

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Higgins to the Minister for Essential Services:

Appropriation Bill – Government Owned Corporations

Please provide copies of:

- All questions, which you have received from the public in relation to the Estimates process and consideration of the Appropriation Bill for the 2017/18 financial year; and
- the answers to those questions that were presented to the Estimates Committee.

Please provide the information requested below for Agencies and Government authorities for which have responsibility, as at 31 March 2017.

GOVERNMENT OWNED CORPORATIONS

TERRITORY GENERATION

1. What is the current cost of generation to Territory Generation?
2. What is the current base load capacity of the Territory network?
3. Has any research been conducted around the costs associated with upgrading the network to cater for a 50% Renewables Target?
4. What additional resourcing has been allocated to fulfil transition to 50% renewables?
5. What asset pricing model does Territory Generation use to value the current network infrastructure?
6. What is the current depreciation schedule and/or rate of depreciation on Territory Generation network infrastructure?
7. What is the outage rate or incidence of an outage event across electricity network?
8. How does this compare with other States and Territories across Australia?

9. How much would be required to bring the network infrastructure to equal the best available in Australia?

10. A Certificate of Exemption was issued by the Chief Executive Officer of Territory Generation on the recommendation of the People and Safety team for a contract of the value of \$200,000 for 'provision of quality independent personal financial advice to employees'.
 - a. What was the reasoning behind the provision of this service to employees?
 - b. Who were the 'three local providers' which provided these services?
 - c. How much was each individual paid?
 - d. Is the provision of 'independent personal financial advice to employees' a core function of the operations of Territory Generation?
 - e. Why was a Certificate of Exemption issued for this contract rather than it being put out to open tender?
 - f. Please provide a copy of the case made by the People and Safety team to the Chief Executive Officer for the provision of this service to employees and why it required a Certificate of Exemption?

11. There has been an increase of supernumerary staff in Territory Generation of approximately 36 in 2015/16 to 56 at present.
 - a. Why has there been such an increase in supernumerary staff at Territory Generation?
 - b. What duties are these employees undertaking?
 - c. What is the total cost of these employees to Territory Generation?
 - d. Why have these employees not been appointed to a permanent position?

JACANA ENERGY

1. Jacana Energy has incurred \$141,693.99 in legal expenses up to 31 March 2017, with \$100,015.52 being contracted to Minter Ellison Lawyers. The General Counsel and Company Secretary of Jacana Energy is a previous Partner of Minter Ellison Lawyers.
 - a. Why was Minter Ellison Lawyers given over 70% of Jacana Energy's outside legal work?
 - b. Who made the decision to contract Minter Ellison on each matter referred to them?
2. Of the 6 consultancies engaged by Jacana Energy, 5 were from interstate providers (equating to \$297,030 of \$353,580 being sent interstate) and only 3 were put out to tender prior to works commencing.
 - a. Why was only 50% of these consultancies put out to tender prior to works commencing?
 - b. Why was over 80% of consulting work given to interstate providers rather than sourcing the consultants from within the Northern Territory?
3. How many FTE work in the call centre?
4. How many calls does the call centre receive annually (or quarterly or monthly)?
5. What additional resourcing has been allocated to fulfil transition to 50% renewables?
6. What options are available for customers who have had their power disconnected by Jacana Energy (regardless of whether it is due to a fault on behalf of the customer, or of Jacana Energy) who discover the disconnection out of ordinary business hours and wish to seek a reconnection?
7. How many customers have mistakenly had their power disconnected by Jacana Energy during the 2016/17 Financial Year?

POWER AND WATER CORPORATION

1. Power and Water Corporation spent \$730,000 on external legal fees up to 31 March 2017.
 - a. Why was such expenditure on outside legal counsel required?
 - b. What was each matter referred to outside legal counsel?
2. The Power Networks Business Unit contracted Newgate Research to conduct a focus group at the cost of \$124,022.
 - a. What was the purpose of the focus group?
 - b. How many participants were there in the focus group?
 - c. Why was such an expensive focus group required?
 - d. How long did the focus group run for?
 - e. Are there plans to continue such focus groups into the future?
8. The Power and Water Corporation has the equivalent of one floor of the Mitchell Centre, Darwin that is under-utilised.
 - a. What is the cost of this space?
 - b. Why has this space not been more effectively utilised?
 - c. Why has this space not been vacated and returned to the landlord?
 - d. Are there plans to utilise this space in the future or vacate the space?
9. Of the 12 consultancies engaged by Power and Water Corporation, all have been awarded to interstate firms, with the exception of one included an Northern Territory Based participant. This equates to almost \$4,333,018.52 being sent to interstate firms for work rather than to firms in the Northern Territory.
 - a. Why was almost all consulting work given to interstate providers rather than sourcing the consultants from within the Northern Territory?

10. The NT News of 10 May on online at <http://www.ntnews.com.au/business/powerwater-outsmarted-in-50m-gas-deal/news-story/fc86307dc679039f747f0ea05de17578> had a story “PowerWater outsmarted in \$50m gas deal”, which outlines how PowerWater lumped Territory taxpayers with an extra \$50 million of gas they can’t use through mismanagement in relation to the gas supply for Pine Creek. Would PowerWater like to comment on this story? How could this occur? What would PowerWater do differently to avoid causing so much harm to Territory taxpayers?
 11. The key performance indicators in PowerWater state that for 2017-18 it is expected that 80% of customers rate their overall satisfaction with PowerWater as good or better. How many customers are in the samples in this table?
 12. The statement of corporate intent talks a lot about how the AER, the incoming regulator, will be benchmarking prices, and PowerWater will have to justify its higher prices. Does the introduction of the new regulator and associated benchmarking of prices offer the opportunity to lower prices electricity prices for consumers?
 13. What is the current metering strategy? Are there any plans to increase the number of smart meters in the Territory?
 14. PowerWater seems to have ample floor space in the Mitchell Centre. Has handing back some of the areas currently leased been considered?
 15. What additional resourcing has been allocated to fulfil transition to 50% renewables?
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