLING: I guess the major point is the agreement between the industry and the government, and launch quite recently of the code of conduct in relation to gaming, particularly gaming machines throughout the community. The strategies and measures in the code are what a licensee or operator with any conscious would do, I assume; that is, look out for those people who are just sitting there plonking day by day. There is the self-exclusion principle, where a person recognises they have a problem and they say: 'Ban me from this place. Kick me out if you see me trying to get in here'.

There are a number of measures. It is quite a strong, weighty document, that goes through a whole range of amelioration measures that the punter might take on themselves and be supported by, and required to be supported by, the licensee or the operator of the venue. It is strongly supported and was worked up in consultation with the industry, and borrowed in part from other jurisdictions. There is nothing compulsory about it at this stage, in the sense that it has come forward between industry and government. It has a voluntary compliance about it over this first 12 months, but we and our gaming people will be monitoring across the board to see that, by and large, operators, owners, and venues are complying with the voluntary code. We would make a decision, if that was necessary, to change that later on.

In addition to that, coming out of the Community Benefit Fund, which is funded by a levy on community-based gaming machines, considerable money goes to both Amity and Anglicare. I refer you to these figures for 2002-03, that responsible gambling code of practice - that is the document I am talking about, the booklet - that was \$48 000 came out of that; Amity \$85 178, Anglicare \$106 849. They have a phone-in service and work with people who self-identify and, necessarily, seek help. Part of the gambling code of practice has in it the requirement that you post these things in visible places, not hidden around corners: 'You got a problem? Ring Amity or ring Anglicare'. I guess there is a range of measures. I would encourage you to have a look through it. It is quite strong, in the steps and measures that you can put in place to keep a look-out.

One of the concerns I have is the indigenous factor in it. There is not a recognition that this is loser street. They are designed to take your money these things and not designed to give you any money back. You might get lucky but you are going to spend a hell of a lot of money going through those machines before you get lucky. The Gambling Code of Practice in itself, I do not think, is really strong in support of indigenous people across the board: whether they know they have the right to self-exclude themselves, and whether they know the rights and responsibilities under that code of conduct. It really comes down to a question of education, the reality of those machines, and whether you should have displays such: 'This is going to take 88% of every dollar you put through,' or whatever it is.

Mr WOOD: The Reverend Tim Costello was interviewed about our code of conduct and he said that they are really not worth the paper they are printed on because they are not enforceable. One of the classic examples, I am told, is in Crown Casino. They said all the smokers should go outside. Well, they now have a glass room. All the smokers stay inside, still hear the music, are still able to see all the lights and do exactly what the code wanted, but they got round it because they were losing money.

However, as we now have accrual accounting and government has to show that its policies are actually doing something, how will we see they are doing something? Will we see some figures in here saying that the code is changing things; customers satisfaction is right down, or whatever the process will be?

Mr STIRLING: I do not know if the good reverend - I have a lot of respect for Reverend Tim Costello - looked very closely at our code. It probably is similar to other jurisdictions. It is unfortunate he would compare any of our venues - Lasseters and MGM as well as all of our community venues – or even mention them in the same breath as Crown Casino. I have been to the Crown - it is obscene. You get in the place as easy as walking past some little specialty shop and suddenly you are in there. Trying to find the way back out ain't that easy. Acres of poker machines and gaming tables in between. It is a sordid, sad place and you see people - it is a den, a huge den I might add, of misery and I do not believe that you get anything like the same feeling of despondency and despair about our places. That is a place of desperation. You compare that to the venues that are provided in the Northern Territory - Lasseters and MGM are not within a bull's roar of that.

He has taken a broad sweep. There are others –Burswood in Perth - but Crown probably takes that cake just for the nature of it and the entrapment style of it. There are a lot of things that could be done there. I see ours as nothing like our industry preying on people in the sense that places like that do. Whilst the code is voluntary, industry willingly signed up and contributed to bringing that code together and, on the day of the launch they said they would make sure - and the AHA is right in there - saying: 'All our members will be sticking by this code'. Our people from Licensing and Gaming will be keeping an eye on it over the time. How do you monitor day-to-day activities? How do you know how much a particular individual is putting through in terms of all of their income? It is pretty difficult until they fall right through the cracks and on welfare's door. Respect aside for the Reverend Tim, it is unfortunate he would put us anywhere near the league of Crown, which is a sordid place.

Mr CHAIRMAN: Any further questions? As I understand it from the *Hansard* records, output groups from 1.0 right down to 6.2 have now been addressed. There will be no further questions in respect to those output groups.

That being the case, we now move on to PowerWater. Treasurer, the next area of consideration is PowerWater with specific reference relating to the 2003-04 Statement of Corporate Intent. Do you wish to make a statement in respect to this?

Mr STIRLING: No, I wish to ask the question, Mr Chairman. Are we going to get three minutes?

Mr CHAIRMAN: Are there any questions?

Mr DUNHAM: Do you mean do you want a three minute break?

Mr STIRLING: I thought we had a break factored in.

Mr CHAIRMAN: I am quite happy – I actually did raise this previously.

Mr STIRLING: Can we just take five?

Mr CHAIRMAN: I am quite happy for that to occur, but I did raise this previously. Do you wish to take - subject to the rest of the committee – are you prepared to take a five minute break?

Mr STIRLING: At the committee's discretion, Mr Chairman.

Mr CHAIRMAN: Five minutes.

The committee suspended.

POWER/WATER STATEMENT OF CORPORATE INTENT

Mr DEPUTY CHAIRMAN: I now call the committee to order. Treasurer, I note that next is consideration of PowerWater. Do you wish to make a statement?

Mr STIRLING: Very briefly, Mr Deputy Chairman. On my left is Linda MacKenzie, the Assistant Under Treasurer, Commercial, from Treasury, and Anne Tan, Director, Capital Financing.

I accept the asset – I will just go over it. I am also the shareholding minister for PowerWater, and will address issues that arise in the budget papers and *Appropriation Act* in relation to PowerWater. Any operational or policy issues which are outlined in the Statement of Corporate Intent which are not covered by community service obligations, dividends or tax equivalent payments, should be dealt with by the Government Owned Corporations scrutiny committee and the PowerWater reps whom, I understand, will be here on Friday.

Mr DEPUTY CHAIRMAN: Are there any questions?

Mr DUNHAM: Yes. Could you explain why the Power and Water Corporation receives community service obligation monies from the NT government?

Mr STIRLING: You would know, having been the minister responsible, that the major reason is uniformity of tariffs across the board. However, PowerWater's electricity is a non-contestable side of the market. Water and sewerage service prices are set at a fixed rate across the Territory so that customers pay the same rates for these utilities regardless of where they live or how much it costs to deliver the service to any given location.

The calculation of the CSO is based on methodology developed by the Utilities Commission. The electricity component of the CSO is fully funded to cover the shortfall in PowerWater's annual income against the recovery of cost for electricity services provided to those non-contested customers. The prices for these customers are determined by government, not PowerWater.

Mr DUNHAM: Why wouldn't you put the pegging of domestic electricity in there?

Mr STIRLING: That is the uniform tariff.

Mr DUNHAM: You believe that is the uniform tariff? Do you want to explain what the uniform tariff is then?

Mr STIRLING: I will just go back. PowerWater electricity, in the non-contestable side of the market, is set at a fixed rate across the Territory so that customers pay the same rates, regardless of where they live or how much it costs to deliver that service to any given location.

Mr DUNHAM: So there are two components. One is it is the same rate, and the second component is that the rate is not moving. They are both government decisions. Therefore, having made a decision about uniformity of tariff is one decision; the next decision is that that will not go up for the next four years. Surely that should be the subject of another community service obligation?

Mr STIRLING: For the next two years there was a pre-election commitment that prices would remain frozen for the life of this government.

Mr DUNHAM: So you do not see a differentiation between those two government decisions? No?

Mr STIRLING: I am advised here that the Utilities Commission methodology for that, which calculates the CSO, is developed by the Utilities Commission and it picks up both items.

Mr DUNHAM: Who advises the Utilities Commission of a government decision that you are compelling the Power and Water Corporation to do a particular activity? Is it divulgeable, for instance, to the parliament, to the Utilities Commissioner and, obviously, to the board of PowerWater?

Mr STIRLING: In relation to this fixed rate of electricity for the non-contestable market, I do not know that it was a secret. It was a pre-election commitment - an election promise if you like - and it will be in place for the life of this government.

Mr DUNHAM: That is an obvious one. However, what if, for instance, you decided at Hidden Valley not to charge them a tariff and the Power and Water Corporation said to you: 'Well, we think you owe us some money'? That is obviously negotiated through the operational, shareholding minister. I am asking you who else is party to that labelling of that thing as a CSO?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Mr Dunham, the Power and Water Corporation can enter into commercial arrangements as it sees fit. I frankly do not know whether PowerWater has entered into a commercial arrangement in relation to Hidden Valley or not. However, if the government directed PowerWater to do a particular thing - and we have an issue here where it is government policy in relation to uniform tariffs - then there are two ways under the GOC framework that that can be arranged. The government, through the shareholding minister and the portfolio minister, can pay a community service obligation or capital/recurrent grant to PowerWater, and then that community service obligation is made explicit in the budget papers and in PowerWater's accounts.

If, for some reason, the government decides not to pay a community service obligation in respect of something that directs PowerWater or a corporation to do a particular thing, it has to table that direction in parliament and state that it does not pay a community service obligation. Those processes operate, but that does not mean to say that matters where PowerWater has decided to do certain things, necessarily constitute a community service obligation nor a direction.

Mr DUNHAM: Hidden Valley was hypothetical, by the way.

Ms PRINCE: I appreciate that.

Mr DUNHAM: So, what you are telling me is that if it is not explicit in the budget papers and it has not been tabled in the parliament as a direction, there are no community service obligations for the Power and Water Corporation?

Mr STIRLING: Under Treasurer, would that be right?

Ms PRINCE: Yes, that is correct.

Dr LIM: In that case, Mr Deputy Chairman, I have a question along similar lines. The undergrounding of power in the Northern Territory, in the Top End - is that a CSO?

Mr STIRLING: Under Treasurer.

Ms PRINCE: The undergrounding of power is a capital grant that is being paid by the Department of Infrastructure, Planning and Environment to PowerWater to start the program of undergrounding powerlines in the northern suburbs. It is paid as a grant by the Territory government. The assets associated with that program when they are built are assets that belong to the Power and Water Corporation.

Mr DUNHAM: Why is that technique used? Instead of a straight forward CSO, why was PowerWater essentially contracted to build something which they will end up owning?

Ms PRINCE: PowerWater is also contributing to that program because they will receive commercial and operational benefits from the undergrounding program. The contribution that the Territory will make to that program will be the benefits that, while they are derived by the community, would not be considered as commercial benefits by PowerWater.

Mr DUNHAM: So, there are now three ways that the government can ask the Power and Water Corporation to do something. It can actually have monies in a government authority, which that authority pays the Power and Water Corporation; it can have a CSO - and there is only one and that is described as uniform tariffs; or it can direct the Power and Water Corporation to do something and divulge to parliament? They are the three methods?

Ms PRINCE: Mr Dunham, if I understood you correctly, you suggested that there was only one CSO paid to PowerWater. There is one CSO in relation to the uniform tariff. There are other arrangements. It is not quite right to be - if you look at Budget Paper No 2, page 121, the community service obligations are set out in that table. There are a number of transactions between various government agencies and PowerWater. You can see the Department of Health and Community Services pays community service obligations in respect of concession arrangements for electricity, water and sewerage for pensioners.

The undergrounding arrangements are regarded as a capital contribution to that particular program. Community service obligations are generally regarded as recurrent expenditure. If a capital contribution is made in respect of a certain program the normal practice is to classify it as a capital grant. The payment from DIPE to PowerWater is classified in that way, and it is also set out in the capital works program and the summary of capital grants.

Mr DEPUTY CHAIRMAN: Are there any more questions in regard to CSOs?

Mr DUNHAM: Yes, lots. On page 91 of that same budget document, Budget Paper No 2 of 2003-04, it says and I quote:

The government has a policy of no increases in non-contestable electricity tariffs and thus provides to PowerWater a community service obligation in respect of non-contestable electricity customers.

Is this true?

Mr STIRLING: Under Treasurer.

Ms PRINCE: The uniform tariffs CSO is in relation to customers in tranches five and six, so they are the domestic customers.

Mr DUNHAM: So all customers under 750 megawatts are subsidised by way of a CSO?

Ms PRINCE: 750, is right, yes.

Mr DUNHAM: And that is wrapped up in the one CSO heading called 'Uniform Tariff'? So, uniform

tariff we now know to mean the non-contestable customers, the pegging of power, and the uniform provision of the same power rate across the Northern Territory. Is it those three components, or more?

Mr STIRLING: It is the one component.

Mr DUNHAM: They are three different things. All right. In parliament last year on 8 October, in answer to a question from my colleague, Mr Wood, the then minister for Essential Services talked about relocating some power poles on Leonino Road, which features in this budget at \$600 000, and he said:

Madam Speaker, I thank the member for his question. I have to admit that what changed our minds was your intense lobbying about changing the realignment of the poles ... The government ... had a look at the road safety issues, and thanks to your intense lobbying ...

It would appear that that was a government decision rather than a Power and Water Corporation decision, and relates to a road rather than power provision. Why was that \$600000 not made by CSO?

Mr STIRLING: It is not identified as a CSO, in which case it would look to me to be a PowerWater decision. The question should go over to Friday when the Government Owned Corporations Scrutiny Committee and PowerWater people will be here.

Mr DUNHAM: So it would strike you as normal that the Power and Water Corporation would be doing works connected with roads rather than power?

Mr STIRLING: Yes, it is a function because the placement of the existing line unavoidably requires road work as part of the process.

Mr DUNHAM: My point is that I will be asking them whether the actual argumentation of the power is the main reason behind it, or whether it is because the minister made an assurance that it would happen.

Can you tell me why, given that it is those component parts; that is, that electricity has been pegged - and one would assume that as the years go on that is a bigger and bigger value - that there are uniform tariffs - and as electricity can cost more in different areas that becomes more expensive - why CSOs are dropping in these budget papers? Why it is reduced?

Mr STIRLING: Under Treasurer.

Ms PRINCE: There is a small reduction in the CSO for 2003-04. As I said, the methodology is based on some work that the Utilities Commission did for us, and it picks up a range of financial issues that have occurred in the last couple of years. I should say that there are some timing issues in relation to how that CSO is calculated. When we can do the work, it is based on actual outcomes for previous financial years, and the estimate for 2003-04 took into account some additional revenue that was raised through network charges in previous years. What we have asked the Utilities Commission to do is to have a look at the methodology for CSOs for this uniform tariff going forward, and we would expect to adopt a new methodology for the 2004-05 year. It is not directly related to usage, as you were saying.

Mr DUNHAM: Is there a reason that none of this is transparent in any of the budget papers?

Ms PRINCE: The methodology?

Mr DUNHAM: Well, the fact that the methodology is changed to the extent that they are getting less of the CSO even though the factors that drive CSO are all increasing; that there are at least three

component parts to a title called 'Uniform Tariffs'; and the difficulty in working out how much the Northern Territory government is giving to a government owned corporation, particularly for jobs like Leonino Road, which is government-sponsored works.

Mr STIRLING: I am not sure where the member is coming from. Is he suggesting that there ought not be uniform tariffs? If that is the case and the position he is putting forth, well, it is a position that we differ vehemently with. I just do not understand the direction. I am trying to ...

Mr DEPUTY CHAIRMAN: Could you make your question a little clearer, please, member for Drysdale?

Mr DUNHAM: What I am saying is that, given what we have just learnt over the last 10 minutes is not able to be found anywhere in budget papers, is it possible to get some written briefings from Treasury on how the Utilities Commissioner has determined that the CSOs should reduce; the component parts of that CSO; and how it is determined which particular projects that are government sponsored should be picked up within the corporation?

Mr STIRLING: I would be happy to arrange a briefing along those lines for yourself. That is no problem at all and we will book that in.

Mr DUNHAM: Last year, the Chief Minister provided, as a basis for justifying an increase of 2.5% in water and sewerage charges, I quote: '... necessary to ensure that the business remains viable'. At that stage, PowerWater was expecting to yield a dividend to government of \$10.423m for 2003-04. We now know that, with another massive miscalculation, the dividend for PowerWater will yield \$20.097m, nearly double. Why were the PowerWater sewerage charges necessary, given this level of profitability, and how could a mistake of this magnitude have happened?

Mr STIRLING: It is wonderful to have hindsight. At the time those projections would have been put forward there was competition in the Northern Territory market, a company called NT Power. Now ...

Mr DUNHAM: Could I draw your attention, I am talking to water and sewerage, Treasurer.

Mr DEPUTY CHAIRMAN: Member for Drysdale, the Treasurer is answering the question, please give him the courtesy of ...

Mr DUNHAM: Well, he could make a fool of himself. I am just trying to help him.

Mr DEPUTY CHAIRMAN: I will ask you to withdraw that.

Mr DUNHAM: I will listen with silence, Mr Deputy Chairman.

Mr STIRLING: There was a competitor in the market carrying some substantial business in the electricity market. That competitor - and if we possessed crystal balls we would have been able to work out that at such and such a date NT Power would no longer exist. The competition goes; PowerWater re-establishes a monopoly position in the market and, therefore, everyone gets their electricity through PowerWater. There is no other competitor, so the improvements come out of the re-establishment of the monopoly market situation, with everyone getting their electricity through them. The improvements have been in the electricity side.

Mr DUNHAM: Under Treasurer, could I speak specifically about ...

Mr DEPUTY CHAIRMAN: Directions to the Treasurer, please, member for Drysdale.

Mr DUNHAM: I am not directing. Could I speak specifically, not he, about PowerWater ...

Mr DEPUTY CHAIRMAN: Is the question directed to the Treasurer?

Mr DUNHAM: Yes, this is directed to the Treasurer. PowerWater, as you know, has no other competitor in the market. I draw your attention to page 89 of your annual report, which is the only one that has been available since it became a government owned corporation. It says, and I quote:

CSOs are received in all centres for provision of subsidised water supply and sewerage services to pensioner customers. In addition, PowerWater received a CSO of \$5.2m for water and \$0.2m for sewerage, as a component of the maintenance of Territory-wide uniform tariffs.

Even with those CSOs on this page, it shows that those two business units are profitable, without the 2.5% increase. I therefore go back to what the Chief Minister said about the necessity for this increase to make sure the business remains viable. There is a table that explains the level of viability; it contains the CSO in it. I ask again whether the Chief Minister has used those words in a way that does not really apply to the circumstances of the Power and Water Corporation's water and sewerage area?

Mr STIRLING: They are out there in the marketplace, expected to perform in a commercial manner, which is the whole idea of going to a government owned corporation. They are required to, in the asset base that they have, run the business. It has to be an adequate return.

Mr DUNHAM: Even though this table shows them viable to the extent of a \$2.9m surplus over its minimum viability - and the 2.5% only earned several hundred thousand dollars - you believe it should be even more profitable than that?

Mr STIRLING: You want to look at what you guys did with MACA, just by way of a comparison, where things were untouched for years. Then you have to decide to whack them up by 35% just to get the scheme back viable, because you guys never wanted to do anything by way of increases, until it was desperation stakes.

Mr DUNHAM: So you hold with the Chief Minister's assessment that, without the 2.5%, this would have been unviable?

Mr STIRLING: I stand by the fact that it is good commercial practice and you have to look at the asset base and what is termed an adequate return. You keep at it, rather than turning your back on it and ignoring it for years in, years out.

Mr DUNHAM: Okay. The last question is: can you explain – and I have heard what you have said about hindsight - why you were so far out with the dividend from PowerWater to the government, which went from some \$9m to some \$20m - meaning they doubled their profitability at a time when there was a downturn in the community?

Mr STIRLING: Again, the improvements come from the electricity side. It goes to where there was a competitor in the market soaking up a good part of the business. They resumed the monopoly situation with the loss of NT Power in the marketplace. Of course, everyone is buying their electricity through PowerWater - there is no NT Power taking some of the business - therefore, their return is going to go up.

Mr DUNHAM: I note that the undergrounding works for the northern suburbs will take place over several years, and that the Chief Minister has said that it will be done on the basis of need, which means, I assume, outages. Can we be assured that those areas of highest need – that is, the highest number of frequency and length of outages – will be the ones done first?

Mr STIRLING: That is the benefit to consumers and PowerWater overall; that you are immune, when

you go underground, from the Wet Season outages where the fruit bats or whatever else get into it. I am not an engineer, but they would have worked out the transformers that were most affected, the points in the generation distribution system that drive the most outages. I guess you have to look - as I said, I am not an engineer - where they occur, and which is cost effective to do against the priority.

The money going in is, of course, improving that from an efficiency point of view. I would expect that that would be driving the equation: where are the big outs; what needs to be done here - that transformer, can you leave it in that street and go to the next area, or does it all have to go at the one time? I do not know the answers to that. However, I imagine that is a scenario that PowerWater will be going through. It is something that could be put to them on Friday or, in turn, you could seek a briefing on it.

Mr DUNHAM: Would, therefore, Katherine be considered for this program, given the high number of outages, or is it specifically a Darwin program?

Mr STIRLING: The commitment has been made in relation to Darwin, first and foremost. There is no consideration at the moment.

Dr LIM: If I could just ask you a question on the undergrounding power ...

Mr DEPUTY CHAIRMAN: Member for Grotorex, the member for Nelson has had his hand up for quite some time and then I will come back to you. It is on the same subject.

Mr WOOD: Treasurer, you can tell me whether this is a Friday question or a Tuesday question. The water pipeline for the LNG plant: is that being paid for by the government or by PowerWater? If it is being paid by the government and PowerWater are charging ConocoPhillips for the water, is there some return to the government for the use of that pipe?

Mr STIRLING: Member for Nelson, I will ask the Under Treasurer or Ms MacKenzie.

Ms PRINCE: The infrastructure that you talk about, Mr Wood, is being constructed by DIPE. Those assets will transfer to PowerWater on completion. PowerWater will charge ConocoPhillips or any other user of that service.

Mr WOOD: But does PowerWater then pay anything for a pipe that they did not have to pay for in the first place?

Mr STIRLING: Under Treasurer.

Ms PRINCE: Traditionally, they have not paid. Those assets been constructed by the government and transferred to PowerWater. With the moving to GOC status for PowerWater, we are having some discussions with DIPE and with PowerWater about what the appropriate arrangements for those asset are, and there may be some change in the future. I do not know whether there will be or not, but we would put any proposal for a change to the government. However, at the moment, we are continuing with past practice.

Mr WOOD: And ConocoPhillips do not pay for the water line?

Mr STIRLING: Under Treasurer.

Ms PRINCE: They do not make a capital contribution to the water line, but they will be charged for that water through commercial tariffs.

Mr WOOD: Treasurer, where I see an inequity – we were talking about that before – is that in the Girraween Estate - which is an estate in my area that has had some water problems and they have

had to extend water into areas that normally have bores - people recently asked me to write to the minister - at that time which would have been minister Vatskalis - asking whether they could get the water pipe extended to their place. The letter came back basically saying if they wanted to pay between \$8000 and \$13000, they are quite entitled to. When I put to the minister: 'Why isn't ConocoPhillips paying for its share of the pipe, like those people are required to?', he said they pay for it by their water rates. What I cannot understand is, therefore, why cannot the same principle apply to people who wish to extend the water main to their block, paid by the water rates?

Mr STIRLING: Yes, Under Treasurer.

Ms PRINCE: Mr Wood, the price that ConocoPhillips will pay for the land at Wickham Point will be structured so that it is the price for serviced land, and the price of the land will have an element associated with getting services to that block, including water. That is how the government will recover some form of contribution. The prices that ConocoPhillips will pay for the water will have an element built into those prices that will now have an adequate level of return on those assets.

Mr WOOD: Is it the government's reasoning also to pay for the cost of that water pipe? Their intention is to go ahead with the subdivision in Middle Arm for industrial use, and recover costs from that pipeline?

Mr STIRLING: There is no decision on that at this stage.

Mr WOOD: That is good news - I still hope. My other question would be Dundee. You are intending to extend the electricity through to Dundee. Again, who will be funding that? Was that a government or DIPE contribution? The second part of the question is to ...

Mr STIRLING: The answer to the first part of the question is no decision yet.

Mr WOOD: About doing it or about who will pay for it?

Mr STIRLING: Any part of it.

Mr WOOD: I thought it was an election promise.

Mr STIRLING: It is a promise. It will happen, but there is no decision.

Mr Dunham: Just when. Like the railway line.

Mr WOOD: About 99% of Dundee people had a heart seizure then.

The second question was for the minor subdivisions in that area, under the old schemes you would pay a \$5000 limit to have power extended to those subdivisions that had been permitted but did not have an electricity supply - parts of Adelaide River and Litchfield Shire, I think. Does that policy still apply for people in Dundee, or will they have to pay full tote odds for electricity once the main line comes through to Dundee?

Mr STIRLING: It is similar to the first part of your question. There is no decision on that yet, but questions of that nature do go to policies around land development and ...

Mr WOOD: The land is already developed. That is the problem I have now. There was no electricity provided.

Mr STIRLING: I still think that they more rightly go to the Minister for Infrastructure, Planning and Environment.

Mr WOOD: All right. I can do that on Friday. Thanks.

Dr LIM: In terms of undergrounding power, minister, there were recent discussions in Alice Springs also that maybe undergrounding of power on the old East Side should be considered seriously, considering the fact that an estimated up to 1400 trees may be destroyed, damaged, replaced in the old East Side. Now, the Old East Side Residents Association has come up with a very detailed paper suggesting that the government might consider undergrounding power. Would you consider a CSO in that regard through the DIPE system as you have for Darwin?

Mr STIRLING: That is very much a question for the Government Owned Corporations Scrutiny Committee on Friday.

Dr LIM: Except that they cannot do it without a CSO from government.

Mr STIRLING: You are saying that. Why don't you hear it from them?

Dr LIM: Well, they cannot. If I may address the question the minister has put. The Power and Water Corporation is operating as a commercial entity and you want to maximise its profits. It would consider undergrounding power as a community service obligation, rather than a commercial exercise, so one would need to come to the shareholding minister rather than the corporation itself.

Mr STIRLING: Except for the fact that only PowerWater would be able to carry out the assessment in terms of the argument you are putting to me. I do not know if you are right. I know where it is being undergrounded now in the northern suburbs, is because of the outages resulting from Wet Season storms, those sorts of things. I do not know what the situation is in Alice Springs. PowerWater certainly would, but if it were to go forward at all, it would only be on the basis of this investment is going to return, over time, this order of magnitude because you are going to avoid all of these outages and problems we have. I do not know. That is why I say the question in the first place ought go to PowerWater. You are asking me, I do not have that information.

Dr LIM: It is a chicken and egg thing. If the minister says: 'We are not going to consider any CSOs at all', then PowerWater has to look at it from a commercial reality only. However, if the government says there are outages occurring on the old East Side due to trees growing into powerlines, and the government is committed to undergrounding power then, obviously, the Power and Water Corporation would consider that as a government CSO, and would then consider the financials of the whole operation in that light. Government needs to articulate whether it is prepared to do that, or consider that at least, otherwise why would PowerWater go down that track?

Mr STIRLING: I hear and understand completely what you are saying, but it is a question of whether it is a good idea or not in the first place, in terms of investment: it is going to cost this much, this is the return - life of assets, outages, efficiencies. Those are all questions that need to go to the people who understand and know this and can prepare assessments against the question before it goes anywhere else. For me to sit here and say: 'Yes, we will do it', prior to any questions asked or assessment undertaken - I understand your question. I think it ...

Dr LIM: Will you consider it?

Mr STIRLING: It logically goes to the GOC committee on Friday.

Mr DEPUTY CHAIRMAN: That concludes consideration of policy relating to the 2003-04 Statement of Corporate Intent.

OUTPUT GROUP 1.0 - Central Holding Authority
Output 1.1 - Business Line

Mr DEPUTY CHAIRMAN: We will now move on to the Central Holding Authority. The committee will

now proceed to consider questions regarding Business Line. Are there any questions? No questions? That concludes consideration of this Business Line.

OUTPUT GROUP 1.0 - NT Treasury Corporation

Mr DEPUTY CHAIRMAN: We will now move on to the NT Treasury Corporation. Treasurer, do you wish to make an opening statement?

Mr STIRLING: No, Mr Deputy Chairman.

Mr DEPUTY CHAIRMAN: The committee will now proceed to consider questions regarding the Business Line. Are there any questions?

Output 1.1 – Business Line

Mr STIRLING: Before you do, may I introduce Mr John Montague, Senior Director of Funds Management.

Mr WOOD: You will be able to answer this one.

Mr STIRLING: This bloke is terrific. He is terrific.

Mr WOOD: Mine is only simple. Why do we have a corporation when we have an NT Treasury?

Mr STIRLING: Ah ha, Under Treasurer. You will have to come up with another one because I want Monty to answer one. But this one goes to the Under Treasurer.

Ms PRINCE: Monty can answer this one.

Mr STIRLING: Could he? Okay, John.

Mr MONTAGUE: Such a financing authority really acts as a coordinator for all of government in its borrowing, lending and investment functions. There are significant efficiencies in doing so, mainly because if you have literally every different area of government going out and borrowing in its own right, there is potential for that to be uncoordinated, for one area to be borrowing when another area is seeking an investment, for instance. So, it is really a coordinating role. It also allows us to get efficiencies which are available from a massive scale - and that is to prevent every area running off doing their own Treasury, having to run their own reconciliation of every position. I would like to think that the benefits flow through to government in the form of lower costs of borrowing over a number of years.

Mr WOOD: Why can't Treasury do that? Why do you have to have another body, a corporation? That is probably what I am getting at.

Mr STIRLING: You did not go far enough. Monty.

Mr MONTAGUE: There is a need for some degree of competitive neutrality as well, in how the corporation operates between itself and Treasury. If we do not have that division there, then there is the potential for confusion in the way the two operate. Treasury is really looking after government's financing and such; the corporation is really looking after the actual financing role. It is much like having a banker and a client, as it were. The two, by having separation, ensures that you get a true separation and segregation of duties there too.

Mr WOOD: Thank you.

Mr STIRLING: He is good, isn't he?

Mr WOOD: I will have to go and read it again now.

Mr DEPUTY CHAIRMAN: Are there any more questions? That concludes consideration of this Business Line. That concludes consideration of all Treasury-related output groups. On behalf of the committee, I would like to thank officers from the Northern Territory Treasury for attending today. Education or DEET will be coming on next.

The committee suspended.

DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING

Mr DEPUTY CHAIRMAN: I now call the committee to order. I invite the minister to introduce the officials accompanying him, and, if he wishes, to make an opening statement on behalf of the Department of Employment, Education and Training.

Mr STIRLING: Mr Deputy Chairman, I did cover the introductory remarks earlier. On my left is Mr Peter Plummer, CEO of Department of Employment, Education and Training; on my immediate right Mr Ken Simpson, Deputy CEO, Schools; and at the end of the table Mr Trevor Saunders, Director, Financial Services.

Mr DEPUTY CHAIRMAN: The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of Employment, Education and Training. I call on questions relating to output group 1.0, Employment, output 1.1, Employment Initiatives. Are there any questions?

OUTPUT GROUP 1.0 – Employment

Output 1.1 – Employment Initiatives

Mr DUNHAM: Minister, on 18 January 2003 you announced a grant of \$100 000 to the Trades and Labour Council. Can you advise the purpose and outcome of this grant?

Mr STIRLING: The position is structured around a number of factors relating to emerging industries in the Northern Territory, particularly in the Top End, with oil and gas coming onshore. It has a number of features to it from the union side, working with industry, and within the union movement overall, to encourage local employment into those forthcoming major projects.

It has an emphasis within the role on occupational health and safety. That is an issue that government has been putting quite some resources in and focus on. A week or two ago we rebadged the old Work Health to NT WorkSafe with a media campaign around that. It is envisaged that the incumbent for that position would, I guess, fill a bridging role between the different players in these emerging industries that are coming forward, so that there is a very clear understanding throughout the union movement of the responsibilities and obligations that they have.

It is, I guess, similar in some ways, to a funding package that goes to the employer's side for the NT Chamber of Commerce and Industry. I do not know the full details of that, but it seems to me that there is a need in that area. The Trades and Labour Council is under-resourced in both people and, certainly, financial wherewithal. It gives them an opportunity to be at the table with all the other players and work, of course, within their own membership to achieve the same outcomes that we are trying to achieve with business and employers.

Mr DUNHAM: In the clip it said that the officer 'would develop employment policy positions'. Have they developed any of these?

Mr STIRLING: There is a reporting basis through the department and against the position. I am advised that the reporting mechanism has not kicked in yet but there are regular reports, if not

quarterly, to the CEO.

Mr DUNHAM: In another news clip your colleague, the Community Development Minister, is developing an unemployment plan – which is a fairly unfortunate name. Can you tell me, given that he has described self-determination as a joke, whether this is a major departure from government policies of the past, and whether you are acting in concert with him?

Mr STIRLING: In the first place, I do not see it is an appropriation question, Mr Deputy Chairman. Any question asking about the Minister for Community Development ought to be directed to him.

Mr DUNHAM: Well, okay. In matters relating to employment, do you see it as solely your province or do you see some of your colleagues having a role in it?

Mr STIRLING: In many areas of government we are endeavouring to bring a whole-of-government approach. In certain areas the intervention is stronger; much stronger than others,. But really, in all aspects of government, we seek to bring a whole-of-government perspective to the particular issue.

As I said, there is particular emphasis more on some areas of government activity than others at this time. It is not easy to do. It is easy to talk the talk, not so easy to walk the walk, as we are learning in terms of the view, I guess, that agencies have of the world which tends to be 'this is what we have done in the past, this is where we go into the future'. There are many areas of government activity that would benefit from far greater cohesion, coordination, with a whole-of-government view at the outset, rather than trying to pull disparate agencies with different views in together. I do not pretend it is easy, but it is something that we will continue to work on.

Mr MILLS: My question is related to an election promise that was made and referred to in estimates last year as being held over; that being an allocation of \$500 000 as an Employment Bonus Scheme. Last year, we learnt that it was held over. Can you please tell us what is happening with that employment scheme?

Mr STIRLING: Yes. I would love to be able to say: 'This is what we are going to do with the money right here and now'. It really was a question of holding back last year in advance of a complete Commonwealth review of all the labour market programs. Compared to what the Commonwealth government brings to industry to spend on any form of labour market programs, is going far overwhelm and outweigh the Northern Territory effort. We are conscious of that at the outset. \$500 000 is not a big dollar sum, but if you want to use it in the most strategic sense and get the most value for dollar - ideally in the area of apprenticeship growth is what it was loosely predicated around.

Until the Commonwealth was able to very clearly articulate exactly what labour market programs are going to go, which are going to be enhanced, and what they are going to do, it seemed almost pointless because we want to complement what the Commonwealth does, not compete with it. We simply cannot compete with them in the sense of the amount of dollars that they can put on the table. They took a lot longer to bring forward exactly what they were planning to do.

The other area is once the industry and business world knows - those likely to take on apprentices and trainees - what does it mean to them, what the Commonwealth is doing, and where could we best add? Our initial thinking was that \$500 or \$1000 up-front to put on a trainee or an apprentice, \$500 or \$1000 at completion. Industry does not particularly like that. The business people say: 'That is not actually that strong an incentive for me to put an additional trainee or apprentice on'.

Therefore, now that the Commonwealth picture has become clear after a great deal of time, that will define the solution in how we are going to best use that to drive apprenticeship growth. We are coming off 17% in 2002-03 growth in apprentices, projecting 24% in 2003-04. We would expect that \$500 000 mix to be in there. Frankly, I doubt \$500 000 on its own as a package is enough.

Mr MILLS: I accept that. It is just that this time last year was the same answer, and I am wondering

where we are with it now in terms of what have we heard from the Commonwealth. Are we still waiting for the Commonwealth?

Mr STIRLING: Mr Plummer, would you like to answer?

Mr PLUMMER: We are in discussion with industry groups right now, exploring some options, and we aim to put a paper to the minister in the near future.

Mr MILLS: Near future? So that is coming from the department?

Mr PLUMMER: Yes.

Mr MILLS: Right. Has the Chamber of Commerce and Industry been consulted on how they might like to deploy this sort of resourcing, as it was allocated last year and again this year?

Mr PLUMMER: As far as I am aware, they are part of the discussions.

Mr MILLS: Okay. I have no further questions for this output group.

Mr WOOD: Minister, under employment initiatives, what funding has been set aside for Aboriginal teachers' housing, and do Aboriginal teachers get a perishable freight subsidy mentioned in page 75 of the budget papers. If not, why not?

Mr STIRLING: The housing question ought to go to the housing minister. What is the second part?

Mr WOOD: I am referring to Aboriginal teachers benefits basically, not so much ...

Mr STIRLING: Let me check. The housing question ought properly go to the minister for housing.

Mr WOOD: Is that the same for all teachers, that it should go to housing? If I were to be talking about non-Aboriginal teachers, and had a question about their housing, it would also go through housing? So, housing for teachers is a housing issue?

Mr STIRLING: And did you get, from Mr Saunders ...

Mr WOOD: No, I did not quite pick it up.

Mr STIRLING: There is a perishable freight subsidy.

Mr WOOD: Yes.

Mr STIRLING: However, there is a local recruit clause on it. If they are not a local recruit in that community do they get it?

Mr WOOD: Is the government ...

Mr STIRLING: We will clarify that; that does not seem right to me either.

Mr WOOD: It does not sound very ...

Mr STIRLING: Delete all reference to that, Mr Chairman. We will get a ...

Mr WOOD: It does not sound equitable.

Mr STIRLING: It certainly does not.

Mr CHAIRMAN: Member for Nelson, would you like to put that question on notice? If so, would you like to repeat it?

Mr WOOD: I will, Mr Chairman.

Question on Notice

Mr WOOD: Do Aboriginal teachers get a perishable freight subsidy that is mentioned on page 75 of Budget Paper No 3? If not, why not?

Mr CHAIRMAN: Minister, you are prepared to take that?

Mr STIRLING: We will get that back very quickly, Mr Chairman. I take it, as in the case earlier, we provide a written answer to the secretariat for these?

Mr CHAIRMAN: Yes.

Mr STIRLING: All right. So that is understood.

Mr CHAIRMAN: For *Hansard* purposes, that is now question 2.3.

Mr MILLS: Mr Chairman, can I get clarification? Are we going through output groups now?

Mr WOOD: Yes. I am on 1.1.

The second question, minister. Under performance measures for employment initiatives, on page 76, client satisfaction drops from 90% to 80%. Why would you expect clients to be less satisfied next year? Is there a reason for that?

Mr STIRLING: Mr Plummer.

Mr PLUMMER: These are estimates and we are refining them all the time. This is part of the accrual system, and last year's were the first estimates. We are refining those estimates as we learn more about it.

Mr WOOD: Thank you.

Mr CHAIRMAN: Are there any other questions in respect to output 1.1? That means that this concludes all questions in respect of that output.

Output 1.2 – Regulation of Occupational Health and Safety

Mr CHAIRMAN: The committee will now proceed to output 1.2. Are there any questions in respect to that output 1.2?

Ms CARTER: Minister, I note that you have provided an extra \$500 000 to promote workplace safety and expand safety management training programs in the new budget. Could you advise how you plan to expand the safety management training programs?

Mr STIRLING: I will pick up the base of the question. The \$500 000 mostly goes to enhancing the capacity of NT WorkSafe, after the rebadging from the Work Health Authority. There are five new positions going into Work Health - one or two are to go to Alice, one to Katherine and the remainder in the Darwin office. Obviously, there is going to be a need for close monitoring of NT WorkSafe regarding its capability, with emerging industries in the next couple of years. The Territory has never had to deal with LNG plants and gas-related industries to that magnitude. Therefore, there will be ongoing monitoring to make sure of the numbers, in physical people and inspectors out there, and also people skilled in that area. It is an area that requires fairly close scrutiny, and we will be working closely with NT WorkSafe, to make sure that they have the capability to meet the emerging need.

Ms CARTER: I welcome that answer and I certainly agree with you that it is an area that will welcome more funding. However, the question was specific to the safety management training. Currently, what happens is that people voluntarily enrol to do this training. It costs them \$50 a head per person to do it. I know that in Darwin it is usually okay to fill a course but, in the other centres, it is quite hard to get people to come along to this training. I was wondering whether anything would be done with that extra money to try to encourage more people to come in and do the safety management one-day programs?

Mr STIRLING: I hear what you are saying and I understand the basis of your question now. We will get further information on that and get a written answer back to you. If there is a need for bolstering – and I guess in the smaller regional centres it is not always that easy to get numbers to make things viable. However, we will certainly look at it from that point of view and get back to you.

Mr CHAIRMAN: Yes, again, just in the interest of *Hansard*, the member of Port Darwin, would you just like to repeat that question.

Question on Notice

Ms CARTER: Could the minister advise how he plans to expand the safety management training programs.

Mr CHAIRMAN: I understand the minister has already agreed to take that question on notice, so that question now becomes 2.4.

Mr WOOD: Treasurer, recently in parliament you spoke about the issue of work health at the Tiwi campus of the NTU. As you know, I have written a letter on behalf of the owners of the new Tiwi Child Care Centre who believed they were being harassed because of their complaints about Work Health not doing its job. Can you report on whether you have come to any conclusion about their complaints being proper or correct? The other thing is what was the reaction of the department to the inquiry - the Royal Commission that was held into that same issue: the removal of asbestos to the Tiwi campus? The Royal Commission said certain factors were not correct. What was your department's reaction to those complaints?

Mr STIRLING: We have quite a full brief, and I will get it before me. The brief certainly did not indicate that the Royal Commission found anything wrong at all; in fact, they gave it a clean bill. The whole matter was put before the Royal Commission, and they found no substance to any of the allegations. There were four points that Work Health - now NT WorkSafe - undertook in relation to a whole series of incidents there - two of which have just escaped my mind, that is why I needed the brief.

The first one was if there were any penalties in relation to breaches by the child care. They were wiped. Certainly, a major point was that there was going to be a review of the entire processes around Work Health and the interaction that took place there. There were two other points in relation to that and I will just get them for you.

However, it is not correct to say that the Royal Commission found anything adverse around the removal of asbestos. They looked at the information, evidence, and allegations put before them and found no substance. I have a brief, if you will just bear with me. Thanks, Trevor. I will just go quickly through it:

Investigation of allegations made by Territory Kidz Childcare Centre against RUB or RUB Pty Ltd, the contractor, for not complying with Work Health occupational health and safety regulations in the work safe Australia asbestos code of practice and guidance notes during the removal of asbestos cement and fibro sheeting from the former Tiwi Primary School campus.

The site in question was demolished to permit an expansion of the existing aged care facilities. Territory Kidz Childcare Centre previously operated a child-care facility in the adjacent former preschool. The complainants expressed concern over the presence and method of the removal of the asbestos from the site since June 2001. In 2002, the Territory Kidz Childcare Centre was awarded \$240 000 compensation from the government and surrendered their lease two years early over the preschool facility in favour of a new site adjacent to their old site, and have since built a new child-care centre.

NT WorkSafe, formerly Work Health, has previously provided advice to both Territory Kidz Childcare Centre and the Ombudsman on the manner of asbestos removal and monitoring of the specific concerns expressed by Territory Kidz Childcare Centre. In August 2002, Territory Kidz Childcare Centre lodged a further complaint with NT WorkSafe about unsafe work practices at the site. A subsequent investigation by NT WorkSafe failed to substantiate the complaints, with the exception of one minor technical issue concerning buffer zones. The complaint was accompanied by an amateur video, a copy of which was forwarded to the media and to the Royal Commission into the Building and Construction Industry. The Royal Commission summary of findings failed to substantiate the complaints made.

On 18 March this year, NT WorkSafe received a further complaint from director of Territory Kidz Childcare Centre. The complaint was in regard to demolition work being conducted at the Tiwi campus by the contractor and, in particular, to work practices on site. On 18 March, Work Health officers investigated the complaint. The two officers met at the Tiwi campus with the demolition contractor and a representative from the Department of Infrastructure, Planning and Environment. Employees of Territory Kidz met with the director/manager of Work Health and a Work Health officer at NT WorkSafe on 21 March to discuss the complaint. Evidence indicating air quality tests performed on the site over a period of six days demonstrated no risk to workers or children was shown to the employees. The director was asked to provide any evidence he may have in regard to his complaint.

Ten days later, ABC television news screened parts of the complaint. After repeated requests from NT WorkSafe, NT WorkSafe were provided with the amateur video as evidence to substantiate the claims. The video has since been viewed by NT WorkSafe, RUB Pty Ltd and the Department of Infrastructure, Planning and Environment. Following the viewing of the video, RUB Pty Ltd responded they had implemented the safety plans requirements in completing the demolition and asbestos removal process at the old Tiwi school site. A minor issue in regard to the non-wearing of personal protective equipment at the site, is being followed up by way of an infringement notice to RUB Pty Ltd.

In response to further ministerial representations, the people met with the General Manager, School Services and the Manager, Work Health on 7 May 2003.

Here are the four points:

It was agreed at this meeting that DEET officers would arrange for:

- 1. further independent air quality testing at the Tiwi Primary School site;*
- 2. an independent review of the conduct of NT WorkSafe in relation to the matter;*
- 3. withdrawal of several infringement notices issued by NT WorkSafe to Territory Kidz Childcare Centre; and*
- 4. the agreed matters arising from the meeting of the General Manager, Schools and the Manager, Work Health, are in the process of being implemented by NT WorkSafe.*

It suggests to me it was a less than happy affair all round. However, those four matters would satisfy the complainants in this instance. I have heard no more to date. I am not saying I hope it goes away, but I am sure they will be back to me if they are not happy with that outcome. That meeting was 7 May with those four items ticked off in the meeting.

Mr WOOD: Thank you, minister.

Mr CHAIRMAN: That concludes all questions in consideration of output group 1.0.

OUTPUT GROUP 2.0 – Government Education

Mr CHAIRMAN: The committee will now proceed to output group 2.0. I understand the member for Blain wishes to put a proposition to the minister.

Mr MILLS: Here is the proposition: rather than stop at each one of those ones in output group 2.0, amalgamate those questions and all related questions to do with Government Education to be asked as in that area.

Mr STIRLING: Yes, I have no problem with that.

Mr MILLS: Most of mine overlap. They are not all preschool, it goes over to secondary and so on.

Mr CHAIRMAN: Thank you, very much member for Blain. Again, as a matter of *Hansard* record, output group 2.0 will be dealt with as a whole.

Mr STIRLING: You are saying, preschool, primary, secondary ...

Mr CHAIRMAN: Yes.

Output 2.1 – Preschool Education
Output 2.2 – Primary Education
Output 2.3 – Secondary Education
Output 2.4 – International Education
Output 2.5 – Tertiary Education

Mr MILLS: The first question is related to the funding for education. You will need to convince me, minister, that we actually have an increase. You announced an increase of \$13m which is a 2.2% increase in funding to the government school sector. However, when you match that with a 5.7% increase to employee expenses, plus \$3m to IT, \$0.46m to a truancy program, \$0.3m to a breakfast program - and then we can also consider the \$22.1m for new and upgraded school facilities, perhaps from another area - that totals \$32.16m. Good value for an increase of \$13m. The 2.2% increase also factors in CPI increases. The question really is: how are the initiatives going to be funded? Anyone looking at this, even the Commonwealth would say: 'Where is the money coming from?' What programs are going to receive a reduction in order to satisfy your initiatives for this round?

Mr STIRLING: There are a couple of things we need to straighten at the outset in the premise behind the question. Talking about wages, 5.7% was mentioned. The teachers' EBA is 5% plus 4% in the second year of the agreement. You might say: '5% across the board', but you have to isolate the effect of wages and salaries in the context of the overall budget spend. It is something like less than 50% of the entire spend, so that only goes to half of the agency spend. Paying teachers more does not cost more to get them to school or to do all the other things that teachers do.

It is a lack of understanding here, talking about the effect of 2.2% CPI in a budget context. All agencies have received 2.5%; that is a national estimate. We expect - and Treasury's own prediction is - that the Northern Territory will be somewhat less than that, about 2.2%. It is over the top in that context. It is not so easy to say: 'This is coming in, 5% across the board'. It does not quite work out like that.

Can we trust Treasury's prediction or projection on CPI at 2.2% for the Northern Territory, with 2.5% predicted across the board nationally? Well, they estimated 2.3% at the onset of the 2002-03 year; at the last estimate, it is tracking at 2.3%. So they got it spot on last year; we expect them to be very close again this year. In terms of service delivery programs there is no reduction ...

Mr MILLS: That is what I simply cannot understand. You have increased it by \$13.5m and in that is an increase of \$6.3m to teachers alone. That cuts the increase half. Then you have the \$3m to IT, and that \$13.5m increase is eroded just by the headline initiatives in this budget that you have announced. That is not even taking CPI into it. Once you match CPI to it, it really does look like we are behind. I am not the only one to say that. You just have to look at that and say: 'There has been an increase' and the increase matches up with initiatives. Factor in CPI - whether it is 2.2% or 2.5%, it does not matter - and you end up with a very lean budget. Where is the money coming from? There are initiatives on foot, announced last year. Obviously something is coming from somewhere within the system to fund these initiatives because they do not add up. There must be efficiencies. You have to explain it to us. There must be ways of doing this.

Mr STIRLING: DEET is subject, like all agencies, to a 1% efficiency dividend across the board with the exception of Police, Fire and Emergency Services, Health and Community Services and the Department of Employment, Education and Training which are subject to a quarter of that efficiency dividend; so that is 0.25%. It is something that has been place for 12 or 13 years in the Northern Territory to a greater or lesser extent to ensure that efficiencies continue to be found throughout the whole system.

You tell me what concerns you have in relation to a particular program. DEET are well placed to come to me and say: 'Minister, we are not going to make the line; we cannot possibly do this'. Well, that is not the advice I have had from the agency.

Mr MILLS: No, that is fair enough. I have an indication there are going to be some proposed deficiencies in the amount of hours for delivering training, so that is one way, perhaps, you have freed it up. It just seems to me that there is, beneath the surface - now I am just a shadow minister looking in, and there are others looking in - we cannot understand how you can actually have these initiatives with this level of increase ...

Mr Stirling: What initiatives ...

Mr MILLS: I am talking about the \$6.3m to the teachers' pay and conditions.

Mr STIRLING: The CEO assures me they will come in on budget.

Mr MILLS: I guess if we are going to use the word 'efficiencies' that is probably what I am wanting to investigate. Where are these efficiencies?

Mr STIRLING: Just as an example - and it is unmeasurable - we would expect, in bringing a massive public provider in TAFE and VET into the marketplace by the amalgamation of Centralian College and NTU, which will become Charles Darwin University, enormous efficiencies will be made there. It is not something that NTU are doing particularly well, but I can assure you it was something that Centralian College have been doing right at the forefront - innovative, cutting-edge. With the expertise and experience, in fact, Centralian College were getting into the top end of the market in VET and TAFE delivery, and doing very well, thank you very much. We are bringing that expertise in, with the size of scale that Charles Darwin University brings into the market, with a view to getting the Charles Darwin University every bit as efficient, timely and cost-effective as Centralian College have been over the last few years.

What does it mean in bottom line dollars? I do not know, but it is many millions of dollars that goes out to Charles Darwin University. That in itself is going to be a big efficiency dividend. You will be able to

achieve far more curriculum hours of VET delivery and training effort for the dollars than we have under having these two providers at different ends.

Mr MILLS: You will call it efficiencies, others may call it something else. It will be beholden on me in opposition to see what these efficiencies are and how they pan out. You have mentioned one, we will watch it and see how that actually unpacks.

Mr STIRLING: We will watch this with interest, because Centralian are a go-getter in this field and they now have economies to scale coming in the CDU that they did not have before. A pessimist might take the view that: 'Charles Darwin University is going to drag Centralian down'. I do not, and I do not think anyone else does, because such is the strength of Centralian, they are going to lift Charles Darwin University up to where they are.

Dr LIM: Just to correct what the minister said just now. As the Treasurer, he responded to a similar question about efficiency dividend for across the board. It is, in fact, 2% minister, and for Police, Health and Education it was 0.5%. I remind you of that so that at least as a minister you get it right.

Mr STIRLING: I thank the member for Greentree for his attention to detail there in correcting the record.

Mr MILLS: Capital works have a healthy increase of \$22.1m. You have outlined the key ones in the budget. I would like to hear the whole list of all the new capital works projects that are forecast and funded by this \$22.1m allocation.

Mr STIRLING: There are six items on the Department of Employment, Education and Training's approved 2003-04 capital works program totalling \$23.31m:

- Gillen Primary School Stage 1, upgrade airconditioning to classroom blocks at \$0.335m, to replace the old evaporative airconditioning system with the refrigerated reverse cycle system - something we are having to do right across the board because those systems are just not up to it;
- Parap Primary School Stage 2, relocation of preschool, upgrade of existing school facilities, \$3.973m. Final stage of the redevelopment will see the whole school brought up to contemporary design standards;
- Darwin High School first stage, redevelopment upgrade, \$1m. The project will enable the high school to be upgraded in line with current occupational health and safety guidelines, and set the groundwork for future redevelopment under the schools master plan - a master plan that probably goes out to somewhere around \$7m. It is an early beginning there for the \$1m.
- In the remote schools upgrading, the government has identified \$3m for upgrading for remote schools. Priorities have been identified at \$1m each; that is, Kalkarindji Community Education Centre, for secondary facilities of \$1m; Minyerri School for secondary facilities at \$1m; Maningrida Community Education Centre Stage 2 upgrade;
- Palmerston High School Stage 1 – senior secondary facilities ...

A witness: No.

Mr STIRLING: No, high school facilities. Let us just call it Palmerston High School secondary facilities.

Mr Mills: That is all right. I have noted that.

Mr STIRLING: Mr Chairman, I know he has a view that we have made up our mind on this, and I will keep assuring him that we have not - we are open ...

Mr Mills: You were in opposition once.

Mr STIRLING: We are open for consultation on this matter - from the shadow minister, particularly, because he is the local member in this area and he ought to be canvassing the views of local residents. However, we are very keen. I will just explain this again: we are very keen for recommendations coming from the secondary review process as well, but we have to test those. There has to be a testing process with the community. This is what you said: 'Is this validated some way?' I am hell-bent on getting this decision about Palmerston right, because it is a lot of money to spend. However, what is driving it? The highest quality possible education experience for those kids, whether that is a full comprehensive high school, a senior high school, or Year 11 and 12, and including location, size, facilities - all of that. A whole range of factors have to be considered. How much do you build-in the ability for premises in schools - VET in schools, community VET - to enhance the facilities that are there? There are a whole lot of things, and we want to test that thoroughly with the community.

Therefore, you have to accept that no decision has been made other than this: that we have committed \$10m to this proposal with DEET exploring options on the best way to provide secondary education in Palmerston. Various options have been considered and, as I have said, are comprehensive. They include co-locating a senior college at Charles Darwin University at Palmerston Campus; a site at Rosebery; and whether you site with a bridge across the existing high school walk way and put the senior college on the block the other side. There are a whole lot of questions and we want the community to be giving us their views. What is driving it is quality and best experience possible for those kids.

· The Desert People's Centre Stage 1 is \$1m capital grant - the total project estimated cost in excess of \$23m. Of course, we have a mix of Northern Territory and Commonwealth funding. Stage 1 will be funded by the Commonwealth.

Dr LIM: Sorry. Can you repeat that? \$5m is coming from the Commonwealth ...

Mr STIRLING: Stage 1 is funded by the Commonwealth.

Dr LIM: ... not the NT government?

Mr STIRLING: It comes through the Australian National Training Program.

Dr Lim: That takes away one of my questions, but I want to know ...

Ms CARNEY: Minister, in respect of the Gillen Primary School upgrade to the airconditioning, can you indicate when the works will start?

Mr STIRLING: G for Gillen, Mr Saunders. How big is the job, because if it is big – how big is it, did you say? It is a very good question to raise, not because we do not know the answer, but because we ...

Ms CARNEY: I have people in my electorate who want to know the answer.

Mr STIRLING: Yes. When it is a big capital work, like the really big things, in the back of the capital works book it has a projected commencement date, which – apart from the fact of telling you when it is going to start - gives you an idea of how much money is going to go into it in 2003-04. If it is a late start in the financial year, well, obviously, not much of the entire amount is going to be spent there. A smaller program like this, and we are talking \$300 000?

Mr Plummer: It would be normal for this to be done between semester ...

Mr STIRLING: Yes, a stand-down period.

Ms CARNEY: I heard an answer before, July/August. Is that ...

Mr STIRLING: That is the plan for it and design work ...

Mr Plummer: Design work would normally be done between semesters.

Ms CARNEY: That is the plan? Okay, July/August. Therefore, do we take it from that that it will be finished before the summer in Alice Springs?

Mr STIRLING: It is except as we sit here at the moment, it is a Department of Infrastructure, Planning and Environment question because they get all the dough. Then they look at a whole lot of factors regarding when they are going to do things. I am probably not keen to take it on notice at the moment because it is a question that is better directed to minister Vatskalis.

Ms CARNEY: Simply put, an indication would be that, perhaps before the summer in Alice Springs, the kids at Gillen will get an updated airconditioning system.

Mr STIRLING: A planning and design stage, obviously, has to take place first, and then, as Mr Saunders indicates, the first available opportunity when the school is empty, we will get in and do it. They did that with Alice Springs High School over a couple of weeks.

Ms CARNEY: But would you be able to indicate with confidence whether, in fact, it will occur before the expiration of the next financial year; that is, 30 June 2004.

Mr STIRLING: I give you that, I give you that.

Ms CARNEY: Thank you. I have another electorate question that relates to capital works. Minister, I am sure you will remember when we both attended at the Ida Standley Preschool in Alice Springs. I am aware that, on the basis of that meeting, some upgrades were undertaken. I further assume that monies for those upgrades came from the 2002-03 budget, for which many people in Alice Springs are grateful. However, I understand that more work needs to be done, and yet there is no allocation in this budget. Can you explain - and that is the 2003-04 budget?

Mr STIRLING: Member for Araluen, if I go through the answer now and if we have not covered it here, we can go back. The whole issue is around these aging facilities at Ida Standley. DEET has programmed works at the preschool as part of the 2002-03 minor new works and repairs and maintenance programs. It is proposed that an item be included on the 2005-06 forward work programs to increase student places.

All current works are coordinated by the Department of Infrastructure, Planning and Environment in consultation with the Gillen Primary Hub School and the Ida Standley Preschool representatives. The works include the extension of the preschool, to provide an appropriate staff office, quiet room, and storage area at an estimated cost of \$65000, funded through the 2002-03 minor new works program. School council has commissioned a consultant to develop design and for documentation; costing is expected to be complete by 27 June 2003 and, as school staff are on leave, tenders will not be finalised until 22 July 2003.

Works are now expected to commence 5 August. It is planned that the final connection to the existing building will not take place until the mid-semester holidays commencing 29 September, to ensure minimal disruption to the preschool. DEET provided \$20 000 from 2002-03 R&M program to replace the preschool ceiling and an aging airconditioner. Work on the ceiling in the main classroom and the annexe is complete. Work on the airconditioner is in progress and is expected to be completed after the extension is complete in October 2003.

DEET also provided \$7000 from the 2002-03 repairs and maintenance program for repairs to the kitchen cupboards. These works are occurring during the first week of the July 2003 school holidays. As part of the long-term strategy, DEET has identified an item for the 2005-06 forward works program to construct an extension to the preschool at an estimated cost of \$450 000, expected to increase the capacity of the preschool from 75 to 100 student places and bring the whole facility into line with current design parameters.

Ms CARNEY: Okay, thanks for that. Just a couple of follow-up questions. There was a complaint I believe - I am sure you are aware of it - of asbestos being in the walls. Has the work that has been undertaken dealt with that problem or is that a problem that is going to be dealt with in September?

Mr STIRLING: You had better just record that, Mr Chairman.

Mr CHAIRMAN: Member for Araluen, would you like to put that as a question?

Question on Notice

Ms CARNEY: Minister, there was a complaint from members of the school that there was asbestos in the walls. Has that been remedied? If not, will it be remedied in the work due to take place - I think you said in September this year? That is my question, thank you.

Mr CHAIRMAN: I understand the minister has already taken that on notice, so that question becomes 2.5.

Ms CARNEY: A final one on Ida Standley Preschool. You referred to the extension of the preschool to the tune of about \$450 000 to be included in the forward works program for the 2005-06. Why was it not included in this budget?

Mr STIRLING: The extent of the works going now, I would imagine - I will get that out of the road. You are talking about nearly \$0.5m worth of expenditure, increasing the size of the place from, I think I said 75 to 100 students, I would have thought there is a bit of design work to go in there. Obviously, in a question of need against projection enrolments, there must be of a view that it is okay until the 2005-06 financial year in terms of getting the work done. If that is not the case, I am prepared to hear argument and, if it ought to be expedited on the growth in numbers, we will look at it.

Ms CARNEY: Thank you.

Mr MILLS: My question is regarding the health of our teaching profession. One indication is the resignation rate. Could you tell me how many teachers resigned in 2002-03? I would be particularly interested in a breakdown of the months that these resignations occurred, and the regions from which these resignations came, including a comparison between rural and urban.

Mr STIRLING: Mr Chairman, I am sure we have them. Did you ask the reasons?

Mr MILLS: No, regions.

Mr STIRLING: No, we do not have the breakdown. Let me give you what I do have, and then I will just check with the officers here as to what is involved in getting additional information. This is recruitment, retention and resignation for 2002-03. There are 310 new teacher recruits in 2003: 130 were recruited locally; 178 from interstate; and two from New Zealand. There were 529 teachers recruited in 2002. There were 451 teacher separations in 2002.

Mr MILLS: Separation is a ...

Mr STIRLING: Cute word. There were 451 teacher separations in 2002. To date for 2003, there have been 194 separations. Now, please ask the remainder of the question.

Mr MILLS: Regions.

Mr STIRLING: By region?

Mr MILLS: Yes, I am interested how the remote regions are standing up with teacher turnover, resignations.

Mr STIRLING: We will take that and undertake to get it back.

Question on Notice

Mr CHAIRMAN: For purposes of *Hansard*, member for Blain, would you like to ...

Mr MILLS: Yes, certainly, Mr Chairman. I have one other component, which I will add now. How many teachers resigned in 2002-03? Provide a breakdown of the months these resignations occurred and the regions from which these resignations occurred. Include a comparison between rural and urban. Provide the number of teachers who were recruited this year, and have resigned this year.

Mr CHAIRMAN: Are you happy to take that, minister?

Mr STIRLING: Absolutely.

Mr CHAIRMAN: That becomes question 2.6.

Mr STIRLING: May I just say in relation to that, one of the problems we have is all these holiday breaks. We have been working hard - haven't we, Mr Plummer? - to get the number of gaps in the system down. We came into this break with just seven fewer teachers than we should have across the system of 2100 teachers. That is not bad - not bad.

Mr Mills: No, that is remarkable!

Mr STIRLING: Seven out of 2100. Then we have this break. You watch when we come back in a month's time, the vacancy ...

Mr MILLS: I was on a school board and a principal. It always happens this time, and it is a dreadful problem. How is it that the union's number of shortages is so different from the minister's?

Mr STIRLING: Because they are not accurate.

Mr MILLS: Who is 'they'?

Mr STIRLING: The union is not accurate. If the department told me - this is a weekly report now from the department and it says, on the last Friday before the break, just seven. However, it is not going to be seven when we come back in a month, unfortunately.

Mr Kiely: You are a member of union, aren't you? Can't you ask them?

Mr MILLS: I do.

Mr WOOD: Minister, the budget highlights several Commonwealth-funded indigenous education programs. Can you tell us how many education programs specifically aimed at indigenous students are being funded by the Territory government, not the Commonwealth? What are the funds being provided for these programs in 2003-04?

Mr STIRLING: Just to check, that is Northern Territory indigenous specific ...

Mr WOOD: Education programs not Commonwealth. What do you have from your own budget?

Mr STIRLING: There would be a range of matters that we would need to pick up and list. We do not have a ready made list. We would be able to get that information. If you want that on notice, we will take that if you want to number it, Mr Chairman.

Question on Notice

Mr WOOD: Putting that on notice, do you want me to repeat that?

Mr CHAIRMAN: Yes.

Mr WOOD: The budget highlights several Commonwealth-funded indigenous education program. Can you tell us how many education programs specifically aimed at indigenous students are being funded by the Territory government, not the Commonwealth? What are the funds being provided for those programs in 2003-04?

Mr CHAIRMAN: Okay, the minister has already indicated that he will take that question on notice, so that question becomes 2.7.

Mr WOOD: Mr Chairman, my second question ...

Ms LAWRIE: Just for clarification on that question, the Northern Territory government provides top up funding into Commonwealth?

Mr WOOD: It can show that. Second question: what is the government doing about truancy in remote areas?

Mr STIRLING: It comes down to the question of the placement of the attendance officers first and foremost, of which we are bringing eight into play. I am advised by the CEO that they will be putting something to me in the near future as to the placement of the next ones coming on, and the recommendation coming from the department will be that they are remote placed.

If you do not mind, I would like to share a little information here. Eight school attendance officers over three years, the first two appointed to 2002-03. The first two school attendance officers are based in Palmerston and Alice Springs. Appointments have been made; both officers commenced work at the start of term 2 in 2002-03. The attendance officer in Alice Springs has successfully encouraged 47 indigenous students to enrol in and regularly attend Alice Springs schools. The attendance officer based in Palmerston is working with the schools in the Palmerston region to identify students at risk, and develop and deliver innovative and effective plans to improve the enrolment, attendance and retention of students at risk.

Discussions recently commenced regarding recruitment and deployment for the next six school attendance officers; three more in the 2003-04 financial year and the remaining three in the 2004-05 financial year. For 2002-03 it is \$170 000; for 2003-04, \$430 00 and 2004-05, when they are all on deck, \$680 000 - total over three years, \$1.28m.

That is a terrific story. This person has been in Alice Springs since the start of term 2 in 2003, and responsible, on her own efforts, for 47 indigenous students who were not enrolled and were not attending are being enrolled and regularly attending. If we can get that sort of bang for your dollar with every attendance officer we will soon start to turn those numbers around. I look forward to getting that advice from DEET as to where they should go. The sooner we start getting this sort of response out in the remote communities, the better off we will be.

Mr KIELY: Minister, on page 78 of Budget Paper No 3, I notice we talk about performance measures for numeracy amongst indigenous students. I notice that in the 2002-03 estimate that non-indigenous students achieved a national regional benchmark of 78%, then in 2003-04 at 93%, an increase. In most of these tables we see an increase. What do you attribute the increase from 2002-03 on estimates of achieving these standards, to 2003-04? What are we doing in there that is going to promote this increase?

Mr STIRLING: Thanks, member for Sanderson. Are you talking indigenous?

Mr KIELY: Yes, well, actually you have indigenous primarily but there is an increase in non-indigenous as well.

Mr STIRLING: There are a couple of elements to it. One goes across the board and that is, I would be confident, without hard evidence before me, that the introduction, adoption and implementation of the NT curriculum framework would have an effect, simply by mandating a set number of minimum hours that you have to do on word and number - literacy and numeracy - every day. That is not saying that it did not happen before, probably in most schools it did. However, the mandated requirement in the curriculum framework has been picked up across the board. But I do have a question whether it was being done at all in remote schools, in some cases.

One of the things that frustrated me when I became minister, and when I was in opposition, was the failure and inability of the previous government to tick off on an agreement with the feds. In order to get the big IESIP funding dollars, they had to tick off to say we will get like 26% improvement rates - of that nature. It was simply too hard it seemed, or too difficult, for our predecessors to do that. We willingly signed off, not because we wanted the money, or because we were absolutely certain that we were going to achieve those improvement rates either, but because I was able to get on the phone - this was Dr Kemp before Nelson became the minister - and say: 'We are going to give it our best shot. We might not meet that 26% and we do not want you coming back knocking off the money if we have not reached the benchmark'.

One of the reasons why it was recommended and encouraged by the department to sign it off as quickly as possibly, of course, was that we are on such a low base of performance out there. One indigenous child extra per classroom meeting the improvement required to get to benchmark standard in word and number - literacy and numeracy - nearly gets you there in the improvement needed overall, anyway.

Can I just go though, to the figures – and remembering that these are not confirmed, are they?

Mr Plummer: No.

Mr STIRLING: However, I will put these on the record. Year 3 remote – no, this is not the brief I want.

Mr Plummer: Yes, because this is the brief against your budget outputs.

A witness: The main indigenous is down at the bottom.

Mr STIRLING: Well, just by way of that then: 2001 remote indigenous for numeracy, 45%; 2001-02

interim, 59%. That is 14%. Year 5 in 2001, 10%; 2002 Year 5, 19% - almost a doubling. That 2002 is interim at this stage but we hoped that - last time they were reaffirmed.

Remote indigenous in reading in 2001 Year 3, 6%; 2002 interim 14% - better than double. Year 5 2001, 11% - this is when I small talk about small base, low base of achievement - 2002, 22% - a doubling.

We are going to obviously watch these very closely for the finals to come out. In 2003, the whole MAP program will unroll throughout August ...

Mr MILLS: Sorry, minister, to interrupt. I need clarification on that question with regards to what is on page 78. The urban indigenous and remote indigenous are not included. They were not available.

Mr KIELY: I thought that was my question, member for Blain.

Mr MILLS: Yes, but you said that there have been significant increases. You are talking about a 2003-04 estimate and there is nothing recorded here.

Mr KIELY: No, I said between 2002-03 that in these columns there was shown significant increases. I have asked the question. If you want to ask a supplementary, by all means go ahead. But could we just let him finish the question to me, that is all I am asking.

Mr MILLS: All right, just trying to help.

Mr STIRLING: That is probably as much as I can give you just on those 2002 interim. As I said, August will see 2003 MAP testing take place, and we will be well into next year again before we get the interim.

We do not have those urban indigenous and remote indigenous because DEET - Mr Plummer might have to correct me here – has began to disaggregate the data in order to set the targets with specific groups of students, rather than setting your target across the whole cohort of the student body. That will, of course, allow for a more targeted resource into identified areas of need. But we had it in here – no, we did not have it in here either.

There is further work to be done in pulling the data apart in order to get that information in. The department needs it, quite clearly ...

Mr Mills: The community needs it.

Mr STIRLING: ... because you want to direct your resources to those areas identified as of greatest need. So we will look to those.

Mr MILLS: It was important to raise that, I feel, because ...

Mr CHAIRMAN: Before you go on, member for Blain, what question are you asking now?

Mr MILLS: It was supplementary to that, just clarification, because we seemed to be getting carried away with ourselves when the budget itself does not include those benchmark results. We are making up a good story when, in fact, they are simply not there.

Ms Lawrie: They are interim.

Mr MILLS: No, read the budget paper, page 78: 'not available'.

Mr WOOD: Mr Chairman, I have a couple of questions, and the member for Braitling would like to ask a couple afterwards.

Minister, \$2m has been allocated for a secondary facility to be built at Kalkarindji and Minyerri. What extra staffing will those facilities have and what range of subjects will be offered? I put that in specially because you made mention of that in your speech recently on secondary education. I am wondering, are we talking about someone can go and do year 11 and 12 physics or chemistry, or what sort of subjects are we talking about at these schools?

Mr STIRLING: I thank the member for his question.

Both have been fairly strong success stories over the last couple of years. Minyerri, both with the numbers attending and the regularity of that attendance at the school and, I guess, the beginnings of a secondary system there. You have to remember, too, that a lot of these communities, and the parents of these kids were told: 'Your child is doing secondary', and it simply was not true, in the past - genuine secondary, as you would be doing at Dripstone or Nightcliff or Darwin High School.

In relation to Kalkarindji, that really is probably the star of the system. At the moment, there are five students doing Year 12 in their home community this year - genuine Year 12 subjects they would be doing in any other school. The resource implications – look, I could not estimate. Certainly, at Kalkarindji there is a full secondary program there now. I guess if you get more in and more subjects being offered, then you need greater resources. What an awful position for DEET to be in! Government would be delighted with that; the same as we would be delighted to extend every indigenous school, because they are overflowing. That has not been the case.

Mr WOOD: Could I get a copy of the subjects that they study?

Mr STIRLING: We would be happy to get that further information. If you just want to run over the subject delivery and put that question back on the record, we will pick it up.

Mr WOOD: Right. I will just ask that question for *Hansard*.

Question on Notice

Mr WOOD: Referring to the schools at Kalkarindji and Minyerri, what range of subjects are offered at those two schools from a secondary point of view?

Mr CHAIRMAN: The minister has already indicated that he is prepared to do so. It becomes question 2.8.

Mr WOOD: Minister, how much money has been spent on Palmerston High School in this financial year, because this was announced previously? Was there any ...

Mr STIRLING: This is one where you can go and get an idea of government's thinking and what might be spent this financial year. If you recall, I referred to the back of the capital works paper, where it gives a likely commencement date for the project. Bearing in mind these things, it is built in to be fairly late this financial year before a start was made because we want to get that secondary review back in, we want to get the suggestions, recommendations across the board in secondary, because they might be recommending things that affect this decision. We then want to test those recommendations with the community and, in particular, this one needs to be thoroughly tested with the Palmerston community as to whether we have the best, or do people have different ideas?

If you are going to spend that amount of money, you want to get it right, and right with the community

as well. Once a final decision endorsed by the community is made, then you have that design work at the DIPE stage to ensure your costings are right, and then you have a start on the whole project. Of that \$10m, it is toward the end of the financial year. I would not see it built in this financial year, but I would see a start made because the money is there.

Mr WOOD: Mr Chairman, two quick questions. One is the shade cloth at Girraween Primary School. This has been going on and on and on. I am told it is going to start during the holidays, but having seen shade cloth at other schools, I wonder if the minister can say why there have been so many problems in putting shade cloth up at Girraween Primary School.

Mr STIRLING: I would have been very disappointed if the question had not been asked. There is not a very good story on this one. The Department of Infrastructure, Planning and Environment is coordinating the replacement of the play area shade cover at Girraween School. The original solid membrane covers were removed due to structural failure during a storm in December 2002. Various options were explored for the replacements and consideration was initially given to repair and reinstatement of the original covers.

However, the school council advised they had lost confidence in the original system as it failed on two previous occasions. Infrastructure, Planning and Environment negotiated with the contractor to replace the original covers with shade cloth material instead of the solid membrane material, and to re-engineer them to minimise the risk of another failure. Initially, it was believed the situation would be resolved by mid-February 2003. That date was then revised to the end of April.

However the redesign process, including checking by an independent engineer, caused further delays. Safety of students and staff is paramount and DIPE is ensuring that this is not compromised with the redesign process. It is critical that the replacement shade structures are engineered to meet cyclonic conditions since the school is a designated cyclone shelter. DIPE has confirmed all works will be completed during June/July 2003 semester break. They are confident that the new structures will not pose any safety threat to students or staff.

DEET is working closely with the principal and Girraween School Council to ensure the situation is resolved as quickly as practicable. Temporary shade has been placed over the playground equipment to ensure some degree of amenity. In the interim, the school council is concerned the process has taken so long, but understands DIPE's position in trying to ensure that structures are engineered appropriately.

Officers from DEET and DIPE attended the Girraween School AGM in February and subsequent school council meetings to fully explain the situation to the school council. The last meeting they attended was the school council meeting of 30 April where the June/July date for installation was confirmed and agreed to by the school council. At the meeting of 3 June 2003, DIPE confirmed the final design details with the contractor and the school principal, and that the proposed schedule for installation of the shade structures could be met.

Mr WOOD: It is just shade cloth? Last question: Minister, in Budget Paper No 3 under Budget Highlights for the Education Department, it says that money has been allocated for the development for an alternative education provision scheme. What is that scheme?

Mr STIRLING: The 2001-02 mini-budget announced funding of \$0.5m per annum for the introduction of diversionary programs to help wayward students back into the classroom. The student enrolment, attendance and retention strategy incorporates government's commitment to establishing diversionary programs for wayward students under initiatives set in addressing extreme behaviours.

The current alternative provision planning project intends to fulfil the commitment of the government to provide two sites in urban centres to specifically address extreme behaviour and chronic disengagement of some students. The intention of alternative education provision is to target wayward students in the 10 to 15 years age group, most likely to be truanting and/or engaged in antisocial activities. The programs provided will be specifically aimed at enabling students to re-

engage with regular schooling. It is initially proposed to establish two alternative education provision sites - one in Darwin's northern suburbs, and one in either Katherine, Tennant Creek or Nhulunbuy - catering for approximately 30 students per site at any one time, depending on local circumstances. Six new teacher positions have been identified for these two alternate provision program sites. They are coming out of the extra 100 teachers we are bringing on. During 2002-03, the initial planning and implementation of the program is being undertaken with no student outcomes expected until the commencement of the new financial year.

There are a number of alternative provision education programs, particularly in the southern region, that have assisted over 300 young people who otherwise would not have been involved in educational programs. They come under Alice Outcomes, Future Directions, Pathways, Learning to Work, Secondary and Age Strategic Support Project. That one at Tennant Creek - the Secondary Age Strategic Support Project - is to engage at-risk Tennant Creek youth in formal secondary aged education courses of study and training through a partnership with the Anyinginyi Congress Aboriginal Corporation. DEET has provided an Executive Teacher 2, and an Aboriginal and Islander education worker to support this project to be trialed in 2003.

At Gillen Primary School, the project aims to facilitate the integration of indigenous students, particularly those with little formal schooling, into mainstream classes. Programs focus on social skills necessary for participation in mainstream classes, maintenance of classroom routines, improved numeracy and literacy skills and development of study skills. The project is staffed by a teacher and an assistant teacher.

In no way are these to be seen as some sort of reward for kids who are just simply bad and cannot settle into the normal classroom. It is not to be seen as any sort of reward program. One of the reasons we wanted to get away from the initial use of the word 'diversionary' was because that was taken over with the Youth Diversionary Program and it had a similar connotation to it. Therefore, we have gone to this title of 'alternative education provision'. However bad these kids are, the government has a responsibility to educate them. There ought to be a minimum leaving age of school, and they ought not be out on the streets and causing havoc anyway. I guess we have the view that, without being stupid, we have to get these kids back in and engaged. In one sense, we are achieving it in numbers in the remote communities through training for remote youth with TRY - which comes under VET. However, in a big way it is an educational program, because you get them back in - through Vocational Education Training - but you get the numeracy and literacy into them in that sense.

That is a \$1m-a-year program; the numbers are good. We have to do some qualitative testing around that to see that we are getting the outcomes that we should be getting. We envisage that if this is looking good, and schools want more of it, we will be prepared to put money into it. At the same time, you have to make sure you are getting value for money and these kids are actually getting literacy and numeracy skills.

Something has to be done. We have these gangs of kids roaming around in some places where they ought properly be at school, and we will get them there. Other systems have different - it is not softer but it is a different way. They are located together, and you provide curriculum and the basics under the curriculum framework that they need to get, but you do it in such a way it is going to engage them.

Mr WOOD: And give the good kids a better chance than the other schools.

Mr STIRLING: That is an upside of it.

Mr CHAIRMAN: Thank you, member for Nelson. I understand the member for Braitling has ...

Dr LIM: A point of order, Mr Chairman! May I bring a point of order first? I understood that the committee agreed that the shadow for the portfolio will be addressing questions as a precedent and, following that will be committee members and then electorate questions after that. That was what the committee agreed. The shadow has had three questions since we started Education.

Mr CHAIRMAN: I understand that to be the case, and it will be adhered to. However, for your information, I have actually spoken to the shadow opposition spokesperson for Education and we have agreed that, on this occasion, I will allow the member for Braitling to proceed with two questions, and then we will go onto questions in respect to the shadow spokesperson for Education.

Members interjecting.

Mr CHAIRMAN: Come on now, that is it. That is the arrangement that is in place.

Mrs BRAHAM: A very quick question, Mr Chairman. Minister, you are probably aware the SHAPES program has been operating for some six years in the southern region. SHAPES refers to Sports, Health and Physical Education. A couple of weeks ago, people in the southern region were told that that program would be abandoned, although it is continuing in the Top End - Principal Craig MacDonald has that. Could you please tell me why this program has been discontinued in the southern region, and will the funding for that staff be allocated to other programs within the southern region? Minister, I forewarned your staff about this.

Mr STIRLING: I thought I had a brief in relation to this. I was aware, in general terms, of a review going into SHAPES. I certainly have not been advised of any decision coming out of that. I would be extremely concerned if the information you put before us today - and if I just have a quick look at this, I may take the question on notice.

Mr MILLS: Mr Chairman, I have a related question.

Mr STIRLING: I can give this information, but I will also take undertake to get back in relation to the position that the member for Braitling ...

Mr CHAIRMAN: My understanding, minister, is that you will answer the question in part and the rest of the answer take on notice.

Mr STIRLING: Yes. I am concerned with what the member for Braitling has put forward and we will have a look at that. However, DEET has engaged a consultant to carry out a review of SHAPES. The consultant's brief was to make recommendations about the future delivery of service to contribute to the achievement of appropriate learning outcomes for all students in the areas of sport, health and phys ed. Recommendations are to support the strategic directions of DEET, with the survey designed to elicit information from stakeholders about their perceptions of the purpose and function of SHAPES and the outcomes achieved by the school.

Staff of all Territory schools, including those remote urban and rural locations, were invited to respond in 2002 on an individual or group basis. Individuals and organisations involved with, or having an interest in SHAPES and its services, were also invited to respond. Almost 100 responses were received. The consultant's draft report and recommendations were put to a litmus group of senior DEET personnel for consideration and to provide feedback. It was presented to DEET executives in conjunction with strategic directions for health and drug education report.

A key recommendation was the establishment of a joint work unit to implement priority initiatives that will deliver health and education outcomes for both departments. It proposes that existing health and drug education positions in DEET be combined with relevant key positions of the Department of Health and Community Services. The SHAPES review recommendations are consistent with those of the strategic directions for health and drug education report, and could be achieved to some extent through the establishment of the health education work unit described above.

The current health education positions in SHAPES could be transferred to the joint unit. However, further consideration needs to be given to the future delivery of the sport and physical education services that are currently provided by SHAPES.

Mr Chairman, that does not indicate anything by way of program cut, and nothing has come to me by way of a recommendations or decisions, so we will get back to you.

Mrs BRAHAM: Can I just say that officers have been advised that it has been terminated and there has not been any rationale provided in the southern region. That is why I am asking.

Mr STIRLING: Thank you for bringing it to our attention. We will get straight onto it.

Mrs BRAHAM: The only other question was, could you please tell me how many visits to the southern region curriculum staff have taken in the last 12 months and the costs of those visits?

Mr STIRLING: We will take both of those questions if you just want to go through, member for Braitling, and make sure we have them locked in the system.

Mr CHAIRMAN: For *Hansard* purposes again, member for Braitling, would you just like to repeat that last question.

Question on Notice

Mrs BRAHAM: Could the minister please advise me how many visits by curriculum officers to Alice Springs and the Barkly have occurred this last financial year and the costs of those visits?

Mr CHAIRMAN: The minister has indicated that he will respond. That is 2.9.

Mr CHAIRMAN: Just to clarify as well, minister, member for Braitling was there any part of the previous question that you wish to put on notice?

Question on Notice

Mrs BRAHAM: Can I just ask the minister to please respond and give me the rationale for the decision to terminate the SHAPES program in the southern region, and if the funding for that program will be redirected into other programs?

Mr CHAIRMAN: Minister, are you prepared ...

Mr STIRLING: Absolutely.

Mr CHAIRMAN: That question then becomes 2.10. Thank you, member for Braitling.

Mrs BRAHAM: Thank you, Mr Chairman and thank you to members.

Mr MILLS: Following on the theme that I commenced some time ago with the health of our teaching profession, you mentioned that there are only seven vacancies at the end of this semester. I would just like to say that the discrepancy between what those who are in the workplace are saying, compared to what you are saying, minister, really does disturb me. I have withheld from phoning schools myself to find out what is going on, because I do hear a story that it quite different than the seven.

We talked about innovative recruitment strategies and I really think we have a problem with our recruitment strategies. If there are only seven, we have a very thin pool to draw from. What is the funding directed towards the innovative recruitment strategies that you alluded to before the budget,

for international recruitment? Do you have funding to that idea, or policy framework to that strategy that you announced?

Mr STIRLING: Let us go to the first part of the question first and that is in relation to the vacancies. These are reported in by school principals to the department on a weekly basis. I know you would not suggest that principals are making this up. So, whose figure is going to be right here? Principals from the schools are reporting into the department on a weekly basis: we have full staff; we are missing one.

Mr MILLS: We talk about relief teachers then count as: we do not have a vacancy this week.

Mr STIRLING: I will ask Mr Simpson to explain this process. Let us get this process right.

Mr SIMPSON: It is actually done on a daily basis. When schools have a vacancy, they report in through the structure to the General Manager, Schools, and action is taken immediately to fill them. That is where the number seven comes from.

Mr MILLS: Minister, are these substantive vacancies or are we just talking about 'There is a teacher missing today'?

Mr SIMPSON: Substantive vacancies.

Mr MILLS: Right.

Mr STIRLING: That may be what you have. If the AEU figure is a lot higher, it may be a snapshot of a teacher being sick for the day.

Mr MILLS: Maybe. It warrants further investigation. Time does not permit to go into it, at this point.

Mr STIRLING: Let us have a look at ...

Mr Mills: The recruitment strategy.

Mr STIRLING: ... a couple of recruitment strategies indirectly. If you look at recruitment retention and development as a whole, because they work together, the teacher registration board legislation is planned for the appointment of the first board in January 2004. There has been a comprehensive process of consultation with teachers. We think that will work to enhance the professional status of teachers out in the community and, in turn, affect retention. The 100 additional teachers coming on over four years we know about.

The government student/teacher bursary scheme introduced last year with the first batch of 20; five of whom have now graduated, with a further 23 bursaries offered in 2003. This is an outstanding one: the Sydney University and the Charles Darwin University internships: in term three 2002, Sydney University students participated in teaching internships in remote communities as part of a pilot program. Four of those students are now permanent employees of the department. Again in 2003, students from both universities expressed interest in participating in the program currently under way. Internships will commence in term 3, 2003. The department is optimistic that a significant proportion of those students will again take up employment with the department on completion of their studies. Bear in mind that these students, with this in mind, pick up English as a Second Language, and a bit of cross-cultural stuff with a view to going remote, it has an added bonus that they are not just coming into the urban areas.

DEET is revamping its advertising; it is strategically targeting the print media. For the first time, we recently advertised in New Zealand in an effort to recruit teachers. Discussions have been held with DBIRD, Regional Development and the Commonwealth Department of Immigration, Multicultural and

Indigenous Affairs to seek advice and assistance in recruiting from selected overseas countries with the aim of sponsoring suitably qualified teachers. Countries that may be potentially fruitful are South Africa, Zimbabwe, Canada and Ireland. Preliminary contact has been made with employment agents in several countries.

Liaison with tertiary institutions and attendance at career fairs: DEET is participating in numerous university career fairs with particular emphasis on regional universities in 2003. In March: Monash, University of South Australia, University of New England, James Cook, Newcastle; in April: University of Southern Queensland; and in April and May: Queensland University of Technology.

The department's experience with employing travellers to fill vacancies of up to a term has generally been positive. Planning is under way for the department to target teachers intending to visit Australia from Ireland, the UK, Canada, and the US, to explore their availability for recruitment. It is recognised not all students graduate at the end of the academic year; many actually seek employment mid-year. The department is liaising with regional universities to target these potential graduates, deliberately targeting regional, rather than the big city, because they are likely to perhaps fit the mix of the Northern Territory far better. In terms of selection processes, there is a phased-in training of all departmental staff. The selection process commenced in 2002 and that is ongoing.

There is a range of strategies in an endeavour to stay ahead of the game. We are a nett importer. We are always going to be a nett importer in ability to grow our own, which puts us into the marketplace. We have to do whatever we can to attract teachers. Our last EBA deal was not only fairly cordially reached with professional and amicable agreement all round, it did say that our government values teachers in the Northern Territory and that goes some way to enhancing their professional status. We want to see that continue.

Mr MILLS: Minister, the nub of my question was in fact: what level of funding has been afforded to that strategy of recruiting overseas? Has there been a direction to put additional funding into recruitment, particularly overseas?

Mr STIRLING: No, no direct funding as yet. The teacher registration board coming on next year will have a membership number against it, but I do not know what it is.

Mr Plummer: It is not decided yet.

Mr MILLS: Minister, Staffing Formula Review: I have heard of such a thing, and that it was concluded in October 2002. However, I understand it has not seen the light of day. Is that correct?

Mr STIRLING: Mr Saunders has information on this.

Mr Plummer: I can.

Mr STIRLING: Mr Plummer.

Mr PLUMMER: We have received the report, and it needs a lot of work because, quite frankly, the recommendations are not specific. The recommendations are often about more work. We have provided a copy of that to the union and a copy to our minister. We are now working through how we will go forward, and we will do that in conjunction with the union.

Mr MILLS: Do you have a time frame for me, minister?

Mr PLUMMER: I do not have a time frame right now.

Mr STIRLING: Just to put on the record, if I could, the staffing in the primary school is 1:22 at the moment; in lower secondary, 1:17; and in senior, 1:14. As difficult as that is to compare cross-

jurisdictionally, you will find the Northern Territory sits pretty well at the top in the generosity of the staffing formula, such that, last year, prior to the teachers' EBA going through, or the last EBA round, Queensland had a look at the Northern Territory staffing arrangements, and they ran a major campaign in Queensland around teacher/pupil ratios. They said: 'We want to get somewhere down, like the Northern Territory enjoys'. There was a suggestion that Queensland would lead the charge, and would be the national push across Australia. They tried to mobilise the Northern Territory into this campaign of a major push on class sizes. Well, the Northern Territory teachers well knew where they stood, and they share sympathy with their Queensland colleagues, because they, too, would want to see their Queensland colleagues down somewhere around where we are.

However, the significant point of me putting this on the record is the cost involved in the order of moving the 1:22, for example, to 1:21, is in the order of \$8m to \$10m. That is the sort of dough needed, as a straight one-off.

I am glad you raised this, because there have been hundreds and hundreds of studies done about the optimum class size, all with conflicting views and different findings. One consistent finding around all of this is the quality of teaching at the front of the classroom that delivers the best outcomes for students. It is the quality of the teacher, rather than the size of the class.

Notwithstanding what I have said, there is agreement around post 30 - no good - and some fairly good evidence below 15 - some good. Realistically speaking, to twist it by one is in that order of all those millions of dollars. To bring it down by seven, the Northern Territory is simply not going to be able to fund that type of arrangement. So, if your scientific evidence coming forward is that there is value in less than 15, well maybe that is something you aspire to over the next 50 years or something. However, it is certainly not going to happen in the budgetary cycle, with the fiscal restraint that we have operating at the moment.

Teachers can say: 'Oh, it is much better and you get better outcomes'. Hundreds and hundreds of studies do not suggest that at all – not until you get down to below 15. Well, we are not talking about ever getting down to 15. They already have that in senior high school, 1:14, 1:17 lower high school, 1:22. Now, when we have a classroom of 30 kids out there in primary school - and we do have classrooms of 30 kids - that is because the school management and, hopefully, the entire school staff, have come to a cooperative consensus decision to say: 'We want a PE specialists; we want a music specialists, we want ...' whatever specialist. Okay, the management and principals say: 'I am going to take a teacher off line to do that ...

Mr MILLS: I do not want to be rude, minister, but perhaps I could assist you here if I had a copy of that report or that review. Then we can perhaps entertain some further discussions at the back of the Chamber.

Mr STIRLING: Well, you go to the Internet, that would be a good start. There are about 800 studies ...

Mr MILLS: I know. I am looking at this review; this specific one. I request a copy of the review.

Mr STIRLING: Not in advance of DEET having gone right through it.

Mr MILLS: Just offering my assistance.

Mr STIRLING: Once they are through, please ask me then.

Mr MILLS: I certainly will. I do not know when it is coming through, so I will just wait and watch.

My next question is: an additional \$460 000 has been set aside to address literacy and numeracy needs of children falling below the reported benchmarks in Years 3, 5 and 7. I request details of the programs but, more importantly, how progress will actually be measured?

Mr STIRLING: In terms of progress against it, the MAPs, for a start, is pretty good, August by August, notwithstanding specific teachers in charge of these students having the ability to test them at any one stage.

Mr MILLS: Sure, I will take that. Just describe the programs then at this point - what the \$460 000 will fund. We will talk about measuring outcomes later.

Mr STIRLING: Bear with me, Mr Chairman, and I will get this information. We know where it is, but we want to take it and get more specific information back to you than we have before us. So, if you want to lock that on to the record, we will get back to you.

Mr MILLS: I would appreciate that.

Mr CHAIRMAN: Do you wish to ask it as a question?

Mr MILLS: Certainly, and the answer forthcoming. Do it again?

Mr CHAIRMAN: Yes, just to clarify it.

Question on Notice

Mr MILLS: An additional \$460 000 has been set aside to address literacy and numeracy needs of children falling below the reported benchmarks of Years 3, 5 and 7. Detail the programs and how progress will be measured.

Mr CHAIRMAN: That is question 2.11.

Ms LAWRIE: Mr Chairman, my question went to that. Could I ask it at this stage, because it actually went directly to that question?

Mr CHAIRMAN: Do you mind?

Mr MILLS: Well, I have been fairly generous lately.

Ms LAWRIE: It is my only question.

Mr MILLS: It is your only one? I will let you go. As long as we do not have a really long answer. Sorry, with all due respect, minister, I have quite ...

Ms LAWRIE: I can only ask the question; I cannot tell you about the answer.

Deputy Chief Minister, in Budget Paper No 3 at page 75, the key variation of \$460 000 goes to the issue of additional support within student services. I am seeking an explanation of the impact that assistance provides to classroom teachers and their ability to improve whole-of-classroom outcomes.

Mr STIRLING: Thanks, member for Karama. I do not doubt that it has an enormous impact in the classroom where those with severe learning difficulties are able to be assisted throughout the day with inclusion support assistance for the teacher; it is great for the teacher. I am sure it also gives the parents of those students some peace of mind and comfort, and is great for the student.

In many cases, when you talk about what sort of learning outcomes or what value you get for that dollar, realistically speaking, the child probably would not be in a mainstream classroom without the

benefit of the inclusion support assistance. That goes without saying.

I would be happy to provide you with the additional information that in relation to the programs for which the member for Blain has asked. We will get that along to you as well.

Ms LAWRIE: Thank you.

Mr MILLS: Minister, page 79 of Budget Paper No 3 indicates the retention rate from Years 8 to 12 for 2002-03 was 71%. Why is there a forecast of 65% for 2003-04? A 6% drop is being forecast. That is the first part of the question. The second part is: is there funding allocated to address this critical issue, specifically? It is baffling to see that.

Mr STIRLING: Mr Chairman, page ...

Mr MILLS: Will I restate the question?

Mr SITRLING: I do not know ...

Mr MILLS: Page 79, Budget Paper No 3, the retention rate from Years 8 to 12.

Mr STIRLING: It is a good question, member for Blain. We will get back to you.

Mr MILLS: It is a very good question; it is a very serious question.

Mr STIRLING: It is not a good figure.

Mr CHAIRMAN: For the *Hansard* record, member for Blain, would you repeat it so I can allocate a number?

Question on Notice

Mr MILLS: The retention rate from Years 8 to 12 for 2002-03 was 71%. Why has it dropped to 65% forecast for 2003-04? What new funding is allocated to address this serious issue?

Mr CHAIRMAN: The minister has indicated that he will take it on notice. That becomes question 2.12.

Mr MILLS: I am happy to move on. An additional \$430 000 has been set aside to reduce truancy and behavioural problems. What programs will this allocation fund? What are the outcomes, and how will they be measured? It is one of the initiatives. It has been done?

Mr STIRLING: I am sure that is the attendance officers ...

Mr MILLS: Okay, I will look at the answer. If I am not happy with it, I will seek a briefing.

Truancy rates: detail the level of truancy in government primary and high schools for the 2003 academic year.

Mr STIRLING: Mr Saunders might have something on truancy.

Mr SAUNDERS: We do not collect figures like that.

Mr MILLS: It is deliberately asked from the same answer last year.

Mr STIRLING: It is not collected. If a student stops going to school and drops off the roll eventually, or drops off the roll in the next year at least ...

Mr MILLS: If I were a school principal, minister, or a teacher, and if I were asked to nominate students in my class or in my school whom I would regard as at risk, truant, I would be able to provide it. I think any principal could.

Dr LIM: Truancy is not a drop out, truancy is non-attendance.

Mr CHAIRMAN: Through the Chair, member for Greateorex.

Mr STIRLING: I am hearing what you are saying and in light of the very good work that this attendance officer is doing in Alice Springs, there might not be some attention to whether we get numbers or not. It is more important for the school management or the principal to know, and have those processes in place. Did the family leave?

Mr MILLS: Yes, minister, I appreciate that.

Mr STIRLING: Is the student sick?

Mr MILLS: It is just that this issue is becoming so serious and requiring attention, I think we need to have clear definition of the actual size, the scope of problem. Otherwise, we are bringing in \$430 000 for programs that are not clearly defined and we still do not know exactly what the issue is.

Mr STIRLING: Yes. As I said, it is educationally and socially important in that sense. I am mindful of the administrative workload that schools and school principals and deputy principals carry. I will give you this undertaking: we will look at it in terms of how it might complement the work of the attendance officers as they come on stream and see if we cannot come up with some sort of system that is not overloading schools in a bureaucratic administrative sense.

Mr MILLS: The next question, Mr Chairman, is a question that I uncovered in reading *Hansard* when the minister was in opposition. In the year 2002-03, I have just changed the dates, how many parents were referred to police or any other agency for action as a result of failing to send their children to school?

Mr STIRLING: That sounds like ...

Ms Carter: Good question, isn't it?

Dr LIM: A Syd Stirling question.

Mr MILLS: It is one of your questions.

Mr STIRLING: Mr Chairman, I do not recall ever asking that question.

Mr MILLS: Actually, I will be honest; it was Dr Toyne.

Mr STIRLING: But I bet the answer is the same today. What was the answer to that question?

Mr MILLS: The answer was none. On the opposition bench at the time, there was an outrage.

Ms Carter: We are getting ready for it.

Mr STIRLING: Okay. The answer is none.

Ms Carter: Shame!

Mr MILLS: Primary and secondary teachers, as you would be well aware, cite, in contemporary terms, increased pressure associated with performing their professional duties. Is the department able to assess in any way the levels of this pressure? Are we able to know what kind of increasing pressure there is on our teachers today?

Mr STIRLING: I understand the question. It would be very difficult in terms of a qualitative or quantitative measure. Certainly, these issues have a good airing and hearing in terms of the many meetings that take place in the lead up to finally getting to the business end of the EBA. The unions raise a range of matters that they say are impacting on stress levels that teachers have, and no-one ought pretend that teaching is an easy task. You and I know that that is not the case. Difficult, though, to have any objective measure of the additional weight, load, stress that teachers carry today by comparison with what they used to. It is something about which the system needs to be mindful and continue to always listen and work with the AEU on those matters. If there is a measure, I suppose it is the number falling out on worker's compensation on stress leave. Ill health can come from being overloaded in terms of stress, and those figures always require monitoring.

Mr MILLS: In that case, are those figures available?

Mr STIRLING: By the end of August, they will be. Work is being done at the moment.

Mr MILLS: I have acquired a copy of some figures related to levels of injury. There is one of particular interest, and this is a way of measuring the stress that teachers may be under, exposure to mental stress factors. In 2000-01, the cost of claims was \$679 683. Going across to the next year, 2001-02, it had jumped to \$1.147m. Going across to the next year, the current year, it is \$715 000, just to February. Surely, this is an indicator of the level of stress that teachers are currently under.

Mr STIRLING: It may be an indicator, not necessarily solely

Mr MILLS: No, I am not saying that, but there must be ways.

Mr STIRLING: The figure I have here in terms of workers compensation weekly benefits - this would be for all staff, though, not just teachers, bearing in mind 2100-odd teachers and 3600 all together, so 2100 of those are teachers. In 2001-02, workers compensation weekly benefits were \$2.972m, and expended in July-May 2000-03 \$2.227m. That is a drop off of nearly quarter of a million, \$745 000.

Mr MILLS: Sorry. Could I have that again, minister?

Mr STIRLING: Yes. Workers' compensation weekly benefits inside DEET: 2001-02, \$2.9m.

Mr MILLS: This is for mental stress factors?

Mr STIRLING: This is for workers compensation weekly benefits. 2001-02, \$2.972m. The expenditure July to May, because this only runs up to May, \$2.227m. That is a drop off of \$745 000 year to year.

Mr MILLS: Would I be able to have a copy of that?

Mr STIRLING: Yes, I can table this. I am not disputing what you are saying there.

Mr MILLS: It is your document, actually.

Mr STIRLING: Yes, there is a document here.

Mr MILLS: But it is the mental stress factors in particular, and we all know, minister, how difficult it is to qualify for compensation. So there are a number of teachers who would not even go that far to seek compensation. It is just an indicator and from my figures here, which is your document, it shows that it is increasing significantly.

Mr STIRLING: Mr Chairman, can I just clarify so we can have a look at this?

Mr MILLS: It is called Department of Employment, Education and Training *Education: All Injuries Report - New claims, reported injuries, and total costs for the month ending 28 February 2003.*

Mr STIRLING: That goes month by month?

Mr MILLS: No, it is year by year.

Mr STIRLING: Okay.

Mr MILLS: Mr Chairman, I seek clarification. If questions are unable to be asked, is it possible to have them tabled?

Mr CHAIRMAN: How many more questions do you have?

Mr STIRLING: We will keep going. I will go quickly.

Mr MILLS: Right. Minister, how many staff members are employed in the Students Services Section? How many special education teachers does the department employ, and how many of these special education teachers are working directly in schools, and include in that ISAs, Inclusion Support Assistants?

Mr STIRLING: I think we nearly have it all. The number of special education teachers working in Northern Territory government schools has increased. The department employs 287 special education staff, consisting of 165 special education teachers; seven externally-funded special education teachers, that would be federal; 112 special education non-teaching staff, they are your ISAs; externally-funded special education non-teaching staff, three. When we say externally funded, it is probably federal. Special education non-teaching staff are employed predominantly in schools and provide support to special education teachers. The special education staffing formula is based on the ratio of one teacher and one AO2 Aide for 10 students with mild to medium disabilities, and one teacher and one AO3 Aide for five students with medium to severe difficulties. Personnel expenses for this initiative for 2002-03 are \$12.534m, increasing to \$12.66m in 2003-04.

Mr MILLS: Thank you, minister.

Mr STIRLING: You asked about Student Services. Of the 287 special education teachers in the system, 112 are in special schools, 89 in mainstream schools, and 86 located in Student Services.

Mr MILLS: Moving to the DARE scheme, School Based Constable review. Minister, how much did that review cost?

Mr STIRLING: Mr Chairman, there is not a figure costed against it. It was done in-house by existing staff. That is not to say there is not a cost associated with it, but in the sense of retaining a consultant to put it all together, there was no external cost.

Dr LIM: Through the Chair, you would have to agree that, with accrual accounting, all such costs should be accounted for. Perhaps the minister would like to look at it and come back to us with a response.

Mr STIRLING: Mr Chairman, I would not be interested in going back in time. This was at the time when we had cash and accrual reporting systems. I am not going to go back just for the sake of the record and say that in accrual terms, it cost X amount of dollars. It does not add value, does not provide one job, does not educate one kid. No.

Mr MILLS: Minister, with regard to the cost of it, I will balance it up. I imagine it was a reasonably expensive exercise. That being accepted, what were the outcomes of that review? I ask that in light of the SHAPES question that was asked. I asked the same question last year. There was an indication that a review was on foot, and had been concluded in April 2002. It had not been released and there were questions that came up in the review that had some linkage to drug education. Where is this DARE review, and what are the outcomes?

Mr STIRLING: There are a couple of elements to it. It was not just the drug education side of it. There was the question of the school-based constables as well. There was enormous community support for the school-based constable scheme throughout the Northern Territory, and a strong wish from those areas that have never had the privilege of school-based constables to share in the program as well, even if on a part-time basis.

The outcome was something like 6000 hours in a year accruing to school-based constables in the delivery of DARE, and might there not be a better and more cost-effective way of delivering DARE, and, if not DARE, a drug awareness and education program? The idea was retaining the school-based constables associated with it, but not solely responsible for the delivery of it. Therefore, you can open up greater access to existing school-based constables within given resources. I do not think it gets us there in terms of school-based constables into remote areas. Groote Eylandt jumps out as an outstanding example. Does a school-based constable fly across to Elcho Island in my electorate ...

Mr Mills: With respect, minister ...

Mr STIRLING: ... or not? We need to open up that sort of access. In relation to - I am coming to drug awareness.

Mr Mills: Yes, okay. The outcome of that review.

Mr STIRLING: These are all the outcomes. These are all things that were considered in the review. With the education side of it, the School-Based Policing Scheme Review Report released in 2002 recommended the replacement of the Drug Abuse Resistance Education program with a program delivered by teachers within the context of the Territory curriculum framework. It is essential that such a program be both systemic and rigorous.

Indigenous drug education support materials were developed within the Territory as part of the National Schools Drug Education Strategy. This resource and associated professional development will have been distributed across the NT by December 2003. In May, the federal Department of Education, Science and Training released a series of teacher support resources promoting resilience in drug education, REDI. A copy of this kit is being distributed to every school in Australia.

An inter-sectoral drug education reference committee is finalising input into a draft options paper on health and drug education for 22 July. Representatives from Health, and Police, Fire and Emergency Services are also involved. A Territory drug education policy written in a user friendly format will be developed by DEET by the end of 2003, and implemented in 2004. The policy will be in line with the principles of health promoted in schools.

Negotiations have commenced with Department of Education, Science and Training regarding

funding opportunities for teacher professional development relating to health and drug education policy, and in the delivery of any associated resource materials, including indigenous drug education support materials. Existing DEET resources will be directed to support the development of the drug education policy and implementation strategy.

What needs to be made very clear is that DARE continues. DARE continues as is until the time of implementation of the new policy. There is no question about that. So it is DARE and then the new program comes in.

Mr MILLS: I might have missed when this new program is going to be implemented.

Mr STIRLING: 2004.

Mr MILLS: 2004. Okay. Just to close off this section, minister, I have three questions which I would be prepared to read into *Hansard* and have the answers supplied because I do not need to go into them in depth. They are related to the School of Languages, School of Music and funding for the Beat.

Mr STIRLING: Ask them. We might have the answer.

Mr MILLS: Yes, but I have other questions to ask, minister. The clock, I see.

Mr STIRLING: Okay, so you just want them put on the record? Why are you worried about the clock?

Mr MILLS: You are finished at 6:30 pm and ...

Mr STIRLING: No, no.

Mr KIELY: A point of order. Do you mean you are going to ask the question, but you do not expect an answer?

Mr MILLS: No, I do expect answers.

Mr STIRLING: Mr Chairman, let us clarify the time. I do not finish at ...

Mr CHAIRMAN: You finish at 6.30 pm.

Mr STIRLING: I thought it was 7 pm.

Ms LAWRIE: 6.35 pm.

Mr WOOD: Seven hours, not six.

Mr CHAIRMAN: What I suggest we do, member for Blain, if you would quickly like to ask the question, and we will see what happens.

Mr MILLS: Okay. I am just saying that in terms of non-government education, I have some questions ...

Dr LIM: I would like to ask some questions, Mr Chairman.

Mr MILLS: The School of Languages. What level of funding does the 2003-04 Budget contain for the School of Languages, and how does this level of funding compare with the allocation made in the last budget? Can I just table that. I do not necessarily want to hang around for an answer because I have other things ...

Mr STIRLING: No, we will get an answer to you on that. Keep going.

Mr CHAIRMAN: That is question 2.13.

Question on Notice

Mr MILLS: What level of funding does the 2003-04 Budget contain for the NT School of Music? How does this level of funding compare with the allocation made in the previous budget?

Mr STIRLING: We will treat that the same way.

Mr CHAIRMAN: That is question 2.14.

Mr MILLS: What level of funding did The Beat receive from the NT government in 2002 and 2003 respectively? What level of support is proposed in this budget for Beat 2004?

Mr STIRLING: The answer to the last question is \$25 000 in both cases.

Mr MILLS: And that is for 2004?

Mr STIRLING: 2002-03 and 2003-04.

Dr LIM: Mr Chairman, if I may ask some questions in regards to government education. The minister mentioned just now a list of budget highlights including major capital works projects and then he mentioned that the Desert Peoples Centre was funded federally. Could you detail the contribution by the federal government in whole or in part of the projects that are in the new initiatives or major capital works for 2003-04? You can take the question on board and provide an answer ...

Mr STIRLING: In the others that I went through in answer to the member for Nelson, that is the only one. It has come through the Australian National Training Authority, \$5m. All the rest ...

Dr LIM: I refer to you to page 79 of Budget Paper No 3, International Education. In Budget Paper No 3 of last year, you estimated that there would be 140 fee-paying overseas students and your estimated actuals for this year is 126. You estimated that you will have 110 for next year. Could you tell me how many are in government schools and how are in non-government schools? How many were recruited by the department itself and how many were recruited by the schools or through private contractors? Why have you decreased your estimate to 110 when in fact you have 126 this year?

Mr STIRLING: In answer to the first part, they are all government schools, those numbers. The department recruits some, and some pop up themselves. External factors such as world travel, health, SARS, terrorism are all concerns that impact on families' decisions, and indeed, students' decisions.

Dr LIM: The non-government schools do not have any overseas students? Or if they do ...

Mr STIRLING: They do. This is just government. These are government figures.

Dr LIM: They are recruited by departmental staff who go overseas to recruit them?

Mr STIRLING: The International Services Branch does travel on behalf of DEET and they have contacts in those countries.

Dr LIM: Are you able to provide a list of the schools and the number of students from overseas that in are those schools?

Mr STIRLING: We will take that on board.

Question on Notice

Mr CHAIRMAN: That is question 2.15. Would you like to repeat it?

Dr LIM: I asked whether the minister could provide me with the numbers of overseas fee-paying students who are in government schools and who are recruited by the department, at which schools, and in what numbers.

Dr LIM: My final question in regards to government education is about tertiary education. With the formation of the Charles Darwin University, what has happened to the budget allocation that is normally put to Centralian College? It is not in Budget Paper No 3 or 4. What is it? How is it going to preserve the Centralian College component of Charles Darwin University? What processes have been put in place by the minister to ensure that the Alice Springs component of Charles Darwin University will be maintained, particularly Years 11 and 12?

Mr STIRLING: It is a valid and fair question in some respects. I have worked it through with Treasury, but I am not satisfied with where we are up to. I am talking about future treatment of it in the budget papers.

Dr LIM: There is nothing here at all.

Mr STIRLING: In a sense, it is a government funded senior secondary element of a tertiary institution, and ought not there be transparency around that allocation? Certainly, Centralian College had its own page within the budget. On the other hand, we do not put in the budget papers Darwin High School or school by school. We do not say what Nightcliff High School or Nhulunbuy are funded. So if you look in the budget papers, there is a global figure against secondary education and Centralian is in that.

Dr LIM: Centralian College is identified separately because it is outside the Department of Education. Centralian College is a TAFE institution that has Years 11 and 12. It is partly funded through DEET, but it is a TAFE institution that is a separate entity all together. That is why it had its own pages in last year's budget. In this year's budget, it is non-existent and its budget allocation is untraceable.

Mr STIRLING: I hear what you are saying. I think there is a case for it, given that it certainly appeared that way before, and you could see very clearly what it received for VET and secondary.

Dr LIM: And what it got for TAFE, which is quite different from VET.

Mr STIRLING: I think we will have it somewhere. That decision has to be worked out with Treasury and DEET

Dr LIM: Will you take that question on notice and the provide me with a response, then?

Mr STIRLING: For financial year 2003-04?

Dr LIM: That's right

Mr STIRLING: Yes, I do not have a problem with that.

Question on Notice

Mr CHAIRMAN: Would you like to repeat that question?

Dr LIM: With the formation of Charles Darwin University, what has happened to the budget normally allocated to Centralian College? What is it for 2003-04? What processes has the minister put in place to ensure that school students of Years 11 and 12 are being adequately being supervised?

Mr CHAIRMAN: That is question 2.16.

Mr MILLS: Mr Chairman, I have no more questions for Government Education.

Mr KIELY: I have one. Minister, the School Attendance Officers that we included in last year's budget at Palmerston and Alice Springs, can you report to the committee on how the current employees are progressing? Are they effective?

Mr MILLS: A point of order. That has been ...

Mr STIRLING: I did report on that, Mr Chairman ...

Mr KIELY: I did not pick up on that.

Mr STIRLING: ... particularly the outstanding work - I will be very brief because it is on the *Hansard* record - but particularly the information to hand in relation to the one in Alice Springs. Anita Kruger has been working closely with staff from the Alice Springs Library and Tangentyere Council. If you bear with me, this is different from the information I had before, member for Blain.

Last year, government made a commitment to employ eight attendance officers who have the job of getting not enrolled at school back in the system. The first two officers were employed early this year - one in Alice Springs, one in Palmerston. It is still early days, but both officers have achieved preliminary success in their first few months in the job.

The attendance officer employed in Alice Springs, Anita Kruger, has been working closely with staff from the Alice Springs Library and Tangentyere Council to identify school-aged children not attending school. Through her efforts, 50 - I reported 45 in the time I spoke before and now, she has another five - young indigenous people including many from town camps have been enrolled at schools for the past two months, ranging in age from five to 12. Early indications are that most of them are attending school regularly.

Parents have been very grateful for Ms Kruger's assistance. She has been accompanying parents and children to school on their first day and keeping in touch with them every week to monitor progress. Some of these children have very low literacy levels. Great care is taken to ease them into the school environment. Ms Kruger reports she has visited less than half the town camps so far, and estimates that there are many more students and families that she needs to see.

While most of the children identified in and around Alice Springs are of primary age, it appears in the Palmerston area, most are high school age. Palmerston attendance officer, Evelyn Myatt, is working

closely with Palmerston Principal, Sue Murphy, and has identified 36 secondary-aged students and four primary not attending school. These young people are mainly 12 to 15. They are children not engaged in education or access training and employment initiatives for a range of reasons. Many have low literacy and numeracy, many have disruptive home lives, some have substance abuse problems, some have problems dealing with authority. Ms Myatt is working collaboratively with government and community agencies, such as Family and Community Services, Anglicare and Amity House to effectively address each of the young person's individual problems before re-entering the school environment.

Many students need a great deal of support and mentoring to get them re-engaged. Each one is being individually case managed. Once they re-enter the system, they will receive ongoing support from the attendance officer and school staff to ensure their successful transition. Ongoing counselling will be provided. Those needing intensive literacy and numeracy will be provided for. An alternative education provision strategy is being developed. Ms Myatt reports that community involvement is crucial to the success of re-engaging these young people.

I applaud both Ms Myatt and Ms Kruger. DEET is working closely with them to ensure they have the resources they need. This year's budget will employ the next three. It has been announced that the next officer due to start will be in the Sanderson-Karama area and, at this stage, of the two remaining officers, one potentially in Katherine, one in Central Australian remote communities. It is early days, but big gains in terms of the cost of having these attendance officers on and what they are achieving. It is a great initiative.

Mr CHAIRMAN: I understand that concludes consideration of Output Group 2.
OUTPUT GROUP 3.0 – Non-Government Education
Output 3.1 – Primary Education

Mr CHAIRMAN: Are there any questions?

Mr MILLS: Minister, a similar position, I think, it is not so rosy for the non-government sector. It appears that, taking into account inflation and the like, there is even less to crow about in the non-government sector. Could you identify what capital works funding is being afforded to the non-government sector in this budget?

Mr STIRLING: The 2002-03 Capital Subsidy and Interest Subsidy Schemes total \$2.5m and involve seven non-government schools. Five of the schools accepted DEET's offer to participate in the scheme. The 2003-04 funding commitment for current projects is \$3.7m. There are currently 74 approved Capital Subsidy and Interest Subsidy Scheme projects, with a total value of \$47.3m. They are ongoing. The 2003-04 scheme has been deferred until the completion of the secondary education review. Submissions will be re-assessed once the outcomes of the review are known. Consideration of submissions will not occur before the 2004-05 budget process. There are five new projects proposed for the 2003-04 scheme. Four of those are secondary. The one primary came from a Darwin rural non-government school, and the proposal was not supported due to the recent opening of Girraween Primary School. The deferred 2003-04 submissions total \$7.25m. They are listed here so I will table that if you are interested.

Mr MILLS: Yes, I am interested. Further to that, minister, the Catholic Education Office is wondering about the status of its block in Rosebery. We have overcrowded schools in Rosebery. There is an offer there for the Catholics to build a primary school - I have talked about it for some time - also, a high school adjacent to Palmerston. They are still waiting and need some kind of indication as to how their planning goes, but it also meets a problem that you have in Palmerston, that is overcrowding at Bakewell School and no school on the horizon that I can see for Rosebery.

Mr STIRLING: The deferrals I just mentioned in relation to secondary schools, four of the five being secondary, and Catholic College Palmerston, stage one, at \$3m, is one of those. However, I think it is a fair call in terms of the secondary review to find out what they are saying. What might the shape and mix of secondary education be throughout the Northern Territory in the wake of this review? What

recommendations are they going to make? The Catholic Primary School in Rosebery is not one that has come before us.

Mr MILLS: They have land, I understand, in Rosebery.

Mr STIRLING: Yes, but it has not been put forward as ...

Mr MILLS: Formally?

Mr STIRLING: Yes, into the process for funding against the non-government fund. Certainly, the high school is there.

Mr MILLS: Further to this is the secondary review. We are awaiting the outcome of the secondary review. My understanding was the secondary review was to do with non-government education. How is it that the secondary review is used as the reason for withholding decisions on the non-government sector?

Mr STIRLING: No, it is not to do with non-government education; it is primarily to do with government education, but with a view to secondary education across the board.

Mr MILLS: So the non-government sector has been included?

Mr STIRLING: We invited the non-government sector to participate. They have made submissions. We are not going to be telling the non-government sector how they should run their schools. However, given that we wanted this process as inclusive and as comprehensive as possible, it seems sensible that you want some views coming forward from the community that might be helpful to the non-government sector overall.

Mr MILLS: My next question, minister, funding for the non-government sector is claimed by the Commonwealth to have decreased by 4.1% in this budget. I had a briefing from my federal colleague. I said: 'How could that be? I cannot work out that 4.1%'. This is what he said: 'The figures reflect an under-spend. In 2001-02, there was an under-spend in the IESIP area. It was then transferred to the 2002-03 budget'. Therefore, we have effectively a 4.1% reduction in this budget. Are you familiar with that? Perhaps I will provide you with a briefing later on.

Mr STIRLING: Do you want us to take it on notice?

Mr MILLS: Yes, I would appreciate that, just to square that up, because that is the advice that I had.

Mr STIRLING: We will take that, Mr Chairman.

Mr MILLS: Do you want me to read it again?

Mr CHAIRMAN: Yes, very quickly.

Question on Notice

Mr MILLS: Funding to the non-government sector has decreased by 4.1% in this budget due to an under-spend transferred to the 2002-03 budget. I ask the minister to investigate the status of IESIP funding and its relationship to this issue, which is, in fact, resulting in a reduction in funding in real terms.

Mr STIRLING: We will undertake to look at it, Mr Chairman, but they would get their own indigenous source funding through the Commonwealth. It is not something that would come to the NT, that we

would reduce and pass on.

Mr MILLS: I understand that. I am talking about a transferral.

Mr STIRLING: Any reduction in that area is federal. But we have undertaken to look at it.

Mr MILLS: Sure, I would appreciate it.

Mr CHAIRMAN: Just for the *Hansard* record, that is question 2.17. Are there any other questions?

Mr MILLS: No further questions.

Mr STIRLING: Any percentage decrease is probably the deferral of the capital grants programs throughout 2003-04, but we will confirm that.

Dr LIM: One quick question, Mr Chairman. I am happy for the minister to take it on notice. Are you aware of the numbers of fee-paying overseas students in non-government schools; how they are recruited; and at which schools?

Mr SAUNDERS: Could you repeat that question?

Mr STIRLING: Fee paying students in non-government schools. No, we do not have that information.

Dr LIM: If you do not know, could you ...

Mr STIRLING: You get that information at an anecdotal local level. For example, when I pop out and see St John's and you meet the person responsible for that, they have had quite a number coming through there. But the department overall does not have that information.

Dr LIM: Does the government have any supervisory responsibility for these students?

Mr STIRLING: International Services, under Kerry Moir.

Dr LIM: So you have some figures and numbers, then?

Mr STIRLING: If they have fee-paying overseas students, they have to meet certain Commonwealth requirements, and International Services Branch within DEET monitors that from the minimum required standards perspective. That does not involve picking up the numbers they have; it is a matter of whether they have them or not because they have to meet those standards.

Dr LIM: So to meet the standards, would the government therefore need to know the numbers of students, where they are, etcetera, or you just - she reports to you or to somebody in the department?

Mr STIRLING: We will take it and get back to you if you are happy with that. We will ask Ms Moir.

Dr LIM: All right. I ask that the question be taken on notice.

Mr STIRLING: She does report to the Commonwealth, so I do not know whether it is necessary for us to have it.

Mr CHAIRMAN: Repeat the question, please.

Dr LIM: Could the minister provide the number of fee-paying overseas students in non-government schools, how they are recruited, in which schools they are, and from which countries they originate?

Mr CHAIRMAN: Thank you. That question is 2.18.

Mr CHAIRMAN: Before you go ahead, member for Nelson, I remind members that we have about 12 minutes remaining in this output

Mr WOOD: I will turn two questions into one. Minister, why is it cheaper to educate a student in a non-government primary school and secondary school over a government equivalent school? You quote those figures in here, the cost per student.

Mr STIRLING: You are misreading the chart. The 20-21% in the non-government school figure comes from Northern Territory government. Around 60% of the per student funding comes from the Commonwealth and around 20% is either in fees that they charge or other forms of revenue that they generate. It think it is just the way you are reading those charts.

Mr WOOD: Yes, I realise that. The figures I received from the non-government sector later was that the actual cost of the student in primary school is \$6886 for a government school and \$5602 for a non-government school, and it is a similar cost differentiation.

Mr STIRLING: There are additional services that government provides to the non-government sector: some student services, a lot of curriculum materials and development; the sorts of things that do not accrue in the non-government sector as a cost. I mean, the rollout of LATIS under the former government went into non-government schools at enormous cost, that LATIS system, across the board. I am not just talking non-government. But if all of those subsidiary items, if you like, were factored into the cost and they were providing it themselves, or even just built into the cost of providing it because it is still a cost, it is just the Northern Territory government is picking up a lot of those costs and not the non-government sector.

An analysis with all of the same factors being worked out would be interesting, but the analysis you are giving me is not including the full costs being contributed by the Northern Territory government. And if it was cheaper on a cost per student basis, I would want to know why because why would we be giving them so much money?

Mr CHAIRMAN: Thank you, minister. My understanding is we have now completed Output 3.0.

OUTPUT GROUP 4.0 - Training

Output 4.1 - Vocational Education and Training Services.

Mr CHAIRMAN: Are there any questions?

Mr MILLS: Minister, the Commonwealth was willing to offer \$1.87m this year for additional growth funding for the Northern Territory, but the NT government was only able to offer \$600 000 in matched funds. The question is: has the NT contributed growth funding that it had agreed to in 2001?

Mr STIRLING: The short answer is, no, not in total. There were two jurisdictions caught in this bind of underfunding very early in the life of the agreement, and have not subsequently caught up in terms of growth funding or additional funding throughout the life of the agreement. The member for Blain would be aware that the Australian National Training Authority Ministers Council met the other week in Darwin and federal minister Nelson chaired that meeting. I have to say that he was enormously

gracious when it came to these items on the agenda in relation to the \$1.87m outstanding for the Northern Territory and a somewhat lesser amount, I forget exactly, for the ACT. He spoke to me the night before at the dinner and said: 'You will be seeing that money, but I am going to be putting parameters on it and they will generally be in the area of indigenous ...

Mr MILLS: So you will not be able to match it?

Mr STIRLING: He is going to give us the money. The Commonwealth had the right to say: 'We want the money back because you failed to match the growth funding throughout the life of the agreement'. He said to me, and it would be a similar story with the ACT, I imagine: 'No, we are not taking that money from you, but officer to officer discussions will be taking place as to quite specific federal government requirements and parameters around the expenditure of that money'. The only indication he gave was that it would have to be indigenous, and that is music to our ears. If we have to spend it on indigenous education, that is fine. We are happy to. I was forthright in my thanks at the ministerial council for his support.

Mr MILLS: Minister, this budget increases VET funding by 2.9%. With CPI increasing by 2.5% and wages going up by 3%, how can you forecast a 13.3% increase in student curriculum hours? Where are the cuts, and how are you making these savings of 13.3% in student curriculum hours?

Mr STIRLING: We have been down the same path a couple of times this evening. I explained earlier, and the member for Blain accepted, that wages and salaries are around a 50%, a bit less a bit more overall, of an agency's spend so you cannot say: 'Wages affect right across the spend' because it simply does not apply that way.

We went some way, without quantifying it, in terms of the high quality, efficient delivery of TAFE and VET services coming out of Centralian College and the creation of, in Northern Territory terms, a very large public provider with the amalgamation of the soon-to-be Charles Darwin University and Centralian College with the dividends accruing through efficiency of scale of operation for a start. The expertise, experience and the smooth machinery that Centralian bring to it will mean more hours delivered at a far less per-hour cost than either were able to deliver individually in the past, but particularly in the case of NTU. I do not pretend it is easy. It is an institution that has had to try to be everything - a university on the one hand, a VET and TAFE deliverer on the other. But Centralian will bring experience and expertise there and we will get efficiency. It will be a big public provider out there in the marketplace.

Mr MILLS: Those kinds of efficiency gains are being forecast. We will have to watch and see how that pans out.

Mr STIRLING: We will monitor very closely. Who is going to benefit from this? It is the clients and the labour market because of the added skill and efficiency dividends.

Mr MILLS: I do have a couple of other questions, but in the interests of time so that the Commissioner for Public Employment has an opportunity, I will write to the minister with this question, which would take a long time to answer. So that is it for Training for me.

Mr CHAIRMAN: Any further questions?

Mr WOOD: One question on vocational education and training. Minister, I will take this on notice if it is too long: how many young Territorians were in apprenticeships this financial year? How many are predicted for next year? How many apprentices will be taken on in the building of the LNG plant? As regards to apprenticeship and training completions, why is it shown as only 42% in the budget? What does that figure actually mean?

Mr STIRLING: Let us start with that last one first. In a multi-year apprenticeship, not everyone completes in that one year. I looked at that figure, I said: 'Does this mean 58% are not completing?'

No. Some are 12 month traineeships or, as they are now called, new apprenticeships. They complete in a 12 month period, but your traditional trades take three to four years. With competency based training, some still take four years. Numbers coming out of this financial year are around 2640, somewhere in that order. We are looking at a 24% jump in apprentice numbers and associated support services over the next three years. Indicative apprentice commencements of 6000 over the next three years, and that is used to calculate the business allocation for the New Apprenticeship Support Services Contract 2003-06. That is a joint cost of \$8m shared by the federal Department of Education, Science and Training and DEET. An average cost of \$4200 per apprentice, \$1.550m injected to meet the costs associated with approximately 369 extra apprentices over the three years.

Mr MILLS: Mr Chairman, we have run out of time.

Mr CHAIRMAN: We have not run out of time. Are there any other questions in respect of output 4?

Mr WOOD: Does 4 include non-output specific budget questions?

Mr CHAIRMAN: This is Vocational Education and Training services. There being no further questions, I thank the officers from the Department of Employment, Education and Training for being here today. Thank you very much for your time.

Mr WOOD: Are we able to leave any questions on notice with the minister?

Mr CHAIRMAN: Well, no. Sorry.

Mr WOOD: Can we leave them in writing?

Mr CHAIRMAN: You can write to the minister if you wish. That is it. We are moving on. Thank you very much, everyone from the Department of Education.

Mr STIRLING: You told me I finished at 6.30pm.

Mr CHAIRMAN: No, no we have five minutes because we took a break.

**OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT
OUTPUT GROUP 1.0 – Public Employment**

Output 1.1 – Employment Framework

Mr CHAIRMAN: I invite the minister to introduce officials accompanying him. The committee will proceed to consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Office of the Commissioner for Public Employment. I call for questions in this output.

Mr STIRLING: Thank you, Mr Chairman. I have with me the Commissioner for the Public Sector, Mr John Kirwan, Mr Brian Mappas on my right, and Mr Ron Gibson at the end of the table. Welcome, and thanks for coming.

Mr MILLS: Professional Development, Mr Chairman. What level of funding does the Approved Student Status Scheme receive in this budget, and over the past five years, how many public servants have been assisted by this scheme? If you could provide details of the nature of the studies that have been undertaken and list by agency.

Mr STIRLING: By five years by agency?

Mr MILLS: You can take it on notice if you wish. I do not necessarily need it tonight.

Mr KIRWAN: This is the subsidy scheme for starting at university?

Mr MILLS: That is right. Professional development of different kinds.

Mr KIRWAN: This is not information that we collect centrally, so we would have to go to the agencies and we would have to go back over five years.

Mr MILLS: Okay, well then tertiary studies.

Mr CHAIRMAN: So you are asking the minister to take a question on notice?

Mr MILLS: Yes.

Mr STIRLING: Sorry, Mr Chairman. We do want to clarify the scope of this question. It may be that it is ...

Mr CHAIRMAN: What I am trying to do is to clarify precisely what the question is and then you can determine whether or not you wish to take it on notice.

Mr MILLS: I will say it again, Mr Chairman. I understand that there is an Approved Student Status Scheme in operation.

Mr STIRLING: Yes.

Mr MILLS: I want to know how much is being afforded to that scheme in this budget. I am also interested to know how that scheme is operating and what value we are getting for money in professional development afforded to public service through this scheme.

Mr STIRLING: That is a different question from the question you asked just prior. We may be able to answer that on the spot. In fact, the Commissioner looks as though he is biting at the bit to get to it.

Mr KIRWAN: It is not in the budget because it is not held in our budget; it is by CEO and by agency. We do not collect that information. It is provided under the regulations that the CEOs can determine that. I know in respect to NTU - because we sought it in the recent discussions with them - there is a figure of subsidy for students in higher education of around about \$0.5m. It is an agency by agency issue. We do not hold the budget for that. It is not held centrally, and it is a determination by the CEO.

Mr MILLS: I will investigate that further in writing to you ...

Dr LIM: I have a question, Mr Chairman.

Mr CHAIRMAN: Is this in respect of output 1.1?

Dr LIM: It is to regards to employment framework, yes. Page 115 of Budget Paper No 3 indicates that there are 16 050 paid employees for 2002-03. Adding the totals for each agency within each output area, the total is 13 835. Last year, the figure in Budget Paper No 3 was 15 300 paid employees, while the totals from each agency added up to 13 833. On the other hand, the Public Service Commissioner's figures obtainable from the web site show 14 321 full-time equivalent employed as of September 2002; and 14 423 full-time equivalent employees as of the March quarter 2003. We have three sets of numbers. Which ones do we believe? I understand that the commissioner also gave us an undertaking that he would reconcile these figures. Can you explain the discrepancies and give us a reconciliation of that?

Mr STIRLING: Mr Chairman, I ask the commissioner to deal with that question.

Mr KIRWAN: The figures are different because they are accounted differently. The figures that are used in the budget papers are average staffing levels and they fluctuate, based on temporary staff vacancies and seasonal issues. The formula that we use is a formula that has been agreed between us, Treasury and Chief Ministers that goes back to the previous government and was worked out in 1993-94. Therefore, the consistency applies in respect of the OCPE figures, which is an agreed algorithm which is, in fact, based on the original Commonwealth algorithm in respect of how you calculate FTEs. So, one of the reasons for the difference is that the calculation between the two – for example, the budget papers is the average staffing level figure and that average staffing level figure varies for a whole range of reasons – as I said, vacancies and things like that.

In respect to our figures, it is based on the numbers paid and the formula is based through on that so there is a constant. What we now publish quarterly on our web page is those figures, and those comparisons under the current government structures, which is different from the previous ones. There is a difference, but the current figures are quite clear. That is, accepting that the financial year has not quite finished, but including the last pay, our estimates of the comparisons from 2001-02 to 2002-03 are that the staffing average at the end of 2001-02 is 14 303. Our figures at the moment are showing 14 538, which is an increase of 235 over the last 12 months. They are based on our model, and those figures will be published quarterly, as per the undertaking that the minister gave some time this financial year.

Dr LIM: So, that reconciles two sets - the 16 050 in the old figures. However, when you add each agency, page by page, it is different again. So how does that reconcile with the first set?

Mr CHAIRMAN: Is your question to the ...

Mr STIRLING: Yes, he is asking me and I am just about to ask the commissioner to respond, Mr Chairman.

Mr KIRWAN: Again, the figures in the budget papers are average staffing levels, as Treasury uses. If you use my own agency as an example, I think it says 45.

Dr LIM: Correct.

Mr KIRWAN: Our current average staffing level is 49 because of variations at the end of the financial year. It varies. Adding up the budget figures will not give you the same figures as we have on our web site because the fundamental formula used to calculate them are different. One is an average staffing level; the other is based on an algorithm, which is based on who is paid each pay, a formula then is applied, and that may have some weaknesses, but has been consistent since 1993-94.

Mr STIRLING: Mr Chairman, I think I have met my commitment in relation to the ...

Mr CHAIRMAN: Thank you very much. I was going to advise members that time has expired.

Mr STIRLING: Can I just say thank you to all members of the committee for their cooperation in the interrogation of the budget.

Mr CHAIRMAN: On behalf of the committee, I thank you, Treasurer, for your attendance here today and also to John, as short as it was, thank you very much for your time.

Mr MILLS: We had more for you.

Mr STIRLING: I thank all of the officers from agencies who have appeared with me this afternoon for their help as well.

Mr CHAIRMAN: We will adjourn until 7.05pm. We will have a quick deliberative meeting next door.

Members: 10 past?

Mr CHAIRMAN: 7.10 pm.

The committee suspended.

CHIEF MINISTER'S PORTFOLIOS

Mr CHAIRMAN: We will make a start on this evening's deliberations. I welcome the Chief Minister.

Ms MARTIN: Thank you, Mr Chairman.

Mr CHAIRMAN: Chief Minister, will you be making an opening statement in respect of the Auditor-General's Office?

Ms MARTIN: Yes, in respect of the whole session.

To indicate what I will be answering questions on: my Department of Chief Minister, which includes the Office of Territory Development, NT Rail and the Office of Parliamentary Counsel, plus other things, of course; the Ombudsman's office; Arts and Museums except Library Services, which is within Community Development; any questions concerning ministerial office expenditure; and the one that we are going to start with, the Auditor-General. Minister Vatskalis, the Minister for Ethnic Affairs, will answer questions on Ethnic Affairs issues during his estimates session.

To briefly look at the last 12 months in the Department of Chief Minister's budget, I think my department does a wonderful job, an excellent job coordinating policy advice across government. It certainly has been a challenging year, the one behind us, and a very exciting year for my department to deliver on government's key priorities, which is jobs for Territorians over the next 12 months.

In the Office of Territory Development, which really is the economic driver for government, we have had great news with Bayu-Undan onshore, we continue to work with Phillips and Bechtel to maximise local jobs and training on building the pipeline of the LNG plant. OTD is also working with Woodside and Alcan to make the Blacktip to Gove pipeline a reality, and therefore allow Alcan that \$1.5bn expansion of their alumina plant.

The business park at the port is well under way to provide value-adding opportunities for the railway, and to grow the very important AustralAsia trade route. We are moving ahead with Desert Knowledge, the CRC and Desert Peoples Centre, and planning for a Tropical Knowledge symposium at the beginning of next year. Another one of the tasks of the Office of Territory Development is marketing the Territory as a great place to live and work.

Other important aspects of the Department of Chief Minister are the policy areas of indigenous and social policies. We are also committed to delivering on priorities to grow jobs and deliver safer communities. We are working constructively on indigenous policy with land councils to resolve complex native title issues across government, increased funding this year for domestic violence and Aboriginal family strategies and, of course, delivering valuable programs in key areas for women, seniors and young people.

My department continues funding to build stronger regions, implementing initiatives in Alice in 10, the Barkly Blueprint, and the Katherine Region Development Plan. We are working with the AustralAsian Railway Corporation and FreightLink to finish construction on the rail by the end of the year, and to

get on with the task of growing the freight pie to the benefit of all Territorians.

As Minister for Arts and Museums, the coming financial year will support the arts in the NT with a strong grants program, and an exciting new initiative for young Territorians, the Bass in the Grass concerts in both Alice and Darwin next month. Also not forgetting, for the first time in the Territory, setting up a film, TV and new media office. So, there is lots of activity within the Department of the Chief Minister and Arts and Museums, with two key agencies in Ombudsman and Auditor-General's. So I look forward to answering the questions.

Mr CHAIRMAN: Thank you, Chief Minister. Are there any questions in respect of the Chief Minister's opening statement?

Mr WOOD: Can I just ask a question, Mr Chairman? Is this the point of asking general questions about the Department of the Chief Minister, because I do not ...

Mr CHAIRMAN: I am really inviting members to ask questions in respect of the Chief Minister's opening statement. There being no questions, we will move on.

AUDITOR-GENERAL

OUTPUT GROUP 1.0 – Audits

Output 1.1 - Audits

Ms MARTIN: Mr Blake, please join us.

Mr CHAIRMAN: Thank you, Mike. The committee will consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Auditor-General's Office. Are there any questions?

Mr BURKE: Through the Chief Minister, Mr Blake, with a view to understanding your budget, I refer you to Budget Paper No 3 for the year 2002-03. The Auditor-General's total operating expenses for 2002-03 was \$2.379m. In the mid-year report, it was estimated that the Auditor-General's Office would spend, in 2002-03, \$2.535m. In Budget Paper No 3 for 2003-04, it is estimated that in 2002-03, the office will spend \$2.503m. Whilst the differences within your department are not great and variations are obviously larger for the larger departments, if we look at your department to understand your budget, there is a variation between the three figures for the Auditor-General's Office. How do these varying figures relate to one another? What is the appropriate comparison that should be made when trying to establish first, the adequacy of financial management within the agency, and the accuracy of the budget figures?

Ms MARTIN: Generally, I am very confident that the budget allocation for the Auditor-General is adequate to meet the legislative requirements of the Office of the Auditor-General. There are some movements between those budget periods, which I might ask our Auditor-General to explain.

Mr BLAKE: If I could focus on the movement between last year's \$2.379m and the expected out-turn of \$2.503m, the change was mainly because of the outsourcing of the new three-year term of my contract auditors. That resulted in a \$96 000 increase in my budget, which was anticipated.

I also had some one-off additional audits that I had to do which were recoverable, so there was \$43 000 worth of recoverable audits that I was required to do, which I had not anticipated. Those audits have a neutral effect on the budget because it is an in-and-out; I do not do the work unless I am paid for it. It has no effect long-term on my budget.

The other big change was the need to anticipate the audit of the Power and Water Corporation. The establishment of PowerWater as a GOC requires them to sign off their accounts at the end of August,

which necessitated my doing audit work before the end of the year rather than after the end of the year. So, it was just moving funds from one year into the other.

Mr BURKE: Which of the three figures, then - the budget allocation in 2002-03, the mid-year estimate, or the estimate in budget papers 2003-04 - is the relevant figure for us to use when assessing the changed allocation between one year's budget and the next? What is the relevance to the forward estimates quoted in the mid-year report where not one of the forward estimates for 2003-04 is matched by the actual allocation in budget 2003-04?

Mr BLAKE: I think the expected out-turn of \$2.503m is the right out-turn for the year we are just about to finish now. It appears then that there is only a 1% increase between this year and the subsequent year, which is an increase from \$2.503m to \$2.537m. What needs to be borne in mind in making that comparison is what I have already mentioned as far as PowerWater is concerned, so bringing \$58 000 from next year into this year's budget makes it appear that I have not had much of an increase. In fact that is not the case; it is just a shifting from one to the other. I have had a normal increase for inflationary purposes and I received an extra \$50 000 to anticipate the audit of accrual numbers for next year, which will be the audit of the TAFS at June 2003.

Mr BURKE: So in accrual sense, if we are looking at apples and comparing them with apples, unlike in the past - the Chief Minister said it is was apples and oranges - if we are going apples and apples in your department under accrual accounting context, and I assume as the Auditor-General you could tell me that you would do the same comparison in other departments, the budget allocation of your department for 2002-03 of \$2.379m and the estimate of \$2.503m for the end of this current financial year reflects the change in difference of your department in terms of initial allocation and final allocation?

Mr BLAKE: Yes, it does. It appears a higher amount in percentage terms, but that reflects changing of the timing in which I do certain audits.

Mr BURKE: Yes, that is fine. So it would be interpreted, therefore, as a blow-out, explained or otherwise, in the initial allocation and the final allocation - for good reason, but in real figures ...

Ms MARTIN: The variation is explained and the Auditor-General has done that in detail.

Mr BURKE: In real terms, that is the increase in allocation.

Mr BLAKE: I do not regard it as a blow-out. All that has happened is that \$50 000-odd has been moved from next year into this year. That reflects the need to anticipate the requirements of my client base.

Mr BURKE: Okay. So if the budget for this new financial year is \$2.537m, your actual budget allocation increase is the difference between \$2.503m and \$2.537m?

Mr BLAKE: That is right.

Mr BURKE: So your increased allocation is in fact \$34 000?

Mr BLAKE: As I said, though, what you need to bear in mind is that \$58 000 of that amount I would normally have spent in that year, but having done the audit work pre- the end of June, there is no need to then incur that cost in a subsequent period. So if you wanted to compare more accurately the two numbers, you need to take out of the \$2.503m funds spent this year related to next year's audit for the Power and Water Corporation. The point I was making was that it appears as though I have only had a 1% increase in budget and it is not the case.

Ms MARTIN: The figure is something more like 6.6% of an increase.

Mr BURKE: 6 point?

Ms MARTIN: 6.6%.

Mr BLAKE: 6.6%.

Mr BURKE: Okay. In the budget papers for 2002-03, there was the entry 'expenses relating to prior year receipts', or in some cases 'receipts relating to prior year expenses'. This does not appear in the budget papers for 2003-04. In 2002-03 the Auditor-General's office listed \$79 000 against expenses relating to prior year receipts for 2002-03. Where or how is this accounted for now?

Mr BLAKE: That amount has been spent in the current year, as was expected, so that was effectively my cash balance at that time, representing audits that have been commenced and not yet paid for, or audits not yet commenced carried forward into the year we are just about to complete. It has been anticipated that at the end of June 2003, such carry forward amounts will not exist.

Mr BURKE: What was the budget improvement target for your agency in 2002-03? Was it achieved and how? What is the target 2003-04 and how do you intend to achieve it?

Mr BLAKE: I did not have a Budget Improvement Target for 2002-03. For 2003-04, it is \$24 000 and I will be taking steps to look at my office costs. There is a small amount in there that I can save. Otherwise, I will just drop off one audit project.

Mr BURKE: Could I ask why the agency has lowered its expectations on the timeliness of completing audit tasks from 95% to 90%.

Mr BLAKE: That is mainly because I am trying to reflect reality. At the moment, I am running at about 90%. That is, getting audits finished that have started before the end of the year. To some extent, I am in the hands of agencies in terms of doing interim audits and getting them finished before the end of the year. Not always in my control.

Mr BURKE: You are intending to purchase fewer hours from authorised auditors this coming year, yet the cost of goods and services has increased from \$1.801m, that is the Budget Paper No 3 2002-03, to \$1.921m in 2003-04. Why has the cost increased with 1000 fewer hours being purchased?

Mr BLAKE: My budget last year was roughly 15 000 hours. My out-turn this year is going to be about 14 200. When we did the budget last year, we did not properly anticipate the impact of the next three year cycle of contracting out audits, and 14 200 hours that I have purchased in the year that is just about to finish will be adequate for me to complete my mandate.

I am anticipating next year that that will be 14 000 hours, which, again, is adequate for my purposes. The makeup of the \$1.9m is essentially \$1.77m for authorised auditors, which is on line with the year we are about to finish; about \$600 000 for salaries and wages; and office costs of about \$150 000. The office costs this year I expect will be about \$146 000, so it is line ball to last year.

Mr BURKE: Even though your department is small, your performance measures are set here. Why haven't you raised your expectations of performance, given I thought you might set the standard for the rest in terms of – and I say it in the nicest way – audit tasks completed in accordance with the work program 90%? You set the target for the next year of the same.

Mr BLAKE: Yes. What I ...

Ms MARTIN: May I say that I think 90% is - the focus should not be on the 10%; it is on the 90% that has been achieved in that time frame. Obviously, the Auditor-General ...

Mr BURKE: I say it in the context of accrual accounting for which one of the aims is increased output and outcome. This is in an accrual context so, in that context, I assume the benchmark would continually be raised.

Mr BLAKE: What I have done is to consciously meet with agencies to try and get them to lift their game in terms of more timely reporting, and I think that is going to flow through to that percentage improving. The other thing that I have done, though, is to increase the number of audits that I do. You will notice that last year, the estimated number of audits was 112 and my out-turn is 117, so I am actually expecting to do more audits with the same budget.

Mr BURKE: Are your performance outcomes set by yourself? I assume they are.

Mr BLAKE: Yes, they are.

Mr BURKE: Are they audited?

Mr BLAKE: They are audited in two respects. I produce accrual accounts, and have done for some time, and included in my annual report is a series of performance indicators, which are also audited. Those are audited and included in my report, which is sent to members of parliament every year. In addition to that, the three year strategic review of my office has recently been completed, and they have had some things to say about those measures, which I am still waiting on. I have not had the final report yet, but I know they have had a look at them. So, yes, they are audited.

Mr BURKE: Do you audit the performance outcomes of other departments?

Mr BLAKE: No, I do not, and my mandate does not enable me to, other than to look at the performance systems that they use to present that information. So, for example, this year, as part of the 117 audits that I have completed or that I have started, I looked at four sets of annual reports of departmental agencies, and had a look at the way they had reported outputs and the systems that they used to collect that data. I can only audit them at the moment through my performance management system mandate.

Mr BURKE: So in terms of the confidence of the opposition in questioning these performance outcomes under an accrual accounting system, there has been no external audit of those outcomes?

Mr BLAKE: Of my own?

Mr BURKE: Of yourself, or by you of other departments.

Mr BLAKE: Of my own, yes, as I said earlier, they are audited and they are included in my annual accounts, but other agencies are not audited, no.

Mr BURKE: So, to be clear, you do not do any audit, or to put it another way, the agencies do not have any external audit imposed on them in terms of their outcomes?

Mr BLAKE: Correct.

Mr BURKE: We have to take it on blind faith that these outcomes are accurate?

Mr BLAKE: As I said to you, I have audited, in a performance systems framework, at least four agencies in the last 12 months. But that is my choice to do; I am not required to do those.

Mr BURKE: As I said, I do not want to labour the point, but it would seem to me that under an accrual

accounting system, we have moved from just looking at cash figures to looking at output, outcomes and how the agency, including your own, has spent taxpayers money wisely. There is a whole range of outcomes that are listed here, not only across your department, but others, and if I hear you correctly, there has been no external audit done of those outcomes.

Mr BLAKE: Can I also mention that there are only two states and territories in Australia where KPIs, as I call them, key performance indicators, are required to be audited. They all have a range of outputs and outcomes to be reported, but there are only two states or territories that currently require them to be independently audited.

Mr BURKE: I say it in the context of confidence in these figures, and that is that you would hope that you would get to a stage where you could externally audit them?

Mr BLAKE: I think it is good practice. However, I think you would perhaps being unkind to chief executives who signed off on those things. They have systems to collect the data, and they have certified them in their annual report, or will be.

Mr BURKE: So they would be internally audited by those departments.

Mr BLAKE: I do not know.

Mr BURKE: You do not know?

Mr BLAKE: I do not know what any internal audit arrangements specifically would be. I have suggested, in my going to audit committee meetings, that it is an issue that audit committees should be adding to their agenda, and I suspect that is going to happen over time, but I do not know if it has or not yet.

Mr BURKE: There is one other question, Mr Blake. The entry 'expenses relating to prior year receipts' is no longer in the budget. Can you tell us what has replaced that line item?

Mr BLAKE: It does not need to be replaced by anything. It is simply a recognition that, at a point in time, I am going to have cash in my bank account. I was funded to do some audits which were not complete at that time, so, to that extent, the cash is carried forward. In an accrual environment, that should disappear and it has done this year.

Ms MARTIN: I would make the point, though, responding to the previous question that you asked, that these budget papers are produced under the *Fiscal Integrity and Transparency Act*. I think you can have great confidence that these figures are as accurate as they can be.

Mr CHAIRMAN: Thank you, Chief Minister. That concludes considerations of output 1.1. On behalf of the committee, Mike, thank you very much for your attendance here this evening.

**OFFICE OF THE OMBUDSMAN
OUTPUT GROUP 1.0 – Office of the Ombudsman
Output 1.1 – Office of the Ombudsman**

Mr CHAIRMAN: I ask the Chief Minister to invite officials from the Ombudsman's office to the table.

Ms MARTIN: Can I introduce the two here then? Our Ombudsman, Mr Peter Boyce and Ms Karen Lewis, who is the Business Manager from the office.

Mr CHAIRMAN: Thank you, Chief Minister. The committee will now proceed to consider the estimates on the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Office of the Ombudsman. I now call for questions.

Mr BURKE: Thank you, Mr Boyce, through the Chief Minister, a similar line of questioning, which you would have picked up.

Mr BOYCE: Yes.

Mr BURKE: The budget allocation in the office in 2002-03 was \$1.765m. The estimate of expenditure for that year is \$1.836m. This represents a difference of \$71 000. Does this represent an overspend against the budget?

Ms MARTIN: I might directly refer that to the Ombudsman.

Mr BOYCE: It does not represent an overspend against the budget; it represents a number of variations that occurred during the year. I will run through the variations. Initially, \$65 000 was removed from the budget for the long service transfer, and then, because of a change of direction by Treasury, they reinstated \$46 000 of that. \$20 000 was put in the budget to meet the costs of IT outsourcing, which is government mandated. A figure of \$20 000 was built into the budget figures to cater for depreciation, which previously had not been allowed for the Office of the Ombudsman. One-off funding for termination costs relating to staff who left after long-term service of \$50 000 was included in the budget. The end result was a figure of \$1.836m from the original figure of \$1.765m.

Mr BURKE: Why has your budget for this year only been increased by \$8000?

Mr BOYCE: The \$8000, in fact, represents a CPI increase. In effect, we have maintained almost the *status quo*, with additional funding for the IT outsourcing. In fact, it is ongoing IT funding, so it virtually remains the same. There is no real change in the budget from last year's end figures.

Mr BURKE: So, in real terms, your budget has increased by \$8000?

Mr BOYCE: With CPI, yes.

Mr BURKE: So \$8000 against \$1.836m is ...

Mr Reed: 0.4%.

Mr BOYCE: 0.4%. The major change in the budget has been, in fact, the commitment for ongoing IT funding, where previously, with the implementation of the government mandated contracts, it had been one-off funding. However, the real change was a commitment for ongoing funding.

Mr BURKE: How does that 1.4% cover ...

Mr Reed: 0.4%.

Mr BURKE: Sorry, 0.4% cover your CPI and wages costs? We know that is about 2.2%, 2.5% - depending upon what figures you accept for CPI - and 3% for wages. Also, given the fact that in output and performance, you intend to do more?

Mr BOYCE: We are doing more. It is an historical issue with the Office of the Ombudsman. Two years ago, we restructured. In 2002-03, early in the year, we were given an additional \$114 000 to carry out that restructure. During the year, the restructure took place, and there was some need to address the final allocation of that \$114 000 across the entire organisation in terms of new positions and recruiting. Really, what we are seeing is a settling down of the budget for 2003-04, which means that when we have done our analysis of our personnel costs against operational costs, that is where we now sit. I believe we will see a fairly consistent figure for the office in the future, taking into account in

the future also are needs for increases in salaries and CPI.

Ms MARTIN: I would add to what the Ombudsman said, by saying that when we came to government, there were difficulties in the agency because of inadequate funding. We met that, so I am confident that, over the last two years, we have put the Ombudsman and the tasks that the Ombudsman needs to achieve on a much more sustainable footing.

Mr REED: The Treasurer advised us earlier today that each agency had received an increase of 2.5% as an allowance for inflation. How, then, does that equate to the 0.4% that seems to be apparent in relation to the Office of the Ombudsman?

Ms MARTIN: Well, you have to take into account the one-offs that we have seen over the last two years. Certainly, you cannot just make an across-the-board figure like that, as I just said in the previous answer. We actually adjust the funding over the last two years, and it is on a sustainable footing now. Some of those pressures have been met for this budget. Of course, not forgetting those very important factors for a small agency like the Ombudsman, of when you have to meet termination payments. They simply are not able to be met from within an agency, and are resourced through Treasurer's Advance.

Mr BURKE: Yes, I am aware of all that. I am just reconciling the fact that with an increase of \$8000, you have restructured your department but, notwithstanding restructure, it has had increased costs. You have a real increase in dollars of about \$8000 and you are confident that is sufficient to meet your expenses for the coming year.

Mr BOYCE: The point the Chief Minister was just trying to make, in fact, and which I should have made, is in fact that it is a \$58 000 increase because the figure of \$1.836m for last year included \$50 000 for one-off termination costs. They are not yet included for the budget for next year. But the budget has increased to \$1.844m which is a total increase of \$58 000 so the percentage increase is actually higher than you are quoting. It is my mistake; I failed to draw your attention to that point. I have not been funded any one-off costs this time. I have ongoing IT costs and it is in fact increased totally by \$58 000.

Mr BURKE: Okay. I refer you to page 22 of Budget Paper No 3, your office employee expenses have risen by only \$24 000 or less than 2% for office employee costs, wage costs, and purchases of goods and services have been reduced by \$16 000. So, in that context alone, given CPI and wages, have you had a real reduction?

Mr BOYCE: Again, a lot of that stems from the personnel costs for the restructure, which has seen a complete reorganisation of the office so that the personnel costs reflect that. We deliberately changed the mix of our organisation, personnel-wise, to sit within a certain budget figure with the \$114 000 increase. In terms of operational costs, the \$16 000 increase - sorry with the variations, it remains an effective operational budget, taking into account that we had one-off costs last year and this year we have increased IT funding on a continuous basis.

Mr BURKE: With respect, the question has not been answered. I am talking about employee costs. You have said that by a mix of employee arrangements, you can cover your employee costs with a rise of only \$24 000 or less than 2% of your employee expenses. I would just like to know how. Are there more people on part-time, or fewer employees, or what?

Mr BOYCE: No, when we restructured, we dropped off some of the senior positions and restructured bringing in people at lower levels to meet a different way of doing business. So, in fact, we actually ended up increasing the number of staff in the office by one and doing it for, in effect, less money.

Mr BURKE: Things must have changed since when I was there - for the worse, I would suggest.

Ms MARTIN: The Ombudsman's Office is in a significantly better position now than when we came to

government and inherited what was bequeathed to us, financially, by the previous government.

Mr BURKE: I would expect that answer, Chief Minister. Could I just ask you in terms of purchase of goods and services with CPI costs, as I said, you have actually been reduced. How do you intend to conduct business in the area of purchases of goods and services with a cut of \$16 000 in an accrual sense? We have it all detailed here. This is the area you have been allocated for purchases of goods and services. There is 2.2-2.5% CPI and you have been cut by \$16 000.

Ms MARTIN: As the Ombudsman indicated, it is an increase of \$58 000 and he is confident that he can carry out the tasks of his office within that budget and it is a significantly better budget than the one we inherited.

Dr LIM: Mr Chairman, if I can follow up on the same question about the \$58 000, I refer to Budget Paper No 3 of 2002-03 at page 13. You mentioned that you had one-off funding of \$67 000 in 2001-02 for retirement and termination costs. Now you have another \$58 000 this year for retirement costs. Is it the same person retiring twice, or do you have two people or what?

Mr BOYCE: Despite being a small office, I have had the situation where I have had a large number of the former compulsory Commonwealth transferees into the Northern Territory Public Service and in several cases, they have elected to retire prior to the age 55. It is an expensive process. They have been significant payments and I have had two in each of two years. There have been other normal termination costs arising just from staff movements.

Mr BURKE: Would you answer the question about the purchase of goods and services?

Mr BOYCE: Yes. We have carried out our budget estimates for next year, and we believe we are going to be operating within budget and able to carry out and deliver our services.

Mr BURKE: With a cut of \$16 000?

Mr BOYCE: There is no real cut. That represents the variations and the impact of those variations without actually reducing the amount available on an operational basis.

Mr BURKE: Okay, I will not pursue that further. In 2002-03 Budget Paper No 4, Capital Works, your office was allocated \$60 000 for minor new works. What was the money for and why was \$40 000 of it not spent?

Ms MARTIN: That is right. The funding relates to the work currently in progress on the minor new works program. The original allocation was \$60 000 and, as of today, I think, or yesterday, a substantial portion of the work has been completed. Some work, however, remains outstanding. The work has included sound-proofing between offices, additional office space by reducing the size of two large offices, modifications to the reception area to address security issues, and more efficient use of the existing office space. I do not know whether the Ombudsman would like to add further to that.

Mr BURKE: So the same \$40 000 was revoted?

Mr BOYCE: In effect, yes.

Mr BURKE: Okay. So it is not new money?

Mr BOYCE: No.

Ms MARTIN: It is only a small office. You cannot do that much with it.

Mr BURKE: I am looking at some of the other departments. The average cost of access awareness services increased by 33%. Can you explain those increases further, and where has this cost been offset in other areas?

Mr BOYCE: In regard to the Ombudsman's office, it primarily relates to a reassessment of the costs of providing access awareness, that is, visiting remote communities, by costing in the employee's time, which we have not previously costed in. In other words, we have sharpened it up to reflect the true cost of going out to a community, not just the normal travel, accommodation and travel allowance which we had previously done. We have become a little bit better because of the requirements from the performance measure to calculate the amount of time an employee spends in preparing for it and going out, and that is now factored into the costs of the access and awareness. It also reflects, and partly reflects, the lesser cost and the actual cost of doing a complaint, which is also there, but it is only one of the indicators.

Mr BURKE: Your performance areas in most respects have not been increased for 2003-04 against 2002-03?

Mr BOYCE: No, they have not been increased in most respects.

Mr BURKE: Do you think this is as well as you can do?

Mr BOYCE: No. I would like to do a lot better, and I think that is what we are all trying to achieve. Those performance measures, as developed through the accrual accounting process, are in fact being refined within our office to actually go further. We have introduced an improved case management system, regular meetings, monthly case meetings, quarterly case meetings by myself with every member of staff. These are all designed to achieve those performance measures as now set out in our budget. As part of our process, we are currently negotiating with the Risk Management in the Chief Minister's Department to come back and review those performance measures and talk to us about whether we are achieving them, how well we are achieving them and whether we can achieve them better.

Mr BURKE: So in terms of those performance measures, investigations resolved, provider satisfied with service, customer satisfied with service, they have not changed from budget to budget and it is not an indication, in your opinion, of a lack of resources; it is an indication of effort within your office?

Mr BOYCE: Yes.

Mr BURKE: Which you have not set an improved target to achieve?

Mr BOYCE: When we set the targets, we set them realistically. We set them with the view that an office such as mine should lead by example, but because of the sheer mix of work that I deal with, and the fact that we are reactive to a complaint, it is very hard to set targets at exceptional levels because it would quite simply be setting a target that is impossible to meet. We simply cannot predict the complexity of any one complaint we might receive and how many we will receive in a particular year.

If we get a lot, for instance, of police complaints, that immediately adds a complexity that does not exist with a lot of the other complaints because it is a different process. In fact, that is one of the performance measures we changed because it was corrupting our figures. If you look at the timeliness performance measure for the Office of the Ombudsman, it has gone up from 40% to 60%, and that is because we took the police complaints statistics out of them and are reporting them separately because they in their own right were causing a lower figure generally across the agency. Now we have made it more obvious where the performance is in terms of what is our largest area of complaints: police complaints.

Mr BURKE: How do you audit your performance measures?

Mr BOYCE: We audit them internally. It is a requirement of our own performance management system for individuals to meet performance targets. So they are aware, for instance, that a formal investigation is meant to be complete within 180 days, and that is monitored, and we try achieve it. I talked about case management processes, weekly meetings, monthly meetings and a quarterly meeting where I get involved. We provide quarterly statistics to Treasury, and they have a chance to examine those and comment on them, and obviously, what we are currently trying to do is refine those figures to get a genuine feel as to how accurate they are and how much they reflect quality as opposed to just quantity, where our risk management plan, which we are about to develop, will include a process of reviewing and auditing them to see whether they are real and effective. Basically, I have to say that my experience tells me that they are good, achievable figures, but we should always try to achieve better and keep bringing them up, but you only do so when it is realistic to do so.

Mr BURKE: In your average cost of resolving inquiries and complaints in Health and Community Services Complaints Commission, it rises from \$733 to \$1148 per complaint. How is that compensated for in a budget that you have just told me has only increased in real terms by \$8000?

Ms MARTIN: There has been a reallocation between the Office of the Ombudsman and the Health and Community Services section, and that is of \$160 000 to reflect that, and maybe Peter would like to add some more.

Mr BURKE: It does not appear in the budget. Where is the \$160 000? I have just gone through the whole budget.

Mr BOYCE: It does appear in the budget figures. We have shown a reallocation as against each of the outputs of \$160 000 off the Office of the Ombudsman ...

Ms MARTIN: Page 20.

Mr BOYCE: ... and \$160 000 - it is actually \$168 000, taking into account the CPI - which the Health and Community Services Complaints Commission received, has been added on. But it is really an internal allocation to reflect the fact that the Office of the Ombudsman, as a result of the co-location of the Health and Community Services Complaints Commission with the Office of the Ombudsman, provides support to that commission and we have costed it in to our outputs. It has worked on, for instance, 30% of my time is in resolving Health and Community Services complaints as opposed to Ombudsman's complaints. We have assessed any of the Ombudsman's staff's work role related to duties in that area as against the Health and Community Services Complaints Commission and costed it. So you actually, for the first time, have a true cost of what it costs to resolve a health complaint as opposed to Ombudsman's complaint.

Mr BURKE: Yes, but it begs the question, how you can fund your performance effort in the other areas. It is one thing to transfer the money across; it is another thing to set the same performance targets, and keep those performance targets in the other areas.

Mr BOYCE: When we restructured, we specifically had in mind the need to be able to perform on both sides and, in fact, the restructure was necessary because of the fact that it was creating tensions and taking away and detracting from the Ombudsman's office. What we did is created a much more amalgamated and workable process between the two offices, utilising the best resources on each side, creating one deputy instead of two. The whole idea was to streamline and ensure that there was no wastage in the system. That is really what happened: we have been able to more effectively do business by utilising the \$114 000 that was given to us, and restructuring at the same time to better utilise resources. To that extent, it is a more effective way and is working.

Mr BURKE: Well, I am not convinced with an increase of \$8000, which is what we have established. However, the same performance targets, in some cases increase performance targets, greater cost of

services, increase services, and yet, an overall increase of \$8000 in real terms in your budget. That is all I have. Thanks, Mr Boyce.

Mr CHAIRMAN: Thank you, Leader of the Opposition. Just a little homework here. In respect of output 1.1, I understood that there were no further questions, therefore we will sign off from that.

Output 1.2 – Heath and Community Services Complaints Commission

Mr CHAIRMAN: Are there any questions? That being the case, the same also applies in respect of output 1.2. Thank you very much, Peter and Karen, for coming in.

DEPARTMENT OF THE CHIEF MINISTER

Mr CHAIRMAN: We will now move on to the Department of the Chief Minister's portfolio units. Chief Minister, perhaps you would like to introduce officers.

Ms MARTIN: Mr Chairman, here with me for the Department of Chief Minister is CEO Paul Tyrrell and Andrew Kirkman, our whiz of a Finance Officer.

Mr CHAIRMAN: Thank you, Chief Minister, and welcome to you both. The committee will now consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of the Chief Minister.

Mr CHAIRMAN: Are there any questions?

Non-Output Specific Questions

Ms MARTIN: Mr Chairman, may I sort out one thing? I was not sure, from previously, whether there were going to be across agency questions to start with or at the end, and what members of the committee preferred to do, or what has been established.

Mr BURKE: May I make comment?

Mr CHAIRMAN: You may.

Mr BURKE: With your indulgence, it is really is very hard to take more than one output area last. We need to get a feel for what the budget allocation is first in some areas across agencies, and then close that and then go on to specific outputs. That is what we did last year.

Ms MARTIN: I just wondered regarding outputs, if you take something like travel, whether you wanted to ask travel specifically to each output, or you wanted a global figure of travel as an outset. I just thought it was up to you and members of the committee, whatever makes more sense.

Mr BURKE: What I would like to do is if we could do more that one output area first, with your indulgence Mr Chairman ...

Ms MARTIN: So the global ...

Mr BURKE: Yes, global questions.

Mr KIELY: We did run into the mechanics of taking more than one output together ...

Dr Lim: Well, it is a bit different ...

Mr KIELY: Hang on. I found that the mechanics of taking more than one output were a bit cumbersome. If we are taking one output at a time, we are able to hone in and make sure we cover all the bases.

Mr BURKE: Mr Chairman, I would hope that the primary aim of the estimates process is to give the opposition a chance to ask questions, as well as the other members. Really, the opposition needs the opportunity and, in getting a feel for the actual allocations in the budget as one example, it seems ludicrous to go to specific output areas before one has a global idea of what monies have been allocated. That has been accepted by other ministers, I have noticed, so I just ask for the same consideration from the Chief Minister.

Ms MARTIN: I raised it because I wondered what was easier for you, that is all. I am not creating problems here.

Mr WOOD: I support that. I have some general questions about the Department of the Chief Minister that need to be asked. That gives me a global feel about staff and other issues – it could be travel or entertainment. I need to know those global figures as well.

Ms LAWRIE: Mr Chairman, I am happy for the global to be dealt with first.

Ms MARTIN: Then I am very happy to go through the details of each one again and break those down as we get to them.

Mr CHAIRMAN: Okay, if that is ...

Ms MARTIN: That is fine with me.

Mr BURKE: We will not go backwards. Thank you. Chief Minister, what are all the specific variations to the total operating expenses allocated to the agency in the 2002-03 Budget, as outlined in the Budget Paper No 3 tabled in the Assembly on 20 August 2002, and the estimate figures in Budget Paper No 3 tabled in the Legislative Assembly on 27 May 2003?

Ms MARTIN: Just looking at the estimate for 2002-03 in operating expenses, the figure of \$38.956m. The budget operating expenses for 2003-04 have risen by \$0.92m to \$39.88m from that \$38.96m in the revised estimate in for the 2002-03.

Mr BURKE: I am actually going the other way. The question was from the 2002-03 budget allocation to the estimate for 2002-03.

Ms MARTIN: Well, I was going to explain the increases over the 2002-03 estimate. Sorry, I will go backwards. Hold on.

Mr BURKE: The question is: the budget was \$38.391m and the estimate was \$38 956m.

Ms MARTIN: I am just getting to the right figures. The original for 2002-03 was \$38.39m and the estimate is \$38.96m. Okay? Apples and apples?

Mr BURKE: Yes.

Ms MARTIN: It has risen by \$0.57m and the increase is a result from \$0.3m which was transferred from the Department of Health and Community Services for the domestic violence strategy, which came into the Department of Chief Minister from Health. There was \$0.54m for the eighth ministerial office when we decided to put on an eighth minister. \$0.2m for the 25th Anniversary of Self-Government celebrations, which is held by Major Events and the Commonwealth funded \$0.1m to support the Northern Territory Freight Working Group. So, those increased amounted to \$1.14m.

Against that were some significant decreases from that original budget. \$0.12m transfer from the Department of Chief Minister to Health and Community Services to set up the Office of Children and Families. There was a \$0.38m reduction in personnel expenses as a result of the centralisation of the long service leave entitlements, that went to the Central Holding Authority; and \$0.11m transfer to the Department of Community Development for *Fiddler on the Roof* and the Festival of Darwin. The decreases amounted to \$0.61m, there were some other budget movements of \$0.04m and that all together added up to \$0.57m as a variation.

Mr BURKE: You want to do the others? All of the variations from 2002-03 to 2003-04?

Ms MARTIN: From the estimate to the budget? Yes, happy to do that. So, the difference there is \$0.92m. Just the significant increases: we have \$0.5m for marketing the Territory and that is for the budget held by the Office of Territory Development; there is \$0.5m to create a corporate communications unit; \$0.2m increase for the domestic violence strategy which went to the Office of Social Policy, there was an internal transfer there; \$0.15m increase for the Desert Knowledge Cooperative Research Centre, which was in addition to continued funding of \$0.25m provided for Desert Knowledge Australia. There was \$0.28m for some regional development initiatives; \$0.2m further commitment to the Alice in 10 initiatives, which were things like project coordination, Central Australia Crime Prevention projects, establishment of dry areas in town camps; there was \$0.03m or financial support in the Barkly for the Barkly Blueprint and the Tourism Think Tank forum; and in the Katherine region there was the Katherine Region Development Plan, \$0.05m provided for the development of a Cultural Precinct Project Management Plan. An additional \$0.12m for the Territory Seniors Card scheme was transferred to my department from the Department of Health and Community Services. All in all, those increases added to \$1.75m.

Then there were some decreases, which were of \$0.72m, essentially as a consequence of the completion of the Year of the Outback events held during 2002-03. That was a project jointly funded by the Territory, Alice Springs Town Council, Community Development and the Commonwealth. So there were some other movements of \$0.11m. All in all, that was an increase of \$0.92m.

Mr BURKE: \$0.7m for Year of the Outback?

Ms MARTIN: \$0.72m.

Mr BURKE: Of a million? That is what the Territory government spent?

Ms MARTIN: No, no. That was the whole funding. That was between the Territory, Alice Springs, Commonwealth, the whole funding. The Year of the Outback is over; it isn't happening this year.

Mr BURKE: So the real change in expenditure between 2002-03 and 2003-04 is the difference between \$38.956m and \$39.879m.

Ms MARTIN: It is \$0.92m.

Mr BURKE: Reduction?

Ms MARTIN: Increase.

Mr BURKE: Well, your estimate for 2000 – I am sorry. You are right. How much of the allocation you were given in 2002-03 was not spent on the specific allocation for which it was intended, both in operating expenses and capital expenditure? Detail those areas where this occurred and the reason that it was not spent.

Ms MARTIN: At this point, we are not expected to have any major carryovers. These are estimates, but we are not expecting at this time to have major carryovers.

Mr BURKE: And all of the information you gave me were the only variations to what money was intended to be spent?

Ms MARTIN: In the decreases, I said there were some other budget movements, smaller ones of \$0.11m, but, essentially, the big one was the Year of the Outback ending.

Mr BURKE: Which output group expended more than was allocated in 2002-03, why and where did the extra expenditure come from, and has that output group received more or less in 2003-04?

Ms MARTIN: Bear with me. We will have to go and take a look at this. I can take you through the reasons for variations. Looking at the difference between the 2002-03 original and the estimate for this year, in policy advice and coordination, there was – do you want the increases and decreases?

Mr BURKE: Yes.

Ms MARTIN: Okay, in policy advice ...

Mr BURKE: You can give me a table if you want to save time.

Ms MARTIN: I am happy to talk to them.

Mr BURKE: We only have four hours. I am trying to save time, too. If you are just reading from a table, I am quite happy to take the tabled document and have a look at it. Then we can move on.

Ms MARTIN: I do not think that is a problem. I cannot table mine, they are all scribbled on. Do we have a copy? Yes, we are happy to table that. It is not a problem, it is just that my copy had plenty of annotations on it.

Mr BURKE: Does that answer the question: which output group expended more?

Ms MARTIN: Yes, it gives you all the pluses and minuses throughout all those and into the 2003-04 budget, so it is quite comprehensive from the 2002-03 original.

Mr BURKE: Fine. I just think that in the time we have, some of these things, if you can table them I would appreciate it because we will look at and we can get through further questions.

Under Budget Highlights, there are a number of activities listed along with the funding for those activities which total almost \$2.3m. Could you indicate which of those highlights are new money - that is, additional or extra funding for the department?

Ms MARTIN: If we just go through the Budget Highlights.

Mr BURKE: It is really: what is new money?

Ms MARTIN: I went through those in the previous question, actually. Just to run through those figures I gave before, of the budget highlights, \$0.2m of the Domestic Violence and Aboriginal Family strategies was new money, \$0.3m was previously allocated. The corporate communications unit is new money at \$0.5m. The initiatives for Alice in 10 of \$0.2m, is new money; the same with marketing the Territory money of \$0.5m. For the Barkly Blueprint Tourism initiative, \$30 000 new money, the same for Katherine with the \$55 000 for the Cultural Precinct Project Management Plan. For the Northern Territory Freight Working Group, that is Commonwealth funding, new money of \$0.1m, and new money for the Desert Knowledge Cooperative Research Centre, \$150 000. The only one I read out that is not new money was the \$120 000 for the Seniors Card, which was transferred from Health.

Mr BURKE: So resources of \$0.25m for the ongoing operation of Desert Knowledge is new money?

Ms MARTIN: No ...

Mr BURKE: No, it is not.

Ms MARTIN: For the ...

Mr BURKE: There is \$1.5m that is new?

Ms MARTIN: Yes. The \$150 000 is our commitment over seven years annually to the Desert Knowledge CRC, plus an additional \$40 000 coming from Community Development, so all in all, it is \$190 000, plus in kind - personnel, that kind of thing. All up, that is a \$94m project for seven years.

Mr BURKE: So for Desert Knowledge Australia, \$0.25m of it is ongoing money, and in the budget highlight of \$0.15m, you are telling me that is not \$1.5m in this budget, it is \$1.5m over seven years?

Ms MARTIN: No. It is \$1.5m each year for seven years.

Mr BURKE: Each year for seven years.

Ms MARTIN: And that \$0.25m for the ongoing operation of Desert Knowledge Australia is new money.

Mr BURKE: Okay. Given that the department's budget overall has only increased by \$923 000, and your employee expenses have increased by more than \$2m, where is the money coming from to fund the activities that you have now listed under Budget Highlights as all new money, and what will the department not be doing in 2003-04 that it was doing in 2002-03?

Ms MARTIN: Could you give me that total figure again, because this is new money and we are continuing to do ...

Mr BURKE: We established before that your budget, and we also established it with the Auditor-General, that in real terms your budget has increased by about \$900 000.

Ms MARTIN: Yes, \$920 000.

Mr BURKE: Okay. You have just given me a whole list of new money initiatives. We have established it is all new money, and I say that, also in your budget, it shows your employee expenses have increased by \$2m, so, where is the money coming from overall?

Ms MARTIN: Well, to refer to those budget highlight initiatives, I am not doing the calculation off the top of my head, but that is nowhere near \$0.92m.

Mr BURKE: Yes. I can pick a million up in two of them.

Ms MARTIN: I refer the question to Mr Tyrrell.

Mr TYRRELL: Some of these increases in the budget this year, of course, include personnel themselves, so they come with a personnel element. With a budget the size of the department's, it is easy enough for us to move between personnel and operational, depending upon the priorities and the needs of the areas. In summary, there is some increase in personnel in each of those areas, particularly, say, the creation of a Corporate Communications Unit, for example, and the other is a reduction in operational to fund the additional staff.

Mr BURKE: Yes, I accept that you can move money around. It just begs the question of why you deal with accrual accounting if cash accounting was so bad. We are now sloshing money around to different areas based on changes that might occur, but we are supposed to be in the system whereby the taxpayer is now expecting the money to be allocated into a specific area, spent on that specific area to reach a target that it is supposed to achieve, adequately resourced and reported upon. I am saying that to suggest that you can move money around to meet different expenses goes against the whole concept of accrual accounting.

Ms MARTIN: If you take an area like the Office of Territory Development, there was capacity over the last year to rearrange finances, or to be able to establish cash to do things like the Sunrise campaign, to which we had not specifically allocated funds. I believe that taxpayers would expect us to do that. Within the accrual context, of course there is capacity to be able to move money around within an agency like the Department of the Chief Minister to meet those targets, rather than ask for new money. It becomes the priority that you are pursuing at the time.

Mr BURKE: With respect, Chief Minister, that is not what accrual accounting is supposed to achieve. You should be able to show that new money coming in for that specific purpose, and other money being removed for that specific purpose. That is what we are supposed to be here for: to look at the adequate resourcing to achieve outcomes that is all shown under this new system. I understand how the money can move around but, in that context, you are really back to a cash accounting system.

Ms MARTIN: But accrual allows you that flexibility and good government demands it.

Mr BURKE: I will not pursue that because it is taking too much time. For 2002-03, would you detail expenditure on reports commissioned by the minister and the department or agency that have been outsourced or contracted out? What was the purpose of the reports; who or what organisations prepared the reports; what was the cost; have the reports been tabled or presented to the Assembly; and what has been the outcome of those reports?

Ms MARTIN: We have not done a breakdown by reports, but we will take that on notice.

Mr BURKE: With respect, Chief Minister, that is a question that is asked every year. I would have thought that it would have been prepared.

Ms MARTIN: We will take that on notice, as is quite legitimately the process of this committee, and we will get back to you.

Mr CHAIRMAN: Can I then ask the Leader of the Opposition to repeat the question for the purposes of *Hansard*?

Question on Notice

Mr BURKE: For 2002-03, detail the expenditure on reports commissioned by the minister, the department or agency that have been outsourced or contracted out. What was the purpose of the reports; who or what organisations prepared the reports; what was the cost; have the reports been tabled or presented to the Assembly; and what has been the outcome of those reports?

Mr CHAIRMAN: The Chief Minister has already indicated that she will take that question on notice and that question will be 3.1.

Mr BURKE: I indicate that that is pretty unsatisfactory because this is one of the times that we get a chance to ask those sorts of questions. It is a question that has been asked for time immemorial, I

would think. There is nothing new about it. It leads to areas of how some of this outsourcing is occurring and what sort of contractual arrangements are being made. To say: 'We will take it on notice' is fairly unsatisfactory.

Ms MARTIN: We have a list of consultants which includes reports, but we do not have a specific listing of reports. Quite properly, we will get that for you, and you can, in other contexts, analyse it as much as you like. We are not hiding anything. I just said we do not have the reports here right now, okay?

Mr BURKE: Thank you. What litigation costs were incurred by the department or agency in 2002-03; how much was paid in compensation payments resulting from legal claims against the department; and what were they?

Mr KIRKMAN: Currently for this financial year, expenditure on legal expenses is \$24 000. There has been no litigation against us successfully.

Mr BURKE: What has been the expenditure under the standard classification of legal expenses in 2002-03, and the number of matters? How much has been allocated for 2003-04 for this activity?

Mr KIRKMAN: To answer the last part first, there has been nothing provided for next year because of the nature of the legal expenses, you would anticipate not to have any of those. Could you repeat the first part of your question?

Mr BURKE: Andrew, to suggest that the Chief Minister's department would not have had legal expenses is unbelievable.

Ms MARTIN: We gave you the figure of \$24 000.

Mr BURKE: \$24 000 for the year 2002-03?

Ms MARTIN: Yes. That was the figure we gave you.

Mr BURKE: So legal expenses for, say, the Office of Territory Development, we are talking about the global figure here. This is more than one output area. \$24 000?

Ms MARTIN: Yes. I am very anti-litigation, and I have made that public.

Mr BURKE: No, no, no. I said legal expenses and then I went to litigation. So I am saying legal expenses for the Department of Chief Minister for 2002-03 was \$24 000?

Ms MARTIN: For the whole caboodle, yes. We spend carefully.

Mr BURKE: Okay. How much is allocated in 2003-04 for this activity?

Mr KIRKMAN: There is nothing currently allocated for that activity because you just cannot anticipate when those costs are going to arise.

Mr BURKE: So where would you get the money from? In an accrual context, where would I find that money?

Mr TYRRELL: You would make provision for it. You could take it in a variety of ranges through the operational expenses.

Mr BURKE: Okay.

Mr TYRRELL: If there was a specific case, then of course that might be a case to seek additional funding. But for something like \$24 000, that is not an issue for the Department of Chief Minister.

Mr BURKE: How much was spent on consulting services in 2002-03? Detail the individual contracts. That is, who they were awarded to, at what cost, for what reason and how they were awarded. That is, by tender with a certificate of exemption, etcetera. How much is estimated to be spent on consulting services in 2003-04?

Ms MARTIN: Now, in responding to this I am happy in this, before we go to the outputs, to give you a global figure, but we will give you those breakdowns when we go through the different outputs.

Mr BURKE: We don't even have to go there. You can give me the lot.

Ms MARTIN: We have prepared it against the outputs, quite appropriately. We are happy to do that, as I indicated at the outset.

Mr BURKE: So you want me to ask you the same question output by output?

Ms MARTIN: Yes.

Mr BURKE: We only have four and half hours.

Ms MARTIN: Well, let's go. So the global figure is the total consultancies over ...

Mr BURKE: Just table it, Chief Minister. I am happy to move on as long as it is tabled. I do not need to have it read out to me.

Ms MARTIN: I was just going to give you the global figure for the record. This is only until the end of May, the figure is \$2 406 076.

Mr BURKE: So I do not get individual contracts until I go to the output area?

Ms MARTIN: No, and that is the process of Estimates.

Mr BURKE: It used to be in the past. You asked that one question and we listed all the consultants, what the amount was, who it was awarded to and the if the reasons were a problem, those things were not listed.

Ms MARTIN: There have been changes and we are now working in these outputs and so it is more appropriate that they go there. I am not trying to be difficult. That is the management of the output.

Mr BURKE: Well, where it involves more than one output group it is a general question on consulting services, I would have thought that there would be a list prepared on consultants. I mean, consultants ...

Ms MARTIN: We have prepared them specific to each output and I have given you a global figure. I think that is fine.

Mr BURKE: Well, we will see if we have enough time. Could I have an undertaking from you that you will table it if we do not have enough time? You will table the answer to that question by output group if we cannot get to the specific question?

Ms MARTIN: We are going to be forthcoming, absolutely. We have no problems, we will do that.

Mr CHAIRMAN: Do you wish to put that as a question on notice?

Mr BURKE: It is an important question because in past years ...

Mr CHAIRMAN: Leader of Opposition, I am just asking you if you wish to ...

Ms MARTIN: Hold on, can I just say I was not aware that Mr Tyrrell actually does have that here. We do have it broken down. I am happy to table that since he does have it here. So that is good.

Mr BURKE: The we do not have to go back to it. That was my point.

Ms MARTIN: Okay.

Mr BURKE: In reference to promotional activities by the department, what promotional activities, publications, advertising in any media has been undertaken by the department, the minister's office or any other office or agency on behalf of the department, the minister's office in 2002-03? What was the total amount spent on such activities and was it costed the department, agency, minister's office or another minister's office or another agency or department? Detail the promotional activities, publications and advertising undertaken by the department or agency, the minister's office or those undertaken by another minister's office or another agency or department on behalf of the minister or the department or agency. What were the promotional activities, publications and advertising meant to achieve? Did they achieve their purpose and how was that measured? How much has been allocated both within the minister's office and the department or agency for these activities in 2003-04?

Ms MARTIN: With due respect, Opposition Leader, this is not written questions so you cannot just hand out a list of things and expect us to answer them. That is crazy. Can we go through that one by one to see what we are talking about because I do not have your question written here. I know that you are asking about ...

Mr BURKE: Once again, you could look in *Hansard* and go back 10 years and find the same question asked every year.

Ms MARTIN: But this is non written and this is ...

Mr BURKE: We have been told certainly by the Speaker that in many respects, the departments have had to do more work in anticipating questions above those that have been asked in previous years. Again, I thought you would table it and we would move on. Otherwise, in 4.5 hours, where do we go? To suggest that this hasn't been anticipated, I find difficult.

Ms MARTIN: No, what I am saying is that the question has been anticipated. We have produced what you are asking for, but unless I see what you are asking - I do not have it in front of me.

Mr BURKE: I would be stunned if you do not have it.

Ms LAWRIE: Leader of the Opposition, you read that so quickly that I, also, as a committee member, would like that broken down a bit.

Ms MARTIN: Yes. I am not trying to be evasive.

Mr BURKE: Are you the Chairman?

Ms LAWRIE: No, I am a committee member and I am saying you read that so quickly that it is difficult

to follow.

Mr BURKE: I am dealing with the Chief Minister at the moment, not you.

Ms MARTIN: Well, I am saying ...

Mr BURKE: Do you want me to repeat the question?

Ms MARTIN: ... as a Chief Minister who would like to answer this question, if you can give it to me bit by bit, we will answer it.

Mr CHAIRMAN: Are you happy to do that, Leader of the Opposition?

Mr BURKE: Okay.

Ms MARTIN: If you want to do it like that, we will take it on notice and we will give you the answer later on, okay?

Mr BURKE: Right. What promotional activities, publications, advertising in any media have been undertaken by the department, the minister's office, or any other office or agency on behalf of the department or the minister's office in 2002-03?

Ms MARTIN: Let us look at the totals. This is for marketing and promotion, and document production. Does that cover what you are asking for?

Mr BURKE: Yes.

Ms MARTIN: Marketing, promotion, document production. I can give you a global figure for marketing and promotions.

Mr BURKE: I would like it broken down. That is what we always do.

Ms MARTIN: Okay. There is a global figure for marketing and promotions across all outputs of \$840 366. For document production across all outputs, \$523 877, a total of \$1 364 243.

Mr BURKE: Will you table that?

Ms MARTIN: Yes, I am happy to table that.

Mr BURKE: Thank you. You have given me the total amount spent. Was it costed to the department or agency, the minister's office or another minister's office, or another agency or department?

Ms MARTIN: These are for all those outputs.

Mr BURKE: Yes.

Ms MARTIN: So we are talking about the department and ministers offices. We are not talking about other agencies other than the Department of Chief Minister.

Mr BURKE: So that tabled document will show me what ...

Ms MARTIN: That tabled document relates to the outputs we are dealing with within Chief Minister's.

Mr BURKE: Costed to minister's department or another agency?

Ms MARTIN: No, not this.

Mr BURKE: So do I have to ask another question?

Ms MARTIN: No. What I am saying is that, for example, with government business support, that deals with the ministers and the costing from those ministers' offices for marketing, promotion, and document production, but not the agency. That will be answered by the minister when that agency is here in front of Estimates, quite properly.

Mr BURKE: Okay. So all promotional activity that has been conducted by your department has all been costed to your department?

Ms MARTIN: Yes, including the ministers offices.

Mr BURKE: None of its been cost against another agency?

Ms MARTIN: No. We are producing that full list.

Mr BURKE: So publications by the Chief Minister that might refer to health or something like that is all costed to your department.

Ms MARTIN: The publications, the marketing promotion that came from within the Department of the Chief Minister, including the government business support to ministers and Leader of the Opposition is included here.

Mr BURKE: Detail the promotional activities, publications and advertising undertaken by the department or agency, the minister's office, or those undertaken by another minister's office or another agency or department on behalf of the minister, department or agency. For example, a minister's office that was costed against your department.

Ms MARTIN: That is included in these figures. We have all those details in the output.

Mr BURKE: If I want to find out, for example, how much I spent, you have it, right?

Ms MARTIN: I can tell you that.

Mr BURKE: So you can tell me the ministers as well.

Ms MARTIN: Yes, we have got all that.

Mr BURKE: I am just saying do I have to ask a specific question, or can you table the documentation that answers those questions?

Ms MARTIN: We have all those details within that output, all of them. We will table them. Have the lot.

Mr BURKE: Thank you, can I have them.

Ms MARTIN: Okay, but within that output because it does not relate to this generally.

Mr BURKE: Well, it does. We are in questions that involve more than one output area. We are talking

about the Chief Minister's department. You control the funding. You ensure that ministers stay in their budget, including the Opposition Leader. I am asking about promotional activities that were incurred by those offices but paid for out of your budget, that is across all outputs.

Ms MARTIN: I tell you this is making me very uninclined to do this global figure. Who advised me not to? Okay, we have taken the point. It was much simpler to say we prepared this as the output and did it carefully against outputs, and I just thought that if you wanted totals for global figures, that is fine. I think this is wasting your time if you are conscious of the clock ticking.

Ms LAWRIE: If we are becoming bogged down, we could move output by output.

Ms MARTIN: Yes. We are not hiding anything. We have prepared it against the outputs, as one does.

Mr KIELY: You will have far more information if you go back to the original structure.

Mr BURKE: You said you would table them all.

Ms MARTIN: I am advised that we can get that together for you in one hit.

Mr BURKE: Good, that is fine.

Ms MARTIN: Over the next hour - not right now, but we will get it together.

Mr BURKE: That is fine. That is all that I expected, that we did not have to ask the laborious questions on the same subject, minister by minister's office ...

Ms MARTIN: No, it wasn't. I give you a global figure under Support to Executive, Ministers and Leader of the Opposition.

Mr BURKE: We always get far more.

Ms MARTIN: But this is a different context. It is outputs.

Mr BURKE: No, it is not.

Ms MARTIN: It is.

Mr BURKE: Not in terms of the answers we seek, it is not. We want the same detail that was provided in the past.

Ms MARTIN: Well, you have picked a question that was given in opposition years ago that I probably wrote myself. It is hardly one that you are feeling desperate about.

Mr BURKE: Well, it is because it is normally ...

Ms MARTIN: We are happy to put that figure out, happy to. That is all I am saying. But I am sorry I suggested that we should go global, because we are getting bogged down.

Mr BURKE: So you will table those, you know the promotional type questions that we would ask.

Ms MARTIN: Yes.

Mr BURKE: What was the budget improvement target for the department in 2002-03? Was it

achieved and how, particularly given that the department's operating expenses actually increased by more than \$500 000 between the 2002-03 budget and the estimate in the 2003-04 budget papers? What is the target for 2003-04 and how do you intend to achieve it?

Ms MARTIN: We are very happy to answer that one. Mr Kirkman will answer it. The first part of the question, please?

Mr BURKE: What was the budget improvement target for the agency in 2002-03? Was it achieved and how?

Mr KIRKMAN: The target was 4%. It was achieved because we have been able to meet all the expenditure that has been necessary on each output. In regard to the second part of the question about the budget going up even though ...

Ms MARTIN: Would you like the second part of the question again?

Mr BURKE: How was it increased, given that the budget in actuals went up by \$0.5m?

Mr KIRKMAN: It was achieved and yet the budget went up due to those new activities that the Chief Minister read out in the first part of the session.

Mr BURKE: What is the target for 2003-04, and how do you intend to achieve it?

Mr KIRKMAN: The target is 2% across the board. There was a 1% efficiency built in the forward estimates, and a further 1% productivity efficiency. That will be achieved ...

Mr TYRRELL: We have essentially just reallocated priorities across the department to achieve that. It is nothing different from what has been occurring for the last 10 years and having to work more efficiently each year. That is not a problem for the department.

Ms MARTIN: Recognising the expertise of those within my department, we do not do things extravagantly within the Department of the Chief Minister. The focus is on achieving the outcomes that we have articulated, and this is done superbly.

Mr BURKE: I am sure you would think that. I am going back to actual budget allocation. As I said, that increase of \$900 000 in actual budget allocation from last year to this year with a range of budget highlights, employee expenses that go up by \$2m, and yet I am being told that in all of that, with only a \$900 000 increase overall, you have also achieved a 4% efficiency.

Ms MARTIN: In the previous year. So, 2% for this year.

Mr TYRRELL: In the previous years, and while you mention that the employee costs have gone up, of course, when you are looking to achieve certain outcomes and outputs, it is a range of inputs to achieve that, whether it is personnel and external consultants, which may either increase or decrease the personnel. So, from year to year, you can adjust those and still achieve the outcomes by applying some efficiency measures.

Mr BURKE: In 2002-03 Budget, agency revenue was expected to be \$5.3m. The estimate in the 2003-04 Budget is the agency revenue is \$779 000 in 2002-03. What happened to the missing \$4.5m?

Ms MARTIN: Can I just hear that again, sorry?

Mr BURKE: In your 2002-03 Budget, your agency revenue was stated as \$5.3m ...

Ms MARTIN: Just hold on. Okay, agency revenue was quoted to be \$5.28m.

Mr BURKE: The estimate for 2003-04 agency revenue is \$779 000. Sorry, in the current budget just released, your estimate of agency revenue is, in fact, only \$779 000 for that year. What happened to the \$4.5m that you estimated additional?

Ms MARTIN: The significant decreases over the 2003-04 estimate was the reclassification of a receipt - this is to do with the railway - of \$5.05m, which was a Commonwealth government contribution for mezzanine debt to the railway.

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

Ms MARTIN: All the staff in the Office of Central Australia are paid for within the Government Business Support output. Again, this is one of figures that is in the output so we are all jumping around outputs now. It is in the output for Government Business Support and I am very happy to answer all those figures then.

Mr BURKE: But you would get the questions sooner or later because we have more than one output area as a line item of questions.

Ms MARTIN: Not when it comes to staffing.

Mr BURKE: You can go across all output areas. That is what we have done in the past. More than one output area.

Ms MARTIN: No, not with minister's offices. That is what all that output is about. Government Business Support deals with all the ministerial offices.

Mr CHAIRMAN: The Chief Minister has indicated that she is prepared to answer it in the output area.

Ms MARTIN: Yes.

Mr CHAIRMAN: Leader of the Opposition, next question.

Mr BURKE: What has been the staff turnover in the minister's office during 2002-03 and how much is being paid out in termination payments and recruitment costs?

Ms MARTIN: Again, I will answer that when we are in the output of Government Business Support.

Mr BURKE: It looks like we are not going to get too many answers.

Ms MARTIN: You will get the answer as soon as we get to the right output group.

Mr BURKE: Employee expenses are estimated to have increased by more than 10% between the estimate for this year and the estimate in 2003-04. That is in Budget Paper No 3 at page 35. It is an increase of about 22% on the employee expenses given in Budget Paper No 3 of 2002-03. Given that the budget is based on 3% wages inflator, why are your department's costs increasing so much?

Ms MARTIN: I am sorry. I will have to get you to repeat that question. Can we have them a little more slowly? These are not written questions; it does make it different. We have to be able to absorb the question then go to the right place to answer it.

Mr BURKE: I am talking about employee expenses. On page 35, employee expenses have increased by 10% between the estimate for this year, that is the current year, and the estimate for 2003-04. It is an increase of about 22%. Given that the budget is based on a 3% wages inflator, why are your department's costs increasing by so much?

Mr TYRRELL: First of all, it is not 22%, it is nearer 10%.

Mr BURKE: No, not estimate. I am talking about actual budget allocation 2002-03. It is 10% on the estimate for the end of the year. It is 20% on the actual budget allocation for the previous year. It is a 22% increase.

Mr TYRRELL: That is right. That is due to a proposed increased in staff from around 224 at that time to 269 for 2003-04.

Mr BURKE: Could you give me those two figures again?

Mr TYRRELL: It is an estimate from 30 June 2002 of 224 staff to an estimate in 2003-04 to 269 staff.

Mr BURKE: So it has increased by about 45 employees between the budget of 2002-03 and this budget?

Mr TYRRELL: That is right.

Mr BURKE: How many employees have left the department the same period?

Ms MARTIN: Just bear with us, we are getting those figures. This is the difference between the written and non-written questions. This one is an interactive process, so we have to deal with it a little differently.

Mr BURKE: Of course.

Mr WOOD: Mr Chairman, would I be able to ask a supplementary to that question, please?

Ms MARTIN: Would you like to wait until we answer it?

Mr WOOD: You might be able to answer it now. Shall we go ahead while you are looking? Chief Minister, going on from what the Opposition Leader said, you have an extra 45 staff, which is a 20% increase in growth from the previous year. Why do you need 45 more staff members than a year ago for such a small department?

Ms MARTIN: Well, in fact the Department of Chief Minister used to be a much smaller department, but the whole hallmark of this government is to establish a central agency that can co-ordinate a whole-of-government approach. One of the problems with delivering services or policies to Territorians, you cannot get agencies to work together easily. So a whole-of-government approach, which we have seen in many different areas, particularly when it comes to crime, indigenous issues, is something that happens within the Department of Chief Minister.

So over that year we have seen growth in areas like the Office of Indigenous Policy, which did not used to exist, an Office of Social Policy, again looking at some of those across-Territory issues. The Office of Social Policy is dealing with indigenous family violence and other issues, but ones like that. We have also seen the growth of the Office of Territory Development because it is really the economic driver for government. So I make no apology. The Department of Chief Minister is really the driver of government and it needs the personnel and operation to be able to do that, so over the last

two years its budget has increased, and the number of people within the Chief Minister's Department has increased as well.

Mr CHAIRMAN: Do you have a response in respect of the Leader of the Opposition's question?

Mr KIRKMAN: Yes, from the figure published in the original 2002-03 Budget of 224, there have been 35 employees left up until 31 May 2003, and 64 additional staff joined the department. From the figure published in the ...

Mr BURKE: 23 left and 64 joined.

Mr KIRKMAN: 35 left.

Mr BURKE: 35 left.

Mr KIRKMAN: Yes, and 69 joined.

Mr BURKE: Can you tell me how many of those came from interstate or overseas, and what were the relocation expenses? Would I be able to get that information at some stage if you do not have it?

Mr KIRKMAN: I will just have a look for one minute.

Ms MARTIN: It is going to take time.

Mr KIRKMAN: We had seven employees join us from interstate, and relocation costs were \$74 286.99.

Mr BURKE: The termination payment costs? I am happy to take it later if ...

Mr TYRRELL: We can check, but it doesn't appear to be that there were any termination payments.

Mr BURKE: Okay. I accept that. I have finished on global.

Mr CHAIRMAN: I understand there were some other questions.

Dr LIM: While we are still on global figures, I would like to ask a question. The Chief Minister spoke about the budget highlights and what is new money, that is page 36 of Budget Paper No 3. When I tallied up all the new money, it came to \$1.985m. You also said that your budget increase has only been \$923 000. That leaves you \$1.062m short. How do you propose to fund that? Your budget highlights total \$1.985m, new money. You tell us that your budget increase for the Department of the Chief Minister was \$923000, which means you are \$1.062m short. How do you propose to fund that?

Ms MARTIN: Well, I think we previously gave an answer to that, and Andrew is nodding and would like to give it again.

Mr KIRKMAN: Just to repeat the Chief Minister's comment earlier. The expenditure in the 2002-03 year which is not going to be incurred in 2003-04 includes about \$700000 for the Year of the Outback costs, which will not be needed or required in this year. There were also a number of other smaller one-offs.

Dr LIM: Totalling \$400 000?

Mr KIRKMAN: There are also obviously some increases as well offsetting that, so I could not say, for

example, that the total figure of the decrease is that.

Mr WOOD: Chief Minister, the output appropriation for your department in last year's budget was \$31.9m, but this year's estimate for the 2002-03 Budget is \$37m. That is an increase of 15%, four times any other government department. Could you tell us why that difference occurred, or is it because of staff increases?

Ms MARTIN: A significant part of the lumpiness of those figures is the railway, which has had big figures of appropriations. I would say, just broadly, that explains the differences.

Mr KIRKMAN: A number of new initiatives account for a large part of that increase.

Mr WOOD: So would things like finding a place for the 45 new staff members be part of that?

Mr KIRKMAN: That certainly is a part of that. In marketing the Territory, \$0.5m was provided for that, there was certainly a personnel capacity in there, as with a number of the other initiatives.

Ms MARTIN: There is also a lot more that the department did, as I said in my previous answer. We are doing a lot more in terms of indigenous policy, Territory development and economic development. I make no apology, as I said before, that we have increased funds over the last two years to the Department of the Chief Minister. It is a very different Department of the Chief Minister from the one I inherited.

Mr WOOD: But isn't your government trying to actually keep a bit of a tight rein on the bureaucracy so we do not have a public service blow-out? I mean, part of the reasons we lumped departments together was to try and get efficiencies to keep our costs down because we had statements made that these would save so much money. Now it looks like we are starting to leak away from that.

Ms MARTIN: We never said we were cutting the public sector. It was only the opposition that said that we were cutting the public sector. We were talking about efficiencies, the kinds of efficiencies you could gain through the restructure of agencies, as we did in 2001 in November. You cannot achieve the outcomes of moving the Territory forward, creating jobs, unless you actually have that driver which has become the Department of the Chief Minister. We have put in place the offices that we need to – the Office of Territory Development, the Office of Indigenous Policy - specifically to see those changes come about. If you look at the success of the Office of Territory Development and what it has been involved with over the last two years, we have done very well.

Mr WOOD: Where will the 45 new staff new members be housed?

Mr MARTIN: They are not only in the Department of the Chief Minister, they are also in the 5th floor here.

Mr WOOD: One other question ...

Ms MARTIN: ... and in Central Australia. There are no new numbers there, but they are spread around the place.

Mr WOOD: This is a global question, so I am going to ask every minister.

Ms MARTIN: I will tell you whether it is or not.

Mr WOOD: We ran out of time for the Treasurer. Minister, what were your entertainment expenses, as distinct from your department's entertainment expenses?

Ms MARTIN: Can we do those in the output? Happy to give them to you.

Mr WOOD: Where does they fit in?

Ms MARTIN: That is in the Government Business Support.

Mr WOOD: Same one, okay, yes.

Ms MARTIN: All there.

Mr WOOD: Thank you.

Mr CHAIRMAN: Thank you very much. That exhausts now all questions in regards to non-output specific budget questions, or global questions.

OUTPUT GROUP 1.0 – Policy Advice and Public Sector Coordination

Output 1.1 – Policy Advice and Coordination

Mr CHAIRMAN: Are there any questions?

Mr BURKE: Chief Minister, your Budget Paper No 3 2002-03 stated \$0.2m was included ongoing for the domestic violence strategy. Budget Paper No 3 for this next year states \$0.5m has been allocated for capacity building under the domestic violence strategy. Does the money allocated total \$0.7m, or is the \$0.2m included in \$0.5m in this budget?

Mr KIRKMAN: Yes, it does total \$0.7m.

Mr BURKE: All new money?

Ms MARTIN: No.

Mr KIRKMAN: Over 2002-03 and 2003-04 is all new money, yes, in those two financial years. There was \$500 000-odd this financial year, 2002-03, and there is new money of an additional \$200 000 in 2003-04.

Mr BURKE: So, the figure that \$0.5m has been allocated is wrong.

Mr KIRKMAN: Just clarify that last comment. The \$700 000 is all new money to this department. There was a significant portion of that came through from the Department of Health in 2002-03.

Ms MARTIN: Indigenous family violence, for example, use to be in Health, so the allocation came across to the Department of the Chief Minister.

Mr BURKE: Yes, I am asking what is the amount that you are going to spend on that area in this coming year? Is it \$0.5m, \$0.2m, or \$0.7m?

Ms MARTIN: For domestic and indigenous family violence, it is - hold on, just bear with me. We will get there.

Mr BURKE: I might give an explanation. You said to me before that \$0.5m was assigned under Budget Highlights for the purpose of domestic violence and Aboriginal family strategies. Is that \$0.5m in the year 2003-04 or not?

Ms MARTIN: It is included in the global sum in the Department of the Chief Minister for domestic and Aboriginal and family violence strategies, which is \$1.48m.

Mr BURKE: Yes, in that year?

Ms MARTIN: In this year.

Mr BURKE: In this year coming?

Ms MARTIN: I can give you a breakdown of that.

Mr BURKE: In this year coming?

Ms MARTIN: Yes.

Mr BURKE: Is the \$.2m included in that?

Ms MARTIN: It is included in that.

Mr BURKE: In February, you announced the establishment of seven whole-of-government task forces. They would ultimately answer to the CEO of your department. This output area is Public Sector Coordination. What has been the cost of these task forces and how are the costs shared across the various departments and agencies involved?

Ms MARTIN: There is no specific cost to those task forces because they utilise existing personnel. The whole purpose of the task force is to draw people from agencies to work on a project. There are eight different task forces ranging from the proposed Wadeye Pipeline through to Mataranka and the Alcan expansion. What we are doing is drawing together in a task force the expertise we need, whether that be from indigenous policy, DIPE, the Office of Territory Development or Justice. That then becomes a significant priority for those members of the task force. So there is no specific allocation.

Mr BURKE: How do the task forces relate to the Office of Territory Development in your department in that it appears, on the face of it, a bit of a double up in the role?

Mr TYRRELL: What we did was form a major projects group which consists of the CEOs of a number of the major agencies, for example, Chief Minister's, Treasury, Department of Infrastructure, Planning and Environment, DBIRD, which manage the seven - now eight - task forces. It depends upon the project. For example, the Stokes Hill Wharf Redevelopment Task Force is chaired by a person from the Department of Infrastructure, Planning and Environment. The Wickham Point LNG Plant Task Force is chaired by the Executive Director of the Office of Territory Development. The Mount Isa Mines Task Force is chaired by John Carroll from the Department of Business, Industry and Resource Development.

Then there are a number of representatives from those departments who come together to focus on the tasks for each of those task forces, which is designed to facilitate the projects, make them happen, cut through red tape and, importantly, to maximise local content alliances and jobs for the growth of the Territory from those enterprises.

Mr BURKE: How often, roughly, have each of the task forces met? You have given me a couple of specifics.

Mr TYRRELL: Probably more often than they would like. The Major Projects Group meets at least monthly, quite often more regularly. The task forces are probably one to two weeks, but there is ongoing work by each of the members of those groups in between that time.

Mr BURKE: One of their tasks was to cut government red tape. Can you give me examples of how and where they have achieved this?

Mr TYRRELL: An example is when ConocoPhillips Petroleum are looking to interact with government. Instead of dealing with a number of departments, they are dealing with a task force

leader to make sure that any approvals they require, any support or information they require, whether it be planning, construction, infrastructure support, is done through the one group. I guess that is an example of efficient service to the proponent.

If we are looking at the pipeline to Nhulunbuy, for example, there could be a number of departments involved in that in the normal course of events, but by bringing the task force together, you are focussing those activities and making sure that everyone is focussed on doing them in sequence and interacting with the proponent with one voice, one group, instead of going to a range of different departments for a range of different purposes.

Ms MARTIN: I would like to add that critically with something like the Wadeye to Gove Pipeline, there are a lot of complex issues to deal with, and there is a reasonably tight time frame from the project proponents. We really need to be working in a very focussed way with them to achieve those time lines.

Mr BURKE: I would be assuming that there would be some cost in their effort. Is that just shared by departments or costed to Office of Territory Development?

Mr TYRRELL: Whatever costs we would incur by the time of, say, the Executive Director of the Office of Territory Development in sharing that group would be a cost, but it is an ongoing cost anyway; it is one of the tasks that he has to perform so it is not an additional cost. I guess it is more a focus and a consolidation of effort by existing resources.

Ms MARTIN: It fits perfectly within the brief of the Office of Territory Development to create jobs and economic activity in the Territory. It is a perfect way to do it.

Mr BURKE: So these task forces are managed separate from the Office of Territory Development by an appointed CEO? Are they managed by the Office of Territory Development or not?

Mr TYRRELL: Well, you have the Major Projects Group, which consists of myself as chair and a number of other CEOs, and then there are individual task forces, which have a chairperson, and they can come from the department where the portfolio responsibility lies. For example, if it is the convention centre, that is with the Office of Territory Development. If it is redevelopment of Stokes Hill, that is with the Department of Infrastructure and Planning to chair it.

Ms MARTIN: And defence industries, DBIRD, for example.

Mr BURKE: What are the achievements of the Task Force on Defence that you have assessed so far?

Ms MARTIN: The Defence Task Force is chaired by DBIRD and the Office of Territory Development is one of the members of it. The main objective is with the Air 87 Eurocopter project, and it is working to make sure the benefits from that Eurocopter project, with the Tiger helicopters coming to the Territory, there are 16 of them, that we can work, for example, with the university, to make sure that the required IT training is going to be part of what the university is offering because that is what Eurocopter says to us: in terms of servicing those helicopters when they come here, we can really offer some strengths by appropriate training now to give Territorians the skills to do that. So that is one the tasks of the task force, which, when you look at the value of through-life support of the Tiger helicopters coming to the Territory, it is something like \$100m per annum.

Mr BURKE: I was asking about achievements rather than tasks.

Ms MARTIN: I was just saying that those Tiger helicopters have not come here yet. What we are doing is putting in place that preparation, quite legitimately, so it is working in a training capacity, in a business capacity, identifying what skills, what capacities need to be here for when that happens in 2005, which I think is still the current date for it.

Mr BURKE: You announced a government population strategy that was due to be completed in May of 2003. How much has been spent on developing this strategy, including the details of any consultancies that were involved since it was announced in August last year? When do you now expect it to be completed and publicly released?

Ms MARTIN: It is a very important policy for us.

Mr BURKE: Overdue.

Ms MARTIN: Look, it is happening on a daily basis. We had an issues paper which was launched last year, and that was the first step in the development of the process, and we are moving forward to the strategy but in the interim, we are not standing still. A draft policy will be released later this year, but in the meantime, DBIRD has a dedicated officer working on business migration strategies. We have the development of an investment attraction policy which will also include, partly, a population attraction component, and we are getting some of the background detail together on retention of population in the Territory. We will have that strategy by the end of the year. But in the interim, the Office of Social Policy in the Department of the Chief Minister is coordinating that approach.

Mr BURKE: So it is well overdue on your own time line. It was due in May.

Ms MARTIN: It will happen in October, but the work is happening now, and we are not waiting to put those in place for the strategy to be completed. There are a number of elements of that, and we are working on them now.

Mr BURKE: I have no more.

Dr LIM: Chief Minister, you handed out this document that lists the consultants and the contracts that were awarded. Can you tell me whether these were all done through competitive tender or were they specifically awarded to those individuals on a one-off basis?

Ms MARTIN: Which bit of it relates to this output?

Dr LIM: We are on policy advice and public sector coordination.

Ms MARTIN: Well, there are some consultancies that would relate to that, so if you can be specific, we can deal with them.

Dr LIM: This is ...

Ms MARTIN: No, we gave them as a global but we will deal with them ...

Dr LIM: You have printed here 'output policy advice and coordination,' so I am quoting from this document that was tabled.

Ms MARTIN: Okay, but I think if you went through that, you would find that there was more in that because it is global figures for all the outputs, so are you talking specifically to the consultancies relating to this output?

Dr LIM: Are you able to identify which ones are within this output and tell us were these contracts awarded through competitive tender or were they individually awarded?

Ms MARTIN: I am happy to do that, but we will do them relating to this output.

Mr BURKE: Yes. First six pages.

Ms MARTIN: Okay. That is all right. I will hand it to Paul.

Mr TYRRELL: In policy advice and coordination, there were 51 consulting projects in that category. The procurement processes involved a number of things, calling for tenders, or quotes or expressions of interest and, in this particular case, we had 11 certificates of exemptions we sought.

Dr LIM: Which were?

Mr TYRRELL: For Scott Consulting by two; the Consultancy Bureau for the police review; Geoff Forrester; Andy Bruyn for chairmanship of Major Events; Cluster Navigations; Wana Ungkunjtja; Northern Territory University; CNAAR; DMR Consulting; David Lee Consulting; Peterson, Sterling and McIvor.

Dr LIM: Thank you.

Mr KIELY: Chief Minister, we are spending a good sum of money on domestic and family violence programs. What is the extent of the problem that it should warrant this level of commitment from government?

Ms MARTIN: There is no doubt, very sadly, across the Territory, there is an unacceptable level of domestic violence. It is of particular concern to our Aboriginal communities, and one of the key features of our current Aboriginal Family Violence Strategy is that it is about working with communities for them to identify where they see their major problems in terms of violence. We are then funding them, through targeted funding, to train members of the community to be able to start taking some action, working with community members to tackle that. It is a very sad fact that we do have an unacceptable level of violence in our communities and in our urban centres as well. The particular focus of the Indigenous Family Violence Strategy is something that has never been tried before and there is a real logic to it: building the capacity within communities and the ownership, and being able to provide the training to start tackling those problems.

Mr CHAIRMAN: Thank you very much. There being no other questions in regards to output 1.1, we will move on.

Output 1.2 - Indigenous Policy

Ms MARTIN: Joining us at the table is the head of the Office of Indigenous Policy, Neil Westbury.

Mr CHAIRMAN: Welcome, Neil. Do we have any questions?

Mr BURKE: Yes, I do. How many staff are there now in the Office of Indigenous Policy?

Ms MARTIN: Six staff.

Mr BURKE: Funding for the office appears to have increased substantially between last year's budget and this year's allocation of \$1.2m. Could you detail what that money is spent on and the reason for the increase?

Mr WESTBURY: The increase reflects the increased level of activity and the priority the government has assigned to this area. It provides for additional staff and new initiatives. These cover a range of areas, which I can summarise for you. There are issues relating to the policy and strategies to resolve outstanding and future land issues, including issues in relation to the *Aboriginal Land Rights (Northern Territory) Act* and the resolution of matters relating to national parks. There is increased activity in relation to communicating the government's policies to the indigenous and the wider community. There are arrangements in relation to involvement and inter-governmental coordination through the Indigenous Community Coordination Pilot, which is a partnership agreement between the Northern

Territory government, the Wadeye community and the Commonwealth government.

We conducted an Indigenous Economic Policy Forum in Alice Springs earlier this year, and the office does have conduct and responsibility for the overall policy carriage of indigenous economic development.

There is also work associated with looking at the whole question of indigenous governance in the context of the Better Regions strategy. We are concerned with looking to ways in which we can enter into effective negotiations and involvement with the land councils, and ways in which Aboriginal communities in the Northern Territory can get access to leased lands, leased from traditional owners. We are also looking at ways in which the Northern Territory government might be able to respond better to indigenous issues across government.

Mr BURKE: Does the office have call on other funds for all of that work? For example, to offer compensation, engage consultants or legal counsel, or conduct seminars and forums? If so, where do those funds come from? You have just given me a great deal of work. I see an increase in budget, but I am asking are all of those areas expended by your office?

Mr WESTBURY: They are all expended within our office. We do not draw funds from other departments or agencies. We do get substantial support from the Department of Justice but we just use their services on a cooperative basis; they are not charged to us.

Mr BURKE: What has your office done this year to communicate the government's policies to the indigenous and wider community? Can you give specific examples?

Mr WESTBURY: A very timely question. The office is currently developing an NT government indigenous news magazine, which will be produced in tabloid newspaper format. That will be printed and available by the end of this week, and distributed widely to indigenous communities all around the Northern Territory. Also, we believe that it is going to be a magazine that is going to be of great interest to the wider community.

The aim of the magazine is promote NT government programs and policies affecting Aboriginal and Torres Strait Islander Territorians, and to provide stories and information on a wide range of issues from across the whole-of-government. We expect that there will be 10 000 copies of the inaugural edition that will be printed, and it will be distributed at the upcoming Northern Territory show circuit, community festivals, and by major Aboriginals organisations and businesses.

Ms MARTIN: Can I add in terms of communicating, the Indigenous Economic Forum was one of those mechanisms. There has been considerable media attention over some of the initiatives of the Office of Indigenous Policy and this government's new approach to indigenous issues, particularly over the last 12 months.

Mr BURKE: What is meant, under highlights, by 'a major community development and capacity building initiative'? What is that initiative?

Ms MARTIN: I refer that to Neil to talk about Wadeye.

Mr WESTBURY: Members might be well aware, as I mentioned previously, we have entered into a major partnership agreement with Commonwealth and the community at Wadeye. That initiative is one of 10 that are being commissioned around the country that were agreed to by Premiers and Chief Ministers and the Prime Minister through the COAG process.

What we are trying to do is trial a new way of doing business out on the ground at the community level. We have entered into a joint partnership agreement, to which the Chief Minister and Amanda Vanstone, the federal minister, are signatories, as well as the community leaders at Wadeye.

We have established a number of priority working groups that have been developed as a result of consultations and negotiations with community members. They focus primarily on issues to do with youth, women and families, and housing and construction, which people there have identified as being the key priority areas. We have joint participation from the community, the Commonwealth and the Northern Territory government in examining practical and effective ways by which we might deliver services better and make substantial progress in addressing the issues that the community has identified.

I think its fair to say that the community has identified an overall theme of 'giving every kid a chance'. As members would be aware, 1500 of the population at Wadeye is under 25 so we have some significant challenges there in terms of education, employment and future opportunities. We are looking at new and innovative ways we might apply program dollars in more coordinated and effective ways. In fact, from the advice we have had from the Commonwealth, the general view is that the Wadeye project is the most advanced and progressive one in the country. Many people are visiting the community, making contact to find out about the experience of this project. Obviously, it is still reasonably early days. There is a lot of work to be done. The challenges are very significant ones but, so far, we are very pleased with the progress that is being made.

Dr LIM: Your budget is spent within yourselves and you do not get any outside resources, but did you not say that you use the Department of Justice a fair bit? So in accrual accounting, how does that add up? Are you providing money to Justice to buy services from them or they give it to you for free and the cost is borne by the Department of Justice? There has to be some offset somewhere?

Mr KIRKMAN: Currently, the government is going through many stages of accrual accounting. To cross-charge every service between agencies at this point in time is far too excessive and resource intensive. That is the reason that it is not appearing at this point.

Dr LIM: What year are we into accrual accounting already? I thought it was supposed to be all ...

Mr CHAIRMAN: Direct your question through the Chief Minister.

Dr LIM: Chief Minister, we are into accrual accounting fairly well and full steam ahead now. I would have assumed that this sort of thing would be accounted for within accrual accounting.

Ms MARTIN: We are in early stages of accrual accounting and I think Mr Kirkman's answer was quite appropriate. The level of detail that you would like answered on those issues of accrual accounting, you had plenty of opportunity to put to Treasury earlier.

Mr BURKE: So we can assume, therefore, under the early stages of accrual accounting that the costs incurred by the Department of Justice for the Office of Indigenous Policy or other offices and departments is not being charged to those departments under accrual accounting methods? Is that what we are hearing? Because we are in the early stages of accrual accounting?

Ms MARTIN: Let me tell you that as Chief Minister, to achieve what we need to achieve through indigenous policy in getting that advice together, we are getting ahead and doing it. I think we are having great results. You can sit here arguing accrual accounting and the purest version. We are getting things done.

Mr BURKE: I can probably find the *Hansard* actually where you said in the past it was apples and pears and oranges and raspberries and strawberries and now we are all going to be on apples and apples. Well, apples and apples are not coming through on your answers, I am sorry, Chief Minister.

Ms MARTIN: Let me tell you what is coming through with indigenous policy: results.

Mr BURKE: Good. The \$500 000 that you just spoke about from the Commonwealth, is that money allocated to your office and, if so, where?

Mr WESTBURY: \$500 000?

Mr BURKE: Sorry, the major capacity building initiative, which is a Budget Highlight, of \$0.5m, you said in you last answer was Commonwealth money.

Mr WESTBURY: I don't recall ...

Ms MARTIN: Sorry, where is the \$0.5m allocated to?

Mr BURKE: I asked the question under Budget Highlights for the Department of Chief Minister ...

Ms MARTIN: So page 26

Mr BURKE: 26, first one.

Ms MARTIN: Sorry, no, that is a separate one. That is the Aboriginal Family Violence Strategy. That is a separate one from the Wadeye/COAG initiative.

Mr BURKE: So, we will go back to Neil's answer before. What is the \$0.5m from the Commonwealth?

Mr WESTBURY: I did not mention the figure, as I recall, in relation to \$0.5m from the Commonwealth in relation to Wadeye.

Mr BURKE: How much Commonwealth money is involved?

Mr WESTBURY: In relation to Wadeye, one of the purposes of the trial is to make better use of existing funds as opposed to allocating new funds, but, clearly, there have been examples of some of the work that is occurring out there where agencies have seen fit to allocate funds for specific initiatives arising out of the trial of it. There are no specific extra funds allocated by the Commonwealth or the Northern Territory in relation to the project.

Ms MARTIN: Could I just add that one of the drivers for that was the layers of services going into the community with no co-ordination. So it is not to say there were no resources going to the community; they weren't co-ordinated, they weren't talking to each other. That's what this COAG initiative is about.

Dr LIM: Mr Chairman, on the output Indigenous Policy, could I be advised as to which ones are put out for competitive tendering and which ones are not?

Ms MARTIN: Paul, are you happy to deal with that?

Mr TYRELL: Yes. The number of consultants was five. There were three Certificates of Exemption sought of the five for Mr Bill Gray/National Institute of Economic Industry and Research, Dr Jocelyn Davies and Dr John Taylor.

Dr LIM: I note also in this list that you would think the Northern Territory University, with its expertise in Aboriginal development, would be asked to do something or be competitively tendering, but I don't see that anywhere at all.

Ms MARTIN: Competitively tendering for what?

Dr LIM: For any contracts or consultancies. I mean, NTU would have expertise to do that.

Ms MARTIN: Are you referring to Dr Bill Gray, for example?

Dr LIM: No, no. Dr Bill Gray would have been working of his own accord and not on behalf of NTU, I am sure.

Ms MARTIN: If you are referring to John Taylor, for example, or Bill Gray, then there were very specific reasons for those two men to be undertaking the consultancies they were.

Mr TYRELL: There are specific reasons for using – I'll start with Dr John Taylor, if you wish. Dr Taylor is a Demographer who specialises in Indigenous Demographics at the Australian National University. He is probably one of Australia's foremost demographers in this area. He has done extensive work in the Northern Territory. The work we have him doing at Wadeye relates to a baseline data survey where he is marrying administrative and ABS data to give us a baseline start in terms of what is the position at Wadeye in respect of the population or the projections for that population in five, 10, 15 years and how we might marry health, housing and other data to give us a total picture of the socioeconomic profile of that community. He is a specialist in that area, and there is no equivalent person with those skills at the Northern Territory University.

In relation to Bill Gray, Dr Gray was engaged in relation to the work that we're doing on the Land Rights Act. Dr Gray has an extensive background and knowledge of the act. He was involved in the original drafting of the Land Rights Act. He has had considerable involvement working on behalf of the Commonwealth in negotiations over the Ranger uranium mine, the Mt Todd mine; he is very conversant with the mining provisions of that act, and therefore he had a specialist expertise and capacity that we saw that no one else could match, frankly.

Dr Manning was previously engaged to carry out a National Competition review in relation to the operations of the mining provisions of the Land Rights Act. He particularly has a background in analysing statistics relating to the performance of processing of licenses and other issues in relation to the act. He was seen, again, as someone with a specialist knowledge that we could not match elsewhere.

So it was on that basis that Exemption Certificates were sought, because we believed that we needed specialists with authority, and acknowledged authority by the people we were dealing with on this issue to carry out the work for us.

Mr WOOD: Chief Minister, a couple of things. One is that Neil mentioned indigenous governance. The first question is: from where is that being driven? Is it being driven by the Minister for Local Government's portfolio, or is it being driven from your department?

Ms MARTIN: I will ask Neil to add to this, but one of the reasons we have an Office of Indigenous Policy within Chief Minister's is to be able to work with other agencies on issues like governance. So it is not about the Department of the Chief Minister doing it alone. It is about working with those agencies to get the results we need. Maybe Neil has more to add.

Mr WESTBURY: To answer the honourable member's question, the Department of Community Development does have primary policy carriage in relation to the rolling out of the Stronger Regions Strategy and the governance arrangements that are envisaged there. As the Chief Minister indicated, we have a whole-of-government view about that issue that extends beyond just the Department of Community Development. There is a range of other issues involved that we believe need to be considered in the development of policy in this key area. I think there is very clear evidence emerging from work, both internationally and in this country, that if you do not get your governance arrangements right, then you are not really in a position to embrace any effective community development, or economic development for that matter. It is such a crucial issue. With some of the

problems and issues that have emerged in relation to community government councils in the Northern Territory, we believe it has sufficient priority that our office should take an active interest and involvement in it.

We work cooperatively with the Department of Community Development. We are currently working with them in relation to preparation for a major conference later this year which will be examining these issues, and we are playing an active role and providing whole-of-government advice to the Chief Minister about these sorts of issues.

Mr WOOD: Chief Minister, the reason I raised that is because, one, I think it is an extremely important subject and, two, I am not totally convinced that the changing over to a so-called new authority, to regional authorities, should always be based, as it seems to be, on the fact that people are putting local government down because of its so-called failure. I think there needs to be much more investigation into why they have failed, whether, from a government point of view, they never had any support in the first place. Would you say, Chief Minister, that it is so important that it is an issue that really needs to come back to parliament for a full and wholesome debate? At the moment, I must admit I feel further away from this debate than ever. When I was in local government, I was much closer to it. Today, this debate seems to be at arm's length from parliament.

Ms MARTIN: We are dealing with the Office of Indigenous Policy now. The carriage of that, as Neil Westbury indicated, is with the Department of Community Development. I am certain that you can have a substantial discussion when the minister is here in front of the Estimates Committee. It does not really relate to where we are now, but there is no implication of putting local government down. In fact, we are trying to build the capacity of local government in our very dispersed population and our very large Territory. I know that there has been a reasonable amount of debate happening about what might be happening, some of it not particularly well-informed, and let me assure you that the parliament is an important place to discuss these issues. I welcome the debate, but let me assure you that this is not about putting local government down, and recognising where you came from.

Mr WOOD: My concerns have always been about democratic processes surviving, and I see some of the moves to regional authorities as perhaps moving away from that. The only thing we have had from the Minister for Local Government has been media releases. I would hate to see us going down this path without a fair bit of consideration, not only by the community but by parliament because local government, as much as I used to hate it, is a creature of the Northern Territory government or is subservient to it. So we must be, as a parliament, putting into being certain things like making sure that democratic processes are there. That is the area I am concerned about.

Moving on quickly, through the Chair, you mentioned legal services. You also mentioned the cost of any legal services as regards the invalidation of some of our Territory parks and reserves. I have put that down as a question to the Attorney-General, but should I be putting it as a question to ...

Ms MARTIN: In terms of costs?

Mr WOOD: In terms of cost, yes.

Ms MARTIN: In terms of validating those parks?

Mr WOOD: Yes. Is that a question I ...

Ms MARTIN: There was no cost. It was just a re-declaration.

Mr WOOD: But will there be costs? That is what I am asking, because in some cases, you may have to go to the High Court.

Ms MARTIN: I will hand this one to Neil.

Mr WESTBURY: As you may be aware, last year the Chief Minister announced that government had laid down some principles which were accepted by the land councils with a view to looking to negotiate an agreement in relation to future arrangements relating to NT parks and reserves. One of those core principles was that litigation be put aside. That remains the case. There is no litigation currently in play, and the intention is to establish a framework agreement which would prevent the need for litigation to proceed. Those negotiations are still under way and are yet to be completed.

At this stage, there have been no cost associated with litigation arising out of the likely miscarriage of the declaration of NT parks and reserves, and the land councils are sticking to the principles, as is the government. The question of whether litigation will proceed is not one that is at the forefront of our minds at this time.

Mr WOOD: Following on from that question, Mr Chairman, will you need legal funding for negotiating agreements? They will not be just drawn up.

Mr WESTBURY: In relation to the negotiations that we are conducting, we are again drawing on the expertise of the Department of Justice, and the land councils are meeting their own costs in relation to this discussion.

Mr WOOD: So if I need to know where that goes in the budget, I have to ask the Attorney-General?

Mr WESTBURY: Yes, the Department of Justice, in terms of the cost of the legal ...

Mr WOOD: Yes. Finally, on the newsletter you announced, I need to be clear. Newspapers are things that have rather an independent editorial where people can write letters to the editor and it is fairly independent. Is this that sort of newsletter, or is this government news?

Ms MARTIN: This is a government newsletter, so it is the policy of government to the indigenous community. I will ask Neil for more.

Mr WESTBURY: Plus it has community-based stories and events. People will be encouraged to submit stories and ideas for stories. There are sports articles, and a range of things, all of which will be of interest to indigenous Territorians and the wider community.

Mr WOOD: Through you, Mr Chairman ...

Dr LIM: Through the Chair, including the opposition's views?

Mr CHAIRMAN: The member for Nelson was ...

Mr WOOD: Who is going to make sure it does not end up being 'What a great government we are' as regards the 'neutral' stories about the good stories that are happening in government, but it does not become a government 'pat ourselves on the back' newsletter. Who is publishing it so that it will not become a mouthpiece for the government?

Ms MARTIN: Government communicates to constituents and we produce newsletters. I produce an electorate newsletter, and the judge of that newsletter is that constituency.

Mr WOOD: I will wait.

Mr REED: Mr Chairman, I wonder if the Chief Minister can advise of the state of negotiations in relation to parks, how advanced they are and when we can expect some outcomes.

Ms MARTIN: The negotiations have been continuing through this year, and we believe we are stepping closer. Not surprisingly, they have been complex, but I believe they have been held with very good will. I am confident that we will have a positive outcome for the Territory. I might check if my Director of Indigenous Policy has anything to add to that.

Mr WESTBURY: No, that sums up the position, Chief Minister.

Ms MARTIN: We are hoping within the next month or so.

Mr REED: In relation to those negotiations, has the government set parameters that determine the scope of the negotiations as regards any change of management or ownership or other practical on the ground issues that might pertain to ongoing access to the parks?

Ms MARTIN: As Neil Westbury referred to before, we have some core principles that have been made very public about the access to all land within the park system on a no fee basis, and a recognition of existing interests. I am happy to go through those core principles now.

Mr REED: No, I have those, thanks.

Ms MARTIN: Okay. They are the fundamentals for these negotiations.

Mr REED: So nothing has changed from the announced core principles?

Ms MARTIN: Nothing has changed. We are working on this basis. Access to the park estate and building the park estate is the fundamental but also, as we go, recognising indigenous Territorians' interests and rights to land.

Mr REED: The outcomes you expect in a month or so, is that global in relation to all the parks concerned or does it relate to only a certain number of those parks?

Ms MARTIN: What I had indicated that I wanted to do with the 50-odd parks that we would like to have a negotiated agreement that includes all those parks. That is where some of that hard work is being done now. As you can imagine, it is not an easy task but one that is being pursued with good will and a lot of determination to reach a good outcome.

Mr CHAIRMAN: I think we have exhausted questions in regards to Output Group 1.

OUTPUT GROUP 2 – Territory Development

Output 2.1 – Territory Development

Mr CHAIRMAN: Are there any questions?

Ms MARTIN: I thank Neil Westbury for his contribution and welcome David Malone, who is Director of the Office of Territory Development.

Mr CHAIRMAN: Thank you, and welcome. Questions?

Mr BURKE: In 2001-02, the Office of the Territory Development's total expenditure was \$3.267m. In 2002-03 it was estimated to spend \$4.719m. In 2003-04, it has a budget to spend of \$5.046 m. In other words, since its establishment its budget has increased by more than 50%. Could you detail what the office has achieved so far and what targets it has been set to achieve in 2003-04?

Ms MARTIN: I will hand that to Dave.

Mr MALONE: Can I have the question again? You are after the results for 2003-04?

Ms MARTIN: So you are not after the variations, to explain them?

Mr BURKE: No, I am really looking at a ...

Ms MARTIN: Looking at the quantum of the budget?

Mr BURKE: ...statement of achievements because your budget has increased by 50%.

Mr MALONE: The office is a project facilitation organisation within government. It has a range of activities that it is required to deliver, and they vary from time to time. In terms of 2001-02, I would need to take that question on notice. But in terms of 2002-03, the major endeavours were the Sunrise campaign, the need to work against the FLNG project. There was the gas onshore strategy *per se*. There was work on the Darwin Convention Centre, the Desert Knowledge Cooperative Research Centre, Desert Knowledge *per se* as well, the AustralAsia trade route, investment missions overseas, the Darwin Business Park, and the Territory marketing campaign. All those initiatives are part of what OTD is required to deliver. Some of those are delivered within one year and some of those on going activities.

Ms MARTIN: And complex tasks like the convention centre plus both the desert and tropical knowledge. It is a very active office.

Mr BURKE: Can you tell me how the money flows? We have just heard about task forces, some of which are run by different departments that are at no cost because it is an ongoing work. Some of the initiatives you mentioned then were initiatives that are responsible for the increase in costs of your office needs of about 50% extra. How does that correlate?

Mr MALONE: Are you looking for a breakdown in terms of where we actually have our expenditure items allocated? Is that the nature of the question?

Mr BURKE: I am trying to get a better definition of the 50% increase in expenditure, since the office was first established, in this year's budget.

Ms MARTIN: For example, marketing the Territory has \$0.5m against it, so that is an increase within the Office of Territory Development's budget. In terms of investment attraction, it is a key focus of the office now and, I suspect, into the future. That is just one example.

Mr MALONE: There are about \$2.3m allocated to personnel this year and \$2.1m in terms of operational costs, which are our organisational overheads as well as project funding that goes towards specific tasks. Then we bring on board the agency overheads for the \$4.7m.

Mr BURKE: So unlike the Office of Indigenous Policy, costs incurred through legal costs, etcetera, some of which could be by the Department of Justice, are brought to book in your agency?

Ms MARTIN: If you take the task forces, for example, that report to the Major Projects Task Force within the Chief Minister's office, it has a legal representative on it. So do some of the others, as those task forces do. So there is a justice contribution to these task forces. Mr Tyrrell.

Mr TYRRELL: If you are looking at some of the key activities and costs, for example, proposed for 2003-04, looking at investment attraction, which is \$1.549m, that includes the additional \$0.5m for marketing the Territory. You have the AustralAsia trade route which is \$343 000. Gas onshore, \$611 000. Major project facilitation, \$425 000, which includes marketing various projects, for example the AustralAsia trade route and the staff involved within the department. Knowledge and innovation, \$874 000. Industry engagement through various working groups, \$315 000. Economic research, for

example in putting together a national energy policy and supporting some of the task forces and the gas onshore and the national interest case for the Sunrise campaign, and the whole-of-government activity of \$114 000, which is related to the role the office plays in monitoring the economic development strategy. So they are some of the key amounts within that budget of \$4.7m plus \$2.83 of \$5.046 for a total for 2003-04.

Mr BURKE: Okay. Would you be prepared to table that, or not?

Mr TYRRELL: No.

Mr BURKE: It doesn't matter if it is a problem. During last year's Estimates Committee hearing, you said an Investment Attraction Strategy would be released by December 2002. Was that strategy released, and what investment has been attracted since its release?

Ms MARTIN: We have not as yet completed the investment attraction framework, but elements of that framework have been established and a lot of activity is happening already. Probably the fundamental for it is the economic development strategy, which has time lines against it and has achieved in its life so far considerable amounts. But we are looking at a framework for investment that has four different elements to it. One is the major task force model that we are talking about. The second is the Territory marketing campaign, which has that \$0.5m allocated to it in this budget. Another aspect of investment attraction is continuous improvement of the business environment through the Territory. The fourth aspect is in the cross-government methodology for government assistance to specific projects. That work is being done. The investment attraction model is being worked on and we will have that out towards the end of the year, but in the interim, a lot of that activity is going on through the Office of Territory Development.

Mr BURKE: So it is a year late.

Ms MARTIN: Well, the actual strategy is a year late, but let me tell you we are going for it.

Mr BURKE: In the last estimates, you said on the *Hansard*, that it would be released by December 2002. You are now telling me it will be released in December 2003. I am asking if that is correct or not.

Ms MARTIN: No, we have not released it as yet, but those elements are being pursued. I think the Opposition Leader himself has stood in the parliament and asked do you have another strategy or another review. The strategy is coming together, but the elements of that are being pursued right now. Sometimes you have to look at the resources you have and where you put that emphasis, and we put it on with getting going with those things. We will have the strategy out, do not worry.

Mr BURKE: The Office of Territory Development has, as part of its outputs, Marketing the Territory. How much was spent on this in 2002-03? How much has been budgeted for 2003-04? What specific examples of marketing the Territory did the office do to produce or pursue in the current year?

Ms MARTIN: Well, as we have said, in the current budget, there is \$0.5m for a Territory marketing campaign. I might refer to either my Director or my CEO. I do not know if we can give you a specific figure for the current financial year for marketing, but there were many elements of marketing undertaken. There was the development of a multi-media package for the AustralAsia trade route. I took that on my trip to Asia, and it was very successful in Hong Kong, Kuala Lumpur and Singapore. We produced a *Living in the Territory* booklet and material that was specific to particular investment missions. There might be some other elements that Mr Tyrrell can detail.

Mr TYRRELL: In summary, for 2002-03, there was an amount of \$281 140 in marketing activities, covering such things as trade routes, supply chain, desert knowledge, national Science Week, etcetera, and Sunrise advertising. There were marketing tools, such as the *Living in the Territory* booklet, printed photographs, which was an amount of approximately \$37 000. That totalled

\$97 977, and the Asian gateway of \$140 662. So those three elements make up the amount that was spent on marketing, together with the tool in 2002-03, up until the end of May.

Ms MARTIN: We recognised that we needed to give it a greater focus, so therefore the increased funds. Although we have been broadly marketing the Territory, it is going to have a much more specific focus.

Mr BURKE: How many people employed in the marketing unit of the office?

Ms MARTIN: Five.

Mr BURKE: Five. This is obviously separate from the new Corporate Communications Unit?

Ms MARTIN: Yes, with a very different purpose. Two of those in OTD marketing will be transferring to the Corporate Communications Unit within DCM.

Mr BURKE: So your increased effort in marketing the Territory is now reduced by two staff?

Mr TYRRELL: No, there is an additional \$500 000 in marketing the Territory, and that is a fixed amount. That does not necessarily have to be staff; that can be tools, campaigns, TV adverts, newspapers or whatever it might be. It is a reduction of two people in that team, but not a reduction in effort overall. If I can explain just a touch further, some of the activities on behalf of the department were done by those two people, so that effort would be taken into the new communication unit.

Mr BURKE: You announced in the budget an additional \$500 000 to market the Territory. I guess it is perhaps answered, but just to confirm it: this is all new money?

Ms MARTIN: Yes, it is all new money.

Mr BURKE: Where does it come from? It is all to be spent within the Office of Territory Development, separate from the \$0.5m that has been allocated for the Corporate Communications Unit?

Ms MARTIN: Yes.

Mr BURKE: How does that \$500 000 break up, if you could be more specific? I know you have a global amount. We have established that there are two fewer staff. How does it break up between operation and administrative costs such as salaries, etcetera, and money to be spent on producing brochures or advertisements or whatever?

Ms MARTIN: I defer to Dave Malone.

Mr MALONE: The \$500 000 does not contain funding for new staff. Some of the highlight projects include the replacement of the 1993 investment attraction video currently used by the Territory government and Territory Perspective; implementation of the Ambassadors program, which is a new program designed to use Territorians with national and international links to market the Territory when they are travelling; continuing marketing research to make sure that when we do our work that it is not just a shot in the fog, but is targeted specifically at the groups that we are looking for; and an increase in investment missions through the next 12 months as well, targeting all the major capital cities. There are other elements to it, but they are the major items in the program.

Ms MARTIN: Mr Tyrrell, do you wish to add anything?

Mr TYRRELL: Just that the total effort would be approximately \$727 000 for marketing the Territory, which includes an ongoing \$227 000. Therefore, the \$500 000 is additional new money covering

those elements that David just outlined.

Mr BURKE: I was obviously of the mistaken belief that this would be a re-invigoration of *The Difference is Opportunity* marketing strategy within the Office of Territory Development. Your answer tells me that you are going to freshen up a few videos, and get some ambassadors to market the Territory when they are travelling. It really does not seem to be a major increase in effort, considering we have established that there are two fewer staff.

Ms MARTIN: As indicated ...

Mr BURKE: Can I just - this is not a question. There was a major effort put in, that was my belief, that this would be the re-invigoration of that strategy which has only just begun under another name or whatever. I assume that is not going to occur?

Ms MARTIN: This will be a strategy that will focus on investment attraction, which we need. Our economic figures are excellent at the moment, and we need to be attracting investment from around Australia, up to our north, particularly. This attraction will target that specifically.

The Difference is Opportunity had a different focus. We are a new government, and you can expect to see a new focus. David, if you would like to add to that.

Mr MALONE: If I can just add that the summary I provided was very much about the tools that we were going to purchase with the \$500 000. It does not go to how the program will roll out. There is a proper strategy in place for marketing the Northern Territory through all the major centres, looking to attract new investment into the Northern Territory and to make this place attractive to people based interstate who may wish to move here to work on the new investment projects that we have here. So when I was providing a summary earlier on, it was very much the tools we were going to purchase and not the strategy itself.

Mr BURKE: Is there a relationship between the Marketing Unit within this office and the new Corporate Communications Unit?

Ms MARTIN: I defer to Paul Tyrrell.

Mr TYRRELL: Possibly, but not a direct relationship. The new communication unit is to look after DCM activities plus whole-of-government communication, where there needs to be coordination of that effort. The role of the Office of Territory Development, of course, is to focus purely on investment attraction.

Mr BURKE: I was of the understanding from the Chief Minister that the new Corporate Communications Unit would focus on indigenous issues, domestic violence.

Ms MARTIN: No.

Mr BURKE: Would you like to explain what this new Corporate Communications Unit does, then?

Ms MARTIN: The new Corporate Communications Unit, which has an allocation of \$0.5m, is about two things. It is about coordination across government of government initiatives to our community and it is also about working within the Department of the Chief Minister for internal communications.

Mr BURKE: I will check the record. So there is no direct relationship?

Ms MARTIN: Sorry. Indigenous Policy Communications was really focussed on the newsletter, which comes out of the Office of Indigenous Policy.

Mr BURKE: I made statements about the Corporate Communications Unit. You answered them publicly. I will check the record myself rather than arguing here about it. Of the \$500 000 a year given to this effort, how much is employee expenses and how much is operational costs?

Ms MARTIN: Which effort?

Mr BURKE: This new communications effort in the Office of Territory Development.

Ms MARTIN: There will be five staff. There might be some connection, as Paul Tyrrell said, but it has a very different task from the one in Office of Territory Development. As I understand, it has five staff. Paul might answer.

Mr BURKE: Under what area do I ask questions about this Corporate Communications Unit? It is not part of Territory Development ...

Ms MARTIN: No.

Mr MALONE: No, it is within the output that we have been through previously, which is Policy and Coordination.

Mr DEPUTY CHAIRMAN: And that one is already signed off.

Ms LAWRIE: 1.1.

Mr BURKE: Hang on, I am not finished yet.

Mr DEPUTY CHAIRMAN: Well, the convention is that if it has been ...

Mr BURKE: I am finished with that question; I am not finished with the area we are in.

Dr LIM: It could still come under Government Business Support, surely?

Mr DEPUTY CHAIRMAN: No. We have been advised that it comes under Output 1.1. We have signed off 1.1 so we will not take any more questions on that one.

Mr BURKE: What is the relationship between the \$500 000 that you have been allocated and the Communications Unit that was in the Department of the Chief Minister?

Ms MARTIN: Which Communications Unit?

Mr BURKE: Well, the previous Communications Unit had a primary task of ...

Ms MARTIN: The Government Communications Office?

Mr BURKE: ... of marketing the Territory, yes. It was in the Department of the Chief Minister.

Ms MARTIN: That was abolished. There is an activity within the Office of Territory Development, which is marketing the Territory, and that is very specific. I think we have outlined specifically what that is going to do. Within the Department of the Chief Minister is the Corporate Communications Unit, and that has been outlined as well.

Mr BURKE: Yes, I am just asking about the difference between them. This has nothing to do with the

Corporate Communications Unit that you have established. I am talking about the one that you abolished, and you abolished it with a stated savings of \$300 000. You have now allocated \$500 000 for ...

Ms MARTIN: We abolished it with a stated savings of \$2m. \$2m is very different from \$300 000.

Mr BURKE: Well, for that particular unit you stated savings of \$300 000. For this new amount of \$500 000, which has the same role, marketing the Territory, what is the difference?

Ms MARTIN: The Government Communications Office had a budget of \$2m. Coming into government, we made it very clear we thought it was an extravagant exercise that was all about marketing the then government. What I have done is establish a very focussed marketing task in the Office of Territory Development, and then we will have set up, with \$0.5m, a Corporate Communications Unit within the Department of Chief Minister to do the things as outlined: two very different and appropriate tasks that have nothing to do with the Government Communications Office, the one that was abolished.

Mr BURKE: Okay. In February, you announced that the feasibility study of the Darwin Convention Centre would be completed by April. Has it been completed? Will it be made public? What is the present status of the report and government action on the report and the convention centre?

Ms MARTIN: I will get the details for you. I am sure both Mr Tyrrell and Mr Malone will have things to add. As you are probably aware, PriceWaterhouse Coopers was commissioned to undertake the full financial and demand analysis of a possible convention centre. The very thorough process has been happening. They are expert at doing this. It is very important to look at exactly what kind of convention centre we need so a full market assessment was done: size, capacity and the functionality of the convention centre that would be best for the Darwin market was analysed; best location was also looked at; the associated economic benefits to the Territory, and measurement of those is examined; the financial contribution that would be needed from Territory taxpayers has been analysed; and the likely estimate of the impact of the current Territory venues is also part of that analysis from PriceWaterhouse Coopers. Within the next month, they are expecting a directional statement from government.

Mr BURKE: A directional statement?

Ms MARTIN: On how we move forward.

Mr BURKE: What does a directional statement mean? Is it completed? What is its status? Will it be released?

Ms MARTIN: It has not yet been completed. The final bits of that feasibility study are being completed now, and government will make a directional statement about it in the future, in the next month.

Mr BURKE: Could we go as far as to say that in your directional statement, you will announce the site has been chosen?

Ms MARTIN: I am sure, because of the comprehensive nature of PriceWaterhouse Coopers' feasibility study, that there will be lots of elements announced.

Mr BURKE: You have not answered the question. Will you have reached the stage where you will be able to say ...

Ms MARTIN: Yes, yes.

Mr BURKE: ... in your directional statement, you will announce the site?

Ms MARTIN: I cannot tell you because we have not made those decisions yet. We have not seen the final report. Let me just assure you that this government ...

Mr BURKE: I am only after status, you know, I do not need a speech about how good the government is. I just want to know what the status report is, what your decision making status is.

Ms MARTIN: Okay. It is almost complete.

Mr BURKE: It was due in April.

Ms MARTIN: What it does is cover a whole range of issues and, depending on what that final report says, I would like to have a firm statement about the future of the convention centre in Darwin in the next month.

Mr BURKE: Okay.

Ms MARTIN: And implicit in that is a location.

Mr BURKE: So Territorians could expect a report that would be completed in April will be shortly announced by way of a directional statement, which will include the site of the new convention centre?

Ms MARTIN: I am very committed to having a convention centre, but it has to work.

Mr BURKE: Okay. If that is the case, why is \$3m allocated in 2003-04 for preparatory work if you have not made a decision as to whether you are going to have one?

Ms MARTIN: The \$3m allocated is to be able to move once a decision is made to do some of that preparatory work. If we do not use it, which I hope we will, then there is no problem, but it is an indication of commitment to move ahead.

Mr BURKE: \$3m. I think we have the site. We can expect the site to be announced. That is good.

Ms MARTIN: It is only for preparatory work.

Mr BURKE: At least we know where we are going to do the preparatory work: on the site. Certainly, it is not \$3m for another consultant's report!

Ms MARTIN: I can give you some details of what that \$3m ...

Mr BURKE: Yes, I would love to hear it.

Ms MARTIN: Okay. Things like environmental assessment work; engineering geo-technical studies; legal, financial and professional advice; site preparation work; potential headwork services for the site. Those kinds of things.

Mr BURKE: Good. On April 4, you announced an industry working group to facilitate the implementation of guidelines for public-private partnerships and identify potential projects applicable to Territory partnerships. How is this working group funded? How many times has it met, and has it yet identified any particular projects.

Ms MARTIN: I defer to David Malone.

Mr MALONE: The working group is chaired by representatives from Infrastructure, Planning and Environment. The working group is principally looking at the guidelines that underpin the policy document. The policy document was launched by the Chief Minister. There was a range of guidelines, which go to how government will actually deal with the projects when they come. Some of the issues are the public service comparative to compare the cost within a capital works framework versus a private sector framework, and that work is ongoing. It has representation from the Territory Construction Association, the legal fraternity and a number of other groups, I do not recall them all right now. It is a joint working party between government and the private sector. We are expecting that in the next little period, it will take some time to finalise those guidelines, but we are expecting something to be done shortly.

Mr BURKE: Thank you. I have no further questions.

Dr LIM: Coming to the consultants list for Territory Development, could you once again go through the list and advise me which ones are put through on competitive tendering and which ones were given certificates of exemption, please?

Mr TYRRELL: There were 19 consultant projects for total expenditure \$537 893, and we sought certificates of exemption for four, which were approved: Sunrise, a blanket Certificate of Exemption for \$500 000; Bob Collins by two; Price Waterhouse; and GH and D. Price Waterhouse was for the convention centre and that was approval to go to select tenders.

Dr LIM: Chief Minister, if I may ask through the Chairman, when we asked you about the Corporate Communications Unit, you were pretty happy to tell us, then when we tried to ask you the question, we were told it was in a different output group and we cannot ask the question any more. We were not to know that it was in a previous output group. Can you answer the question in a bit more detail as to what it is supposed to be doing?

Ms MARTIN: There was an output group. We dealt with that.

Dr LIM: Yes. But we were not to know that this comes under that.

Ms MARTIN: You can use other forums to find out more about this, but we are sticking with the output group we have in front of us now.

Mr DEPUTY CHAIRMAN: Any further questions?

Mr BURKE: There was one that came before. It is about Northern Territory University. It would seem to me that, with the enormous ability through the Department of Chief Minister that, particularly the Office of Territory Development in all of the work it is doing, there is a strong desire and a strategy of the university that they be a preferred engagement for consultant advice and, from there, would sub-let those sort of consultancies to academic or professional institutions. Is that something that is included in the strategy that government is pursuing?

Ms MARTIN: We are actively pursuing those partnerships with the university, and a lot of work has been done. Certainly, with the Institute of Advanced Studies at the new Charles Darwin University, there is \$1.5m new funding this year, and that is from the Territory. Part of that will be an Energy Institute that we have talked about for a number of years now. The whole point of government working closely with the university is to build the university's capacity to be able to work with government for the Territory, and if you look at the secondary education review, that is the kind of model of what we would like to see.

Mr MALONE: To add to the Chief Minister's comments, I met with the Vice-Chancellor a little while ago. One of the issues for us is economic modelling and economic advice, and the university is not particularly strong in that area. We would like to have access to those sorts of skills, and so we have

had dialogue between the Office of Territory Development and the university about how we could do that. We have also met with a number of the university's economics professors as well about encouraging them to particularly look at PhD work which could fit in with the work that we are doing.

Also, in terms of tropical knowledge and desert knowledge, there are strong partnerships between our knowledge innovation area and those elements within the university. So, the initiatives are under way. A lot of the areas that we are actually working in are outside the scope of what the university has capacity for now, but we are very mindful of building that capacity because we have an ongoing need for those skills.

Mr WOOD: Chief Minister, it has been reported in the national press that the federal government and the states and territories are moving towards establishing a national regulator for the energy industry and a national energy market. Could you tell us whether that move will bring the Territory any costs or benefits?

Ms MARTIN: The appropriate person to put that to is to Paul Henderson in his energy portfolio capacity.

Mr WOOD: Just a couple of other questions. Through the Chief Minister, David mentioned that part of the marketing program that you are going to establish is to try and create new investment in the Territory. Has the government considered whether there would be any effects of the new land rich provisions that the government is hoping to pass in the budget session? Would those changes to stamp duty possibly put some businesses off investing in the Territory?

Ms MARTIN: I am confident not.

Mr WOOD: Has the government looked at the implications of that?

Ms MARTIN: Yes, has looked at it in detail, and I am confident not.

Mr WOOD: Is the government also looking at promoting - and I presume Territory development is more than just about gas, and I have raised this before - the possibilities of geothermal energy? Does it see it as an option that it should be looking at?

Mr Burke: We have a coal rock [inaudible] down the road. It just started. It is very successful, too.

Ms MARTIN: It is not that OTD is not interested in that kind of thing, but the Office of Territory Development does major project facilitation. An issue like that comes within DBIRD and is appropriately put there. The Office of Territory Development has also put together a national energy policy which looks at how we move forward, where things like gas fit in our future, and where other renewables do, as well.

Mr WOOD: The last thing was the issue of the convention centre. You did say there was \$3.5m to be spent, and you spoke about geotechnical advice. One cannot dig a hole if one does not know where to dig, so I presume you know where you are digging and where the site is.

Ms MARTIN: The \$3m was allocated and that is to demonstrate our commitment to a convention centre. However, that final work has to be done, as you can understand.

Mr WOOD: That is true, but you would not dig a hole anywhere.

Ms MARTIN: No, we are not digging and hoping to find it under ground, no. It means that there is an allocation of funds for when the decision is made and, hopefully, it is a positive decision.

Mr WOOD: I thought that you were saying that you had already decided that you would spend that

money on those ...

Ms MARTIN: No, no, no, in the next 12 months. If we do not have that allocation now, we would have to wait for another 12 months, potentially.

Mr DEPUTY CHAIRMAN: Are there any more questions for Output Group 2? That concludes consideration of those output groups. I would like to thank Mr Dave Malone for his contribution. I also take this opportunity to thank Mr Neil Westbury for his contribution earlier on Indigenous Policy. I note that, according to the schedule, you are available to take questions on Arts and Museums, which sits within the Department of Community Development, Sport and Cultural Affairs.

Ms MARTIN: The next one is railway. Mr Deputy Chairman, could I ask for five minutes?

Mr DEPUTY CHAIRMAN: Certainly ...

Dr LIM: Is that going to be added to the end of the time.

Mr DEPUTY CHAIRMAN: That will mean a knock-off time of 11.45 pm.

Mr WOOD: I think we should have a deliberative meeting and then come back with an answer..

Ms MARTIN: Just five minutes. Is that okay?

Mr CHAIRMAN: Yes. We will have a short break.

The committee suspended.

OUTPUT GROUP 3 - NT Railway
Output 3.1 – NT Railway

Mr DEPUTY CHAIRMAN: I call the meeting to order. Are there any questions?

Mr BURKE: Chief Minister, at the beginning of May, you announced that freight forwarders could begin establishing facilities in the Darwin Business Park at the East Arm development area. Have any done so?

Ms MARTIN: Work started on-site clearance for the business park. Where we are now is talking to freight forwarders about setting up at the business park. That work is being done.

Mr BURKE: So none have committed?

Mr TYRRELL: We are in very advanced negotiations with a couple.

Mr BURKE: Good. In terms of the initial infrastructure costs, are there any inducements or subsidies to attract business to the park?

Mr TYRRELL: Not that I am aware of.

Ms MARTIN: No, not that I am aware of, either.

Mr TYRRELL: We are negotiating for the sale of the land based on advice from the Valuer General.

Ms MARTIN: Can I also indicate that this actually is for the previous output.

Mr BURKE: It is railway.

Ms MARTIN: Yes, but that business park happens to be associated with the railway. The carriage of it is within the Office of Territory Development.

Mr BURKE: It says there 'Territory Development' and then it says 'NT railway'.

Ms MARTIN: The NT railway is to do with the construction of the railway.

Mr BURKE: So you would not have a business park without a railway line running straight past it.

Ms MARTIN: Yes, but the business park is not being built by ARC and it is not being built with rail funds. It is being built by funds allocated through different mechanisms, quite appropriately.

Mr BURKE: They are not difficult questions. They are only ...

Ms MARTIN: No, but I am saying that they are not questions for this output.

Mr BURKE: I would imagine that the person sitting in that chair would have a far greater capacity to answer the question than any other minister in the place. In terms of those businesses, have any rejected, the ones that you have targeted?

Ms MARTIN: Negotiations are continuing.

Mr BURKE: So, no further information than that?

Ms MARTIN: There is no further information to give you at this stage. An investment mission was undertaken to Asia, as you are aware, in March. One of the key focuses of that investment mission was to talk about the business park and the opportunities of establishing businesses, particularly warehousing and distribution pre-retailing at the business park and associated with the port. There is a lot of interest. All that is being pursued jointly between FreightLink and the Office of Territory Development.

Mr BURKE: Yes, and the primary ones you are trying to attract are not in Asia, they are the freight forwarders from down south, to get freight on an off that railway.

Ms MARTIN: Yes, and as was indicated, those ...

Mr BURKE: I am asking if any of those that have been targetted have rejected locating to that park.

Mr TYRRELL: We have not had any formal rejection, no. There are a number of them and two are extremely interested. Negotiations are well advanced with those two and proceeding with the others.

Mr BURKE: Subsidies or inducements would be included in those negotiations, apart from UCV on the land?

Mr TYRRELL: The negotiations have not been concluded, so I guess its not appropriate to talk about that.

Mr BURKE: Okay. How much does the government hope to raise from leasing or selling sites in the park? Does the government expect to recoup the \$9m development cost from businesses using the park?

Ms MARTIN: That question is appropriately put to the Minister for Infrastructure, Planning and Environment.

Mr BURKE: All right. Have you set a target for the number of businesses to be operating from the park by the time the trains begin running?

Ms MARTIN: Again, these are not questions for the output we are currently dealing with, which is NT Railway.

Mr DEPUTY CHAIRMAN: I have to ask you, Leader of the Opposition, to keep your questions relevant to the particular output.

Mr BURKE: In that context, can I assume that they are all relevant for the Minister for Infrastructure, Planning and Environment when he comes in?

Mr DEPUTY CHAIRMAN: It is the Chief Minister's call. If the Chief Minister says that they belong to the previous output and that has been signed off, then that will be the end of the question.

Mr BURKE: I would like to state that I cannot force the Chief Minister to answer the question, but to refuse to give an answer because we asked it in the area of NT Railway and this Darwin Business Park has been heralded as integral to the railway and, in fact, the next stage of development of the railway, it seems to be churlish to refuse to answer it.

Ms MARTIN: On the issue of so-called churlishness, if the Leader of the Opposition goes to page 29 of Budget Paper No 3, you will see very clearly what is under the output of NT Rail. It is:
Provide for meeting the Northern Territory's obligations and entitlements in relation to construction of the Alice Springs to Darwin railway and ongoing management of the railway corridor through:...

It is not to do with the business park. This is the output we are dealing with now.

Mr BURKE: No more questions.

Mr WOOD: I have a couple of questions that go to the railway. The one capital item in the Chief Minister's department is the railway fence. Would I be correct, Chief Minister, in saying that the fence funding comes from DIPE? Will the fence be finished in time for the rail, considering the rail is supposed to be finished by the end of the year? Which department will maintain the fence?

Ms MARTIN: Funds for the fencing come through NT Railway, and we have in this financial year an allocation of \$6.3m.

Mr WOOD: It is Territory funds for that fence, right?

Mr KIRKMAN: It is from NT Railway, the funding for the fencing.

Mr WOOD: It has nothing to do with ADrail?

Mr KIRKMAN: No, it is in this output.

Ms MARTIN: In this year's allocation to NT railway, there is \$6.1m for fencing and crossings.

Mr WOOD: Is that what happened last year? I was under the impression that Infrastructure and Planning's budget for roads was actually reduced because of the requirement to spend money on the fence. That was not initially allocated in the cost of the rail.

Ms MARTIN: I will refer this to Mr Paul Tyrrell.

Mr TYRRELL: I cannot recall a reduction in another department's allocation. However, the allocation for fencing is within this output, as is the money for crossings. The fencing is mainly done as part of the compensation package for the purchase of the corridor. Your question regarding maintenance is that the maintenance is undertaken by the owners. The capital is put in as part of the deal for compensation for land, and the ongoing maintenance is by the owners.

Mr WOOD: You had better tell me whether this is the right place for the question. The railway station - that is when the train comes in and it stops at the railway station. Is that the right ...

Ms MARTIN: An allocation through DIPE.

Mr WOOD: May I ask you a question about it? You raised it in parliament recently about a railway station.

Ms MARTIN: Appropriately to DIPE.

Mr WOOD: Even the policy of why it ended up down there? I have never worked out who made the final decision and put it down amongst the sandflies.

Ms MARTIN: Which sandflies?

Mr WOOD: The ones at East Arm.

Ms MARTIN: I have not met them.

Mr WOOD: You had better go down at 6 pm. I hope the train does not come at 6 pm; there will be a lot of scratching passengers. The policy, or who decided on that ...

Ms MARTIN: That work was done through Infrastructure, Planning and Environment. I would be happy to talk about it, but it is better it be put to the minister.

Mr WOOD: So it is not part of the railway costing?

Ms MARTIN: No.

Mr WOOD: Is the land bridge part of your portfolio? This was a concept, I remember, when the railway was being developed. We were going to have these fast catamaran-type boats that were going to take fresh fruit and vegetables to all parts of Asia. We have the train coming, and I have heard nothing about this so-called land bridge. Is this a concept that has died?

Ms MARTIN: I am struck with tragedy that you have not heard about the land bridge.

Mr WOOD: I had, but I have not heard any more.

Ms MARTIN: That work, again, is being done through the Office of Territory Development working with FreightLink. It was the core part of my mission to Asia in March; to talk about the new trade corridor and the opportunities of import and export because, as you are aware, the rail is built because of domestic freight, taking it from road to rail, but the real opportunities for the new trade route are import and export and all those opportunities are being explored. Again, I say this is not the output for that. One of the task forces that was talked about in the previous output is dealing with that AustralAsia rail corridor, the trade route.

Mr WOOD: One more question ...

Dr LIM: If I could follow on from that question?

Mr DEPUTY CHAIRMAN: After we hear ...

Dr LIM: This is the same question ...

Mr DEPUTY CHAIRMAN: We will let the member for Nelson finish his round, and then you can have yours.

Mr WOOD: Unless it is a supplementary to mine.

Dr LIM: Yes, to what you were asking. FreightLink recently announced its freight charges for containers moving down between Adelaide to Alice Springs, and Alice Springs to Darwin. It appears that prices for Adelaide to Alice Springs will increase freight charges by between 40% to 70% on current freight charges. When these increases are passed on to retailers and consumers, prices for everything will rise significantly in Central Australia. Chief Minister, you claim that commencement of the railway will actually bring prices down for us in the Territory. What are you going to do about the inflationary prices for Central Australia?

Ms MARTIN: Can I ask you which output this relates to?

Dr LIM: Well, railway. It is about the railway.

Ms MARTIN: FreightLink is the operating arm of the consortium. It does not have an allocation in this budget.

Dr LIM: Well, you answered the question before. Why don't you answer the question here now?

Ms MARTIN: No. FreightLink is the ...

Dr LIM: No ...

Ms MARTIN: Denis, didn't you explain this to Richard?

Dr LIM: No, I am just ...

Mr DEPUTY CHAIRMAN: Member for Greatorex, the Chief Minister...

Ms MARTIN: I am saying this is a private operation and those rates have been set by FreightLink working with freight forwarders ...

Dr LIM: So it does not matter if Central Australia's prices go up through the roof?

Ms MARTIN: No, that is not the issue here.

Mr DEPUTY CHAIRMAN: Member for Greatorex, will you let the Chief Minister finish?

Ms MARTIN: It is not the issue here ...

Dr LIM: It is the issue. You are the government.

Ms MARTIN: This is about outputs in this budget. FreightLink and the Australasian Transport Consortium is not one of the outputs here. Quite simple. Okay?

Dr LIM: So stiff cheese for Alice Springs.

Mr WOOD: Chief Minister, my last question. This probably belongs to tourism, but I did raise before the possibilities of a passenger train which is being used by Territory people to travel intra-Territory because I think at the moment we are going to have a wonderful passenger line, or a tourist train that a lot of people will be able to only travel on once in lifetime maybe. Has there been any push for using the line as a passenger line, say from Darwin to Katherine. Any of that sort of thinking?

Ms MARTIN: We had the announcement last week from Great Southern Rail that The Ghan will be here in February and so it is going to be used as a passenger line. We are just starting. We have the first freight train coming in on 17 January next year; a great moment. We have The Ghan coming in early February. Those opportunities will build from there. Again, I say this is not the output.

Mr WOOD: Isn't it?

Mr BURKE: How come you answer his questions and not ours? You do not own the railway line; it is owned by a private consortium for 50 years.

Ms MARTIN: Well, it actually relates to tax payers dollars. Richard's question did not relate to tax payers dollars at all.

Mr WOOD: I was at the Adelaide River Races the other day and someone mentioned about travelling there by train and I thought that would be a great adventure, I reckon, down to Adelaide River for the races by steam train. I do not have any more questions; they are all in other departments.

Dr LIM: If I may ask a question about the railway, Chief Minister, how many issues do you have ongoing with property owners affected by the railway corridor through their property and what are they?

Ms MARTIN: I will direct that to Paul Tyrrell.

Mr TYRRELL: Two.

Dr LIM: Two. Who are they or what are they? Which ones are they?

Mr TYRRELL: They are currently before the Tribunal. There is a process to handle these. Do you want us to talk about the names? I mean, I am not sure that is appropriate.

Dr LIM: No.

Mr DEPUTY CHAIRMAN: Are there any more questions in regard to this output? That concludes the consideration of this output group.

OUTPUT GROUP 4 - Government Business Support
Output 4.1 – Support to Executive, Ministers and Leader of the Opposition

Mr DEPUTY CHAIRMAN: The committee will now consider output 4.0. Are there any questions?

Mr BURKE: Chief Minister, these are pretty standard questions. You can table the answers in the interests of brevity, if you like.

Ms MARTIN: Would you just wait a minute? I am just rearranging my books. Thank you.

Mr BURKE: How much has been spent by each ministerial office, including the Parliamentary Secretary, on entertainment and travel, breakdown by minister's costs and staff costs?

Ms MARTIN: Entertainment and travel, in what period? 2002-03?

Mr BURKE: Yes, 2002-03. You can table it if you like.

Ms MARTIN: We have those figures; I am just sorting out how we get them for you. I am happy to table them. As we are sorting them through, I can give you some global figures here. In terms of total expenses, so that includes everything, the estimate for the last 12 months on consultants, travel, entertainment, marketing and promotion and document production is \$10 372 000, which, excluding inflation, compares very favourably with the last 12 months of the Burke government, which was \$11 407 062.

Mr BURKE: I think we have passed that budget period, but anyway. Are you going to table the documentation?

Ms MARTIN: Yes, I just said while we were doing it, I thought you might be interested in the figure. If you add inflation to it, it is \$12 101 752 for the Burke government.

Mr BURKE: What was the budget for each minister's office? What is the estimated expenditure for each office, and what is the budget for each minister's office in 2003-04 was the question.

Mr WOOD: The Treasurer told me I had to ask every minister that question, so if you can get it in one go, it would be very good.

Mr BURKE: I think it is common sense, frankly. These are all prepared. They know the answers.

Ms MARTIN: Travel and entertainment?

Mr BURKE: Well, unless you have got something to hide, can we have what comes out every year?

Ms MARTIN: I was establishing what you were identifying. Travel and entertainment?

Mr BURKE: The particular question is - yes, I am trying to get out of here by a quarter to 12. That is my primary objective.

Ms MARTIN: We are trying to cooperate. I am not trying to hide anything; I am just understanding. We have broken it down in a different way than expenses, so travel and entertainment.

Mr BURKE: No. This question is: what is the estimated expenditure for each office for the year current, about to go, and what is the budget for each minister's office in 2003-04? You set budgets when you came to office. You said each minister would adhere to that.

Ms MARTIN: That is fine. I thought you said travel and entertainment.

Dr LIM: Mr Chairman, factor in the question on global issues. The Chief Minister promised that she was going to table the document, which we still have not seen.

Ms MARTIN: We are still working on it.

Mr BURKE: The next question is travel and entertainment.

Ms MARTIN: Okay, just let us have time. I think we have been very quick in responding. Sometimes we need more time.

Mr BURKE: So travel and entertainment. Do you have your consultants costs in there?

Ms MARTIN: We handed all the consultants out.

Mr BURKE: We will take what you will generously pass over.

Ms MARTIN: We said we would do it against outputs, and we have it against outputs.

Mr BURKE: Well, any unexpended portion of the 2002-03 budget allocation and the estimated expenditure, and I assume it is in there, in those tabled documents. Will any unexpended portion of the 2002-03 Budget allocation to ministers' offices be carried forward as additional funding in 2003-04?

Mr KIRKMAN: No.

Mr BURKE: So under an accrual accounting system, if a particular office is efficient, it has money taken from it?

Mr KIRKMAN: No. In this case for the 2002-03 estimate, we are anticipating to spend full allocation.

Mr BURKE: Will that include my office?

Ms MARTIN: I would assume so.

Mr BURKE: So you do not know the outcome for my office, whether it is under or over?

Ms MARTIN: Hold on. Let's just ...

Mr KIRKMAN: Your office is currently under budget.

Mr BURKE: Thank you. So I do not get to keep that? Strange system, is it not. You work hard, try to get outcomes, try to achieve objectives and they take your money.

Ms LAWRIE: It is a contribution to taxpayers.

Ms MARTIN: It is not the end of the year yet. How do you know you are underspent? It is not a challenge.

Mr BURKE: Could you indicate to me what discretion ministers have in the spending of the budget you allocate to their office?

Ms MARTIN: In terms of employees, that is, the number of employees are ...

Mr BURKE: Do you give a minister an allocation of money and then that minister is free to spend that money within their budget allocation, or do they have to come to you for approval to spend within their budget allocation?

Ms MARTIN: No, they spend within that allocation and the approvals they seek from me are things like protocol events and travel.

Mr BURKE: So if a minister wanted a new printer or a new computer, would the minister have to go to you to get approval, or would that be within their budget allocation?

Ms MARTIN: I will have to check that. Nobody has come to me to ask, so obviously it is not my approval that has to be given. Any major item of capital expenditure has to be approved through my office and comes out of the budget of the minister.

Mr BURKE: What if it was a small item like an advertisement? If a minister wanted to put some sort of ad in the paper, would you give them that discretion or would you have to approve that, too?

Ms MARTIN: The ...

Mr BURKE: In an accrual context, I would have thought you would give them an allocation. You would set outcomes for how they would have to achieve outcomes for their office and you would give them freedom to achieve those outcomes.

Ms MARTIN: There are guidelines, as you are aware, for advertising and much of them were established when you were in government, or used when you were in government.

Mr BURKE: I do not think so any more, but anyway.

Ms MARTIN: Any advertising has to fit those guidelines and is approved by my Chief of Staff.

Mr BURKE: Do you think that is logical in an accrual concept? I mean, your whole concept for accrual accounting is that you set an agency or an office an allocation. You set performance objectives, and those performance objectives are monitored in some way. We have established there is no external audit. It is all internal audit. Wouldn't you say that a minister's office would be set objectives, given the freedom to achieve those objectives, and the outcomes would be set against those objectives, or if it is monitored on a closer basis than that, and it seems it is, right down to advertisements, that that is outside of the accrual accounting concept?

Ms MARTIN: It is still quite regular to have delegations and on those kinds of issues, we probably have the same process you had when you were Chief Minister.

Mr BURKE: No, it is not. You see, under the old cash system, the only limit that was set on your office was staff costs. Every other cost was picked up by the Department of Chief Minister.

Ms MARTIN: Well, we are very conscious of ...

Mr BURKE: Under this new concept, you said that you would set a budget for the ministers' offices and they would have to achieve those budget outcomes.

Ms MARTIN: It comes from within those budgets.

Mr BURKE: But we do not have that system, do we? We have a system whereby, in the Leader of the Opposition's office, it is managed on a day by day, advertisement by advertisement basis, in the case of, say, advertising. If the Leader of the Opposition ...

Ms MARTIN: That you have to get that approval, and so the ministers have to get that approval.

Mr BURKE: If the Leader of the Opposition ...

Ms MARTIN: You are treated as a minister in that context, which you are aware of.

Mr BURKE: If the Leader of the Opposition or a minister, for example, wanted to save money in his office by not using \$5000 or \$6000 to put a flyer in people's letterboxes but wanted use the one-page ad in the newspaper, I would have thought under an accrual accounting concept that would be seen as innovative and efficient and, therefore, would meet those guidelines, so you would have the approval to do that.

Ms MARTIN: I am finding this discussion very obtuse. Are there specific questions that you would like to raise about the operation of your office?

Mr BURKE: I am asking the question as to why you manage one particular office on a day-by-day basis, through your Chief of Staff.

Ms MARTIN: In terms of what you can advertise?

Mr BURKE: Accrual accounting.

Ms MARTIN: In terms of what you can advertise?

Mr BURKE: In terms of everything the office can do.

Ms MARTIN: That same approval is sought by ministers.

Mr BURKE: Okay. Can you give me the details of how Minister Henderson's office has exceeded its budget from \$810 000 of its original budget allocation in 2002-03 to \$938 000 for its estimate for that year?

Ms MARTIN: As far as the Minister for Business, Industry and Resource Development is concerned, there was a restructure in the last 12 months. He took on an additional responsibilities as Leader of Government Business and Police, Fire and Emergency Services. He had a number of trips overseas. The demands on his office grew and that was accepted.

Mr BURKE: It would appear that the only office that is actually meeting your objectives is mine.

Mr WOOD: And the Independents.

Ms MARTIN: Obviously, that is reflected by community support.

Dr LIM: Mr Chairman, if I can just follow up on questions with regards to expenditure. If you look at the third page with regard to travel, already the overseas travel for Minister Henderson is taken up there. I would assume that that is not, therefore, counted in your budget allocation for the running of his office.

Ms MARTIN: In terms of his office staff going as well?

Dr LIM: In terms of his office staff going as well.

Ms MARTIN: I make a point in response to the Opposition Leader's question. If you look down those estimates, there are number of ministers who are running under their budget, so it is not just the Opposition Leader. For example, the Minister for Community Development's original allocation was \$730 000, and is \$714 000 at this time for revised estimates. So, there are a number of ministers.

Mr BURKE: How much was spent by your department on the sittings in Alice Springs and related events, including the cost for ministers and their staff and departmental staff? How much was spent by protocol? If you could, detail any other costs associated with the sittings and related events picked up by the department. Did any other department incur costs relating to the sittings in Alice Springs?

Ms MARTIN: I am very happy to answer that question. The Speaker indicated that the cost of the sittings in Alice Springs, from her point of view, was \$144 930. The cost of hospitality in addition to that amount – and were you asking for more than hospitality?

Mr BURKE: Costs incurred by your department

Ms MARTIN: Costs incurred by my department, that is Protocol?

Mr BURKE: Well, that is only one office. You have all your ministers' offices, you have the costs of entertainment that ministers could have incurred.

Ms MARTIN: Okay, I have those. We have Community Cabinet, for example, next week in Alice Springs, so it is not as though we don't travel to Alice Springs regularly. So actually travelling with staff to Alice Springs is not an event that needs parliament to have it happen. Let me just give you the hospitality relating directly to the sittings: \$8510. Hospitality that was not directly related to the sittings but happened at that time: \$13 174. Protocol staff costs, which included travel and accommodation: \$6020. In all, that came to \$27 704, which put the cost of the sittings at \$172 634.

Mr BURKE: So the costs of ministers travelling to Alice Springs who would normally be residents of Darwin, their staff travelling to Alice Springs, the entertainment costs incurred by ministers have not been included because that is normal day to day business? That is not peculiar to the Alice Springs sittings?

Ms MARTIN: That kind of travel cost is absorbed in their budgets and my ministers are regularly in Alice Springs, so this was specific to the sittings. My ministers will again be in Alice Springs next Thursday for Community Cabinet. The specific cost of the sittings, the hospitality, which was were you made a lot of focus and said we spent tens of thousands of dollars on hospitality, the actual figure for all that and the Protocol costs is \$27 704 and a number of those functions will be held when Community Cabinet or ministers are in town, anyway.

Mr BURKE: So where any of your ministers have been unable to achieve their budget objectives, none of those costs have been associated with the Alice Springs sittings?

Ms MARTIN: We could get figures that include those costs, and they would include all the opposition travel costs if you wanted to see that all totalled up.

Mr BURKE: We expected to see it all totalled up. That is what we had always been led to believe.

Ms MARTIN: Ministers travel regularly to Alice Springs and I expect them to do that and we as a Community Cabinet do that. So travelling to Alice Springs is not a one-off event. The activities associated with the Alice Springs parliament, there were specific ones about hospitality, but we are happy to get those figures for you and we will take that question on notice..

Mr BURKE: Thank you.

Question on Notice

Mr CHAIRMAN: For Hansard's purposes, Leader of the Opposition would you just like to repeat that question, please?

Mr BURKE: How much was spent by the department on the sittings in Alice Springs and related events including the costs for ministers and their staff and departmental staff? How much was spent by Protocol? Detail any other costs associated with the sittings or related events picked up by the department. Did any other department incur costs relating to the sittings in Alice Springs?

Mr CHAIRMAN: The Chief Minister has indicated that she has taken that question on notice and that is question 3.2.

Mr BURKE: The next question is: in Budget Paper No 3 for 2002-03, a figure of \$582 000 was listed to be spent against costs of official hospitality, ceremonial events and hosted visits. What was actually spent and how much is budgeted for 2003-04? Could you provide the details of official hospitality and ceremonial events, etcetera?

Ms MARTIN: Can you just run through the aspects of that question again because it was very fast and I will answer each one as you ask.

Mr BURKE: In Budget Paper No 3 for 2002-03, a figure of \$582 000 was listed to be spent against costs of official hospitality, ceremonial events and hosted visits. What was actually spent and how much is budgeted for 2003-04? Could you provide the details of official hospitality and ceremonial events, etcetera? This should be tabulated.

Ms MARTIN: I am just saying the estimate for 2002-03 is \$615 000, and the estimate for 2003-04 is \$599 000.

Mr BURKE: There is a series of questions that go to why it has increased. What were the additional events, etcetera. If the information is there, I again ask could that be tabled so that we can move on.

Ms MARTIN: Yes. We are happy to table that. No problem.

Mr BURKE: That is all from me.

Mr CHAIRMAN: Are there any other questions in regards to output 4.1? In that case, we will move on.

Output 4.2 - Legislation Production

Mr CHAIRMAN: Are there any questions? No questions? Okay, that being the case, we will conclude that output and move on.

Output 4.3 – Support to Administrator and Government House

Mr CHAIRMAN: Are there any questions?

Mr BURKE: No questions.

Mr CHAIRMAN: Member for Nelson? There are no questions in that area? Output Group 4 is now completed.

OUTPUT GROUP 5 – Electoral Services

Output 5.1 – Electoral Services

Mr CHAIRMAN: Are there any questions?

Mr BURKE: No questions.

Mr CHAIRMAN: There being no questions, Output Group 5 is concluded.

OUTPUT GROUP 6 - Community Engagement
Output 6.1 – Women's Advancement

Ms MARTIN: I welcome to the table Dr Rolf Gerritsen, who heads the Social Policy Unit.

Mr CHAIRMAN: Welcome.

Ms CARNEY: Chief Minister, in 2002-03, the estimate for the cost of managing and delivering programs and activities for women's advancement, that is contained at page 32 of Budget Paper No 3, was \$1.37m. Can you outline what programs were delivered and how was the success of each program measured?

Ms MARTIN: The key activities for the Office of Women's Policy in 2002-03 were many and varied. They ranged from the Alicia Johnson Memorial Lecture, which is something that has been around for a long time now. I do not quite know how you measure the success of the Alicia Johnson Memorial Lecture. You look at the number of people who attended, and I can give you the attendance figures. For example, in August last year for the 12th Alice Johnson Memorial Lecture, Alison Anderson, who is the ATSIC Central Zone Commissioner, was the speaker. Her lecture topic was *Steering our Dream*. 180 people attended in Darwin and around 60 in Alice Springs.

Ms CARNEY: So attendances with respect to the AJ lecture is how you measure that one.

Ms MARTIN: I am just saying that everything would be differently assessed. Some of the other events were the Tribute to Northern Territory Women, the Domestic Violence Community Education Campaign, the Northern Territory Women's Register aimed at registering women for boards in the Territory. There were activities of publication and research. There was a Domestic Violence Community Education Campaign, I think I have mentioned that.

In terms of policy, strategy and advice, there was the Aboriginal Women's Policy, the review of the Women's Advisory Council, activities for women and economic development. So publications there associated with a number of things, managing money. There were a lot of different activities. I do not know whether Dr Gerritsen has anything to add to that.

Dr GERRITSEN: Strategies were developed. The review was conducted, as you would well know, and its report is expected soon.

Ms CARNEY: So how do Territorians get to know whether your programs were successful, whether all of the things you have mentioned are hitting the mark? That is my question. Apart from listing the activities and referring to measuring the attendances at the AJ lecture, I am not sure to how the success is measured.

Ms MARTIN: I am sure Dr Gerritsen has a contribution as well. If you take the Tribute to Northern Territory Women, I am not sure how you measure that. It is a pathway. It recognises the contribution of women in the Territory, past and present. Do you gauge its success by how many women are delighted to be part of that, how many women are delighted to see that women are recognised in that way? That was one key feature. To ask how we are measuring it for success, that is difficult to answer. I do not know whether Dr Gerritsen has any idea of how you measure the success of the Tribute to Northern Territory women.

Dr GERRITSEN: Some of the activities, as the Chief Minister has pointed out, are not really measurable in that sense. We will possibly evaluate some of the activities, like, say, the efficiency or effectiveness of the domestic violence education program, subject to resources, in the future. The Office of Women's Policy is about to engage a consultant to do what is called a general audit of policy, to see if the office is having an impact on the total gamut of public policy in the Northern

Territory. That will occur over the next year.

Ms CARNEY: That is one measure which, obviously, under the accrual based accounting system, is a desired attribute, that is, measuring success or otherwise.

Dr GERRITSEN: A lot of these, under accrual accounting, are basically self-defined successes because you say you are going to have a tribute and you do.

Ms CARNEY: Chief Minister, in Women's Advancement, the budget paper shows a variation of \$1.18m under the heading of Key Variations, that is at page 27. It appears that the entire \$1.18m will be for an increase in resources to fund the Domestic Violence and Aboriginal Family strategies, the establishment of the new Corporate Communications Unit, and recruitment within the Indigenous and Social Policy Units. Will any of the \$1.18m be expended on any other projects directed to advancing the status of women?

Ms MARTIN: You were asking for reasons for the variations from between the 2002-03 and original estimate?

Ms CARNEY: No. I was asking in light of the variation, will any of the \$1.18m be expended on any other projects directed to advancing the status of women other than those mentioned?

Ms MARTIN: There will be an advertising campaign for the domestic violence, and that is new money into it.

Ms CARNEY: Any others?

Ms MARTIN: No, not directly.

Ms CARNEY: At page 32 of Budget Paper No 3, it states:
Engagement with the community and across government to identify and progress women's policy priorities and advance the economic and social standing of Territory women.

I have a number of questions in light of that statement. How are women's priorities measured or assessed by your government?

Ms MARTIN: I am very committed to having an Office of Women's Policy. However, from the point of view of being Chief Minister and head of government for the Northern Territory, everything I do reflects women's priorities, and the emphasis of this government on job creation is about women's priorities. Whether you are a woman who lives at Nakara or Ngukurr, that is your priority, and I have talked to those women.

If I am talking about the capital works budget, that is about opportunities for women. It is talking about building the Territory so they can better use roads, they can better use the infrastructure. So the arguments that only the Office of Women's Policy would represent what women want is not how I view this world. The Office of Women's Policy looks at specifically targeted things about advancing women, but the entire budget of the Northern Territory deals with the advancement of women as well.

Ms CARNEY: How does your government advance the social standing of women, given that that is contained at page 32, and it appears to be an objective of government?

Ms MARTIN: Certainly, the Women and Leadership initiative from my department is one way of doing that. The number of women on government boards and committees across the Territory is very poor, and to have women better participating in decision-making across the Territory is a very important initiative. That is a target and is addressed across government by the Office of Women's Policy. The office is currently developing the leadership kit, which is designed to provide women with information

through a set of fact sheets on a range of topics relevant to preparing, nominating and participating on a board or committee. That is a very relevant issue.

We are also looking at developing issues related to indigenous women in communities being able to participate more effectively in their own communities. Those components of leadership are also being looked at. So, in advancing the social status of women, those issues of being better involved in governance and decision-making across the Territory are critical.

Ms CARNEY: Do you measure, and if so, how, the direct impact of government expenditure on women and girls in the Northern Territory?

Ms MARTIN: I will ask Dr Gerritsen to talk about the project, the measurement project.

Dr GERRITSEN: We are concerned, in a more general sense, in the Community Engagement Division about the impact of policies. We have instituted as a pilot this general audit process, and that is being done in conjunction with a research team from Monash who will - to answer the concerns of some members - transfer their expertise to the Northern Territory University, and we are actively negotiating a partnership right now. That will lead to ARC grants, and it will lead to quantitative indicators of women's advancement.

Ms CARNEY: When do you expect that process to be completed?

Dr GERRITSEN: That is not simply answered. In about a year's time, we will have the initial reports. However, the process of collecting and evaluating the data will become more sophisticated as times goes on.

Ms CARNEY: Chief Minister, can you advise whether the Women's Information Centre will continue to exist in the year 2003-04?

Ms MARTIN: That is a Health allocation.

Ms CARNEY: You are the responsible minister. Will the Women's Information Centre continue to exist in 2003-04? Women's Information Centre.

Ms MARTIN: It is not an allocation under this budget. I will take that question on notice and get back to you.

Question on Notice

Ms CARNEY: The question on notice for Chief Minister, Mr Chairman, is: will the Women's Information Centre continue to exist in 2003-04?

Ms MARTIN: It is more appropriate for the question to be directed to the Minister for Health and Community Services.

Ms CARNEY: But you, as responsible minister, do not know the answer.

Ms MARTIN: No, it is an allocation. We are dealing with allocations here and it is not an allocation under this output, so you can posture and do all you like, but it is not an allocation here.

Ms CARNEY: You obviously do not know the answer. I think it is extraordinary, but let us press on.

Ms MARTIN: You can think it extraordinary.

Ms CARNEY: Indeed it is.

Mr CHAIRMAN: I just seek clarification, is the question just referred to being taken on notice?

Ms MARTIN: I will take it on notice and refer it to the Minister for Health and Community Services.

Mr CHAIRMAN: Thank you, Chief Minister. The allocation number is question 3.3.

Ms CARNEY: Chief Minister, were you at all concerned that out of the hundreds of pages in budget papers that the word 'women' was only mentioned 17 times, and of those 17 references, nine were contained in either headings or footnotes.

Ms MARTIN: I am very disappointed that you only read the budget papers that contain really targeted initiatives for all Territorians with how many times women occurred. I believe the word 'man' did not occur at all. It is not a matter of what is occurring. This government's focus on education and training is what women want to hear. This government's focus on job creation, economic development, and building safer communities is what women want to hear. So implicit in all those budget papers, every single page, I see 'women', 'men', 'Territorians' across each one.

Ms CARNEY: That leads nicely to my next question, Chief Minister. In last year's budget papers, you produced a document called *Building our Community* in which it was stated that the government priorities target strategies and programs that support and strengthen the role of women in our community. Is that no longer a policy of your government?

Ms MARTIN: The particular budget paper to which you refer has a history, and I agree that there were elements of it that were useful summary of programs for women and girls. However, it did not have costings against it, it did not have budget allocations for the programs listed and was something that the opposition raised many times. *Women in the Budget* provided no information about program outcomes and failed to identify the impact of these programs on women's lives. It is why the Office of Women's Policy has embarked on the project Dr Gerritsen was talking about, the social and economic progress indicators for women in the Territory. The budget papers are very comprehensive, and each one deals with women and their aspirations.

Ms CARNEY: Can you identify any strategies or programs initiated by your government that do prioritise the supporting and strengthening of the role of women in our communities specifically?

Ms MARTIN: Our Women in Leadership programs very clearly do that.

Ms CARNEY: Women in Leadership programs.

Ms MARTIN: The Domestic Violence and Indigenous Family Violence program, with its considerable increase in funding, certainly target a key issue for women. The increase in community safety initiatives targets key issues for women. The education and training increase in budget targets key initiatives for women. Women are implicit in our budget and are targeted right across every budget page.

Ms CARNEY: Women are implicit. Just before leaving the *Building our Community* question, may I ask why it was that that document was not reproduced in this year's budget? It had, as you would recall, a couple of interesting headings such as 'Meeting the needs and aspirations of women'. I am just wondering why it was that the new Treasurer saw fit not to reproduce that document.

Ms MARTIN: That is a question more appropriate for the Treasurer, but I gave a fairly detailed answer before. I felt that the way we presented the budget this year reflected very clearly the priorities of Territory women and that the previous documentation was not specific. In an accrual framework, it

needs to be more specific.

Ms CARNEY: I am trying to move quickly so that my colleague, the member for Port Darwin can ask some questions, so just bear with me. Last year, the Office of Women's Policy received \$1.02m. How much will it receive in the 2003-04 financial year?

Ms MARTIN: It is not easy to compare previous allocations with this because there have been changes to what is included in the output, but Women's Policy will receive \$1.487m.

Ms CARNEY: Would you detail the number of staff positions within the Office of Women's Policy for 2002-03 and whether any significant changes for 2003-04 are anticipated, please?

Ms MARTIN: Nine and 10.

Mr CARNEY: Respectively?

Ms MARTIN: Yes.

Ms CARNEY: Under the heading Women's Advancement, and specifically the performance measures contained on page 32 of Budget Paper No 3, there were 10 activities for women's advancement that occurred in 2002-03. What were they?

Dr GERRITSEN: They are detailed in footnote 1.

Ms CARNEY: Okay. In relation to one of those, for instance, activities, it simply says: 'Women and economic development'. What is the activity that falls under that umbrella?

Ms MARTIN: Let me share that with you. The Office of Women's Policy, in consultation with the Office of Youth Affairs, which is one of the reasons why we have this Community Engagement area now, so that we can have those different offices engaging with each other and informing each other's policy development, identified school leavers, and particularly young women entering employment, as groups particularly in need of information about managing their finances. In association with Future Directions at Alice Springs High School, the office is developing *Money Matters*, an information kit and teaching resource on young women and financial issues. The project is designed to promote awareness among young people, particularly young women, about financial matters including finance and credit arrangements. An information kit and teaching resource on financial matters is being developed for young women who are participating in *Future Directions*, which is an alternative provision for schools based in Alice Springs. We are confident that the information kit will be of interest to all young people. We think it is a very good initiative.

Ms CARNEY: In relation to the 10 activities from that footnote on page 32, I think there are only eight. Where are the other two or three?

Ms MARTIN: Let's see if we can make sure that all 10 are there.

Dr GERRITSEN: The 10 in 2002-03 reflect the fact that the domestic violence program was in the Office of Women's Policy before it was transferred to the Social Policy Unit. That is why you have the nine now, so that is a slight ambiguity in the budget paper.

As well as the nine here, until about October last year, the Office of Women's Policy also ran the domestic violence program. Actually, I think it was a bit earlier than that, but it was transferred from the Office of Women's Policy to the Social Policy Unit, which is why it shows as a reduction in the number of activities.

Ms CARNEY: So that is called 'an activity' or a program and that has now been transferred.

Dr GERRITSEN: Thank you. Apart from the Chief Minister's Study Award, are there any funds set aside or available for one-off grants to women or groups for 2003-04?

Ms MARTIN: Yes, there are.

Ms CARNEY: If so, how much or how many?

Ms MARTIN: Yes, there are. This is a program being developed. It is a small grants program that is designed to support, in a small grants context, so that is up to \$1000, women participating and contributing to activities that develop their community. The office is developing the guidelines for the program and that will be in place shortly.

Ms CARNEY: Around about how many grants do you envisage? What is the total pool? How many shots at \$1000 do people have?

Ms MARTIN: There is an estimate for this financial year for about \$23 000, so it is up to 1000.

Ms CARNEY: Can you advise how many women are employed currently, or in 2002-03, in positions in the NT Public Service higher than P2 or AO4?

Ms MARTIN: It is a very relevant question, but it needed to go to the Minister for Public Employment. I do not have those breakdowns here.

Ms CARNEY: That is fine. Can you tell me what programs or initiatives are contained in this budget that target equal opportunities for women?

Ms MARTIN: The Women in Leadership program certainly targets getting more women involved in governance issues across the Territory, and in equal opportunity, getting young women more literate in money matters is certainly important. You can look across a whole range of issues that give that kind of opportunity, and probably most profoundly in our education system.

Ms CARNEY: What are the performance measures for those things, given that it is so important? You have said in this budget there is Women in Leadership and some other things. How do you measure that?

Ms MARTIN: Again, I refer to the project because those indicators are difficult to measure. There is no doubt about it. Obviously, from the persistence of your question, measuring those is very significant, maybe more so to you than other people, but that is fine.

Ms CARNEY: You do not think that the women of the Northern Territory might be interested in assessing the performance measures of some of your policies on women of the Northern Territory?

Ms MARTIN: I think they are very interested in assessing the ability that we have to create jobs and generate economic activity, see kids retained at Year 12 at school, that MAP testing at 3, 5 and 7 raises the standard, that they are in safer communities, that is all the measurement that women do of my government every single day, very importantly. The work with Monash University will give us those indicators.

Ms CARNEY: What programs or initiatives are contained in this budget that target career development or advancement for women?

Ms MARTIN: Again, there are initiatives within the Office of Public Employment that are dealing with those. As far as this government is concerned, we are very keen to look at how we in the public sector

see women being given every opportunity to advance to senior positions.

Ms CARNEY: What programs or initiatives are contained in the budget that target women in business?

Ms MARTIN: You made a fair point of asking where was *Women in the Budget*. We had a business budget paper, and every single page on that business budget paper included business women. Also allocated, not in this output, is the Business Round Table, that meets every month, and there is always a very strong component of women talking about their needs, concerns, vision for business at those Business Round Tables.

Ms CARNEY: What programs or initiatives are contained in this budget that target community infrastructure support for women?

Ms MARTIN: When you say 'community infrastructure', what are you talking about?

Ms CARNEY: Things like women's information centres, women's support groups, for instance post natal depression groups, things like that that women can meet.

Ms MARTIN: You are talking about the Health budget here, and those questions are more properly directed to the Health minister. If you are talking about community infrastructure, I would have thought building schools was pretty good. I would have thought completing hospitals was pretty good. This government gives very strong support to women and ...

Ms CARNEY: I am glad you think that.

Ms MARTIN: You are fixated on only seeing women as represented by the allocations for the Office of Women's Policy, and I find that very disappointing.

Ms CARNEY: No, I have not said that at all. Don't try to ...

Ms MARTIN: The fact that a very serious and ...

Ms CARNEY: ... verbal me.

Ms MARTIN: ... key issue for women, wherever they live in the Territory, is domestic violence. We have significantly increased the commitment of government to domestic violence and to indigenous family violence, and that is something I would like to hear you applaud because it is a really serious commitment and it is working in a different way with indigenous communities. It is putting more resources into domestic violence and that affects small women - girls, teenagers, adults - it affects women right across the Territory. It also affects men. It is one of the key issues for women across the Territory and to hear you say, basically: 'What are you doing for women?' when that is a key initiative and, compared with the previous government, pumps significantly more resources in, you should be cheering. Yet what I can hear is a sneer in your voice saying: 'What are you doing about women.'

Ms CARNEY: What I do not need, Chief Minister ...

Ms MARTIN: The budget paper ...

Ms CARNEY: ... is a lecture from you ...

Ms MARTIN: I still have the floor.

Mr CHAIRMAN: Can I ...

Ms CARNEY: ... about what Territory women expect from your government, thank you very much. No further questions.

Ms MARTIN: I still have the floor because I have not finished. Budget Paper No 3 represents aspirations for every Territory woman and, if you look through it, you will see all those initiatives. They are focussed, they give a target in the Office of Women's Policy, but they are right through the budget. If you are talking about 20 years ago when the only aspirations of women could be recognised by only having an Office of Women's Policy, then you ...

Ms CARNEY: Well, that is quite wrong ...

Ms MARTIN: ... are way out of kilter ...

Ms CARNEY: ... that suggestion has not been made. Come on.

Ms MARTIN: ... and way out of the 21st century – absolutely!

Ms CARNEY: It has not been made at all. But that concludes my questions, thank you, Mr Chairman, Dr Gerritsen.

Mr CHAIRMAN: Thank you member for Araluen. That concludes Output 6.1.

Ms MARTIN: So nobody is interested in youth or seniors?

Mr CHAIRMAN: No, we are.

Output 6.2 – Youth Advancement

Mr CHAIRMAN: Are there any questions?

Ms CARTER: Unfortunately, due to the lack of time, I will not ask the youth questions I have.

Mr CHAIRMAN: Are there any questions in regards to Youth Advancement, which is Output 6.2?

Ms LAWRIE: I have a question. Chief Minister, what is the youth initiative in terms of entertainment in Alice Springs and Darwin?

Ms MARTIN: A very exciting youth initiative, and I know a lot of women who are very excited about this.

Ms LAWRIE: A lot of young women.

Ms MARTIN: The *BassintheGrass* Concert has an allocation of \$140 000 in the 2003-03 year for what will be the best ever youth concert to come to the Territory. Some great bands: Living End, 28 Days, 30-Odd Foot of Grunt and Russell Crowe, and a number of other acts including Sophie Monk. The first concert will be held at the Alice Springs Convention Centre on the 11th. Unfortunately, because it is winter, it will be an inside concert so the *BassintheGras* title is a little irrelevant for Alice Springs. However, 1500 Centralian youth will be able to attend that.

Then there is a 12-hour concert the next night, including local bands from Alice Springs as well, will be held in Darwin. So it is going to be a wonderful event for young people right across the Territory and anyone who is young at heart. It is a great initiative and another election commitment kept by this government.

Mr WOOD: I was a bit concerned, I did not hear anything about the Dixie Chicks.

Ms MARTIN: You have Russell Crowe.

Mr WOOD: Lee Kernaghan?.

Ms CARTER: We are down to seven minutes. If you could make it snappy.

Mr WOOD: Chief Minister, you have said that there will possibly be a free bus service to take youth into the concert. Is that correct, or are they only rumours?

Ms MARTIN: There are rumours around. Major Events are still looking at all of those components. However, we do want to facilitate kids getting safely to the concert. I cannot give you an answer at this stage.

Mr WOOD: It would be good if you could look at that.

Ms MARTIN: There is no such thing as a free bus service. It has to come out of somebody's budget.

Mr WOOD: It does, but we do it for the Darwin Cup and we do it for the V8s. It is a good chance for those who don't have vehicles.

Ms MARTIN: It is part of the discussion at this stage

Mr WOOD: Okay. Thank you.

Mr KIELY: Chief Minister, the youth concert in particular with the bands – and some, I am sure, are good - but is there anything else in there for youth like health displays or other sorts of things for youth? What is the focus?

Ms MARTIN: Unashamedly, the focus of *BassintheGrass* is youth having a good time, being able to experience some of the top Australian bands. Maybe Machine Gun Fellatio is not your deal, but I know lots of 16 year olds, particular young men, who think they are fantastic. *BassintheGrass* is a youth celebration and there are range of bands and different music styles. There are also local bands which we will be announcing soon. So it is a celebration.

Mr CHAIRMAN: Thank you. Does that conclude questions in regards to Output 6.2?

Ms CARTER: Yes, unfortunately, due to lack of time.

Mr CHAIRMAN: Okay. Output 6.3 will be referred to the Minister Vatskalis.

Output 6.4 - Seniors Advancement

Mr CHAIRMAN: Are there any questions?

Ms CARTER: Yes, I have a question and for the record we are down to four minutes left of the hearing. I want the seniors of the Territory to know that the lack of questions does not reflect in any way a lack of interest from the shadow minister.

Mr CHAIRMAN: We actually have seven minutes.

Ms CARTER: Excellent. Okay, Chief Minister last year you advised in the *Building our*

Communities document on page 24 that the Pensioner Concession Scheme would be reviewed. Was it? Generally, what were the outcome of the review?

Ms MARTIN: That review is being done was being done by the Department of Health and Community Services and that question is appropriately asked of the Health Minister.

Ms CARTER: Chief Minister, with the ageing of the Territory population there is and always will be an increasing need for appropriate seniors housing. What efforts are you making to ensure that future planning in our major centres has earmarked appropriate land for the development of such complexes? I realise that that could arguably go to the planning area, but as the minister responsible, could you response to that with regard to seniors?

Ms MARTIN: This is an issue probably more appropriately to be going to Community Development and Housing. I am very aware of the minister's commitment to meeting the growing needs of seniors. I was delighted on Saturday to open the new Masonic Aged Care facility at Tiwi. Government allocating land to enable that to be built was a key factor in that.

Ms CARTER: So do you put pressure on the planning minister to incorporate planning for seniors retirement areas?

Ms MARTIN: One of the tasks of the Office of Seniors is to look at those issues and that is why I have a wonderful group, the Seniors Advisory Council, and they are some of the issues they are identifying. One of them, not surprisingly, is housing. Those issues are emerging from the priorities of our seniors right across the Territory and one of the task of the Office of Seniors is to make sure that across government - we are talking about DIPE, Community Development - we are really focussing on how we had that land available. But it is not only through public building of accommodation, but private as well. We have a growing ageing population and Masonic, for example, met that very well. I know there are other initiatives of their that I will certainly be very strongly supporting. Also the Salvation Army, who have a proposal at Fannie Bay, strongly supporting them.

Ms CARTER: My last question, given time constraints, in this area is: Chief Minister, previously the initiatives of the Seniors Card was part of the Health budget but now has been transferred to your department. Given that 9000 senior Territorians take advantage of the scheme, I was surprised to see that the Seniors Card is not mentioned as a key performance indicator for the department. Why is it not listed?

Ms MARTIN: In terms of the entire department, the Seniors Card, of course, is important. Moving it from Health into Seniors has only just happened, but whether or not it is identified in the budget as a key performance indicator does not indicate ...

Ms CARTER: My concern was that when it was in the health budget, it was listed as a key performance indicator and there were evaluation markers next to it. Now that it has gone into your area, it is not mentioned.

Ms MARTIN: Those same criteria will apply in the Office of Seniors, and we are very committed to seeing it expand as we can.

Mr CHAIRMAN: Are there any other questions in regards to 6.4? Concluded.

Output 6.5 – Support to Community Organisations and Events

Mr CHAIRMAN: Are there any questions?

Mr WOOD: Just quickly, Chief Minister, support to community organisations and events has dropped off by over \$500 000. Would you be able to explain why, and what effect will that have on community groups seeking grants for this financial year?

Ms MARTIN: The original 2003 budget allocation was \$3.1m. The estimate at the end of the year is \$2.3m, and that is explained by grant funding returned to the Community Engagement output, so it is not lost as an allocation. Then moving to 1.8, there were some one-off grants there. One was Self-Government celebrations, and the other was funds initially allocated to support the musical *Shout* coming to Darwin. We have seen *Cats*, *Grease* and *Shout* and we made the decision that we would not support *Shout* coming; instead, we would put those funds into things like *Fiddler on the Roof*, which I think we did very successfully. But it was a one-off allocation and it means that we will be looking at how we can support the next Superstar production, I am assuming, in 2004. Those funds were one-off funds, but they were very well allocated to support what I think was a most professional production, and that is not just being nice to you because you were in it.

Mr CHAIRMAN: Any other questions? I would like to thank Dr Rolf Gerritsen. That concludes Output Group 6.

Dr LIM: Before you conclude, Mr Chairman ...

Mr CHAIRMAN: Could you just hold on a minute, please?

Dr LIM: Yes, all right. You can conclude 6.

Mr CHAIRMAN: Do you have a question?

Dr LIM: No, I have a question to the Chief Minister, but not for 6.

Mr CHAIRMAN: I am about to cut off 6.

Dr LIM: Yes, but this is a question that the Leader of the Opposition put to the Chief Minister right at the very beginning.

Mr CHAIRMAN: Please proceed.

Dr LIM: Right at the very beginning of question time, the Leader of the Opposition asked the Chief Minister to provide information on the variations of the budget for ministerial expenses for the 2002-03 Budget, the 2002-03 estimate, and the 2003-04 Budget, an explanation for the variations. You have provided the variations, but no explanations. Would you take that question on notice to provide information on the variations? You were asked that right at the very beginning. You said you will, and we have been waiting for it.

Ms MARTIN: Just hold on. I am not saying no. We understood that the question asked what the variations were, not an explanation - just the numbers and the variations in those.

Dr LIM: It was quite specific. We were asking for the rationale for the variation, and while you have provided the variation, you have not provided the rationale. I ask you to take it on notice and provide us with the information in due course. Open and transparent government, Chief Minister.

Ms MARTIN: Some of those questions that the Opposition Leader asked were very multi-tasked. We will check back with *Hansard* on the question, and if the question asked for explanation for the variations, we are happy to take it on notice.

Dr LIM: All right, can we at least record this as a question on notice so it is not lost in the system?

Mr KIELY: I think it is already there.

The SECRETARY: It is not a question on notice.

Dr LIM: No, it is not.

Mr CHAIRMAN: It was a question on notice?

The SECRETARY: No, it was not. The indication was that the Chief Minister would table the document.

Ms MARTIN: Can I make the point, though, this is the reason why it is better to go through those outputs, output by output, and you can ask those questions as we go. We are not trying to be difficult. Now we are having to look at questions on notice when we were prepared to go through them output by output.

Dr LIM: And we have been waiting for the report.

Mr CHAIRMAN: Member for Greateorex, the Chief Minister has given her answer.

Dr LIM: So we have now have it as a question on notice? So do we have a number for the question, or don't we have a number for the question?

Mr CHAIRMAN: Well, I don't understand it to be a question. Is that correct?

Dr LIM: It is a question.

Ms MARTIN: We are happy to take it on notice, Mr Chairman.

Mr CHAIRMAN: In that case, I beg your pardon, member for Greateorex, would you like to quickly repeat the question?

Question on Notice

Dr LIM: The question was asked, to which the Chief Minister agreed to table the explanation, for budget variations to the 2002-03 Budget and estimates, and 2003-04 Budget. I seek that they table the agreed documents.

Mr CHAIRMAN: That question has been allocated 3.4.

Mr CHAIRMAN: That concludes the Estimates Committee for tonight. Might I take this opportunity to extend our appreciation to Dr Rolf Gerritsen. I did not have the opportunity to do that previously. I also extend our ..

Ms CARTER: Apologies to the arts people.

Mr CHAIRMAN: Well, you can do that at some other stage. I thank the Chief Minister for her attendance here tonight, and probably most importantly Mr Paul Tyrrell and Andrew Kirkman, who has been here almost for the whole period. We do really appreciate your time here tonight.

The committee suspended.
