

The Estimates Committee convened at 8.30 am.

MINISTER BURNS' PORTFOLIOS
DEPARTMENT OF EDUCATION AND TRAINING

Mr CHAIRMAN: Welcome, Minister Burns, and officers from Education. Would you like to make an opening statement and introduce the people who are with you?

Dr BURNS: Thank you, Mr Chairman. To ensure the Territory has a well-prepared, well-educated and well resourced workforce now and into the future we must ensure we have robust education and training opportunities. The Department of Education and Training, through its strategic plan and the Northern Territory government's 2030 strategy, is delivering innovative, but practical, strategies to improve educational outcomes for all Territory children.

Mr Chairman, I would like to introduce some of the DET officials assisting us today in today's proceedings: Mr Gary Barnes, Chief Executive; Ms Deb Efthymiades, Deputy Chief Executive, Policy Planning and Performance; Mr David Ryan, Chief Financial Officer; and Ms Andrea Adlam, General Manager, Office of the Chief Executive.

We all know if every child goes to school every day in the Territory they will receive a quality education. DET continues to deliver quality education and training curriculum and services to all Territory families. This government is supporting the endeavours of the department with a record budget of \$850m in 2012-13.

Mr Chairman, I would like to clarify that adult training functions have transferred from DET to the Department of Business and Employment since I last addressed this committee. If you were to compare apples with apples from last year and incorporate adult training in our budget, I would be saying a record \$950m. I am glad to say our investment in schools and early childhood development continues to increase as we stride to achieve even more, and \$850m is a record investment in this critical area.

In the 2011-12 year, the department had a strong focus on the middle and senior years of schooling, particularly on vocational education and training in schools program. That focus has certainly paid off with 1041 Territory students successfully completing a full VET qualification in 2011. That figure represents 42% of all students enrolled in VETiS courses in our schools, more than doubling the *Territory 2030* target of 20% by 2012. In 2011, we also had 930 students in structured work placements, more than double the figure in 2010. This is all supported by formal partnerships and MOUs between the department and businesses including ERA, Xstrata, MRM and, of course, the Minerals Council of Australia.

Our more academically-inclined students did equally well during 2011, which was the first year of the full NT Certificate of Education and Training. For government and non-government schools, we had a 10% increase in completions compared to 2010. That was 1144 students graduating from Year 12 with the Northern Territory Certificate of Education and Training. Budget 2012-13 will do more to support those students with an ongoing \$2m investment in the CDU city campus, further supporting our 2030 aim of turning Darwin into a university town.

These strong results in the senior years are a true test to the health of our education system as we set young Territorians on the path of further training, schooling and employment. The strong results in our senior years are also partly a reflection of our efforts to ensure every child attends school every day. Since the inception of our strategy and the accompanying legislation on 1 June last year, we have seen some positive results. Our latest available attendance data shows, on average, we had approximately 835 more students attending government schools on any given day compared to 2010. Over 700 of these students were in our Darwin and Palmerston schools.

We also had improved attendance for about 70% of students whose parents were fined because of issues around enrolment, attendance or participation. Other work includes targeting those students who have become disengaged from school through sustained absenteeism, drug or alcohol issues at home, resistance to mainstream schooling, or simply that traditional schooling does not work.

Budget 2012-13 provides \$4.6m for a re-engagement centre to cater for youths from 12 to 17 years. The centre will have a holistic approach with teaching staff working alongside trainers, youth workers, health workers and social workers. There is a \$1.1m investment in Budget 2012-13 for additional positive

learning centres in the Palmerston rural area, Katherine, Alice Springs and Darwin to help turn around some of those students who display challenging behaviours but do not need the intensive work those attending the re-engagement centre need. These centres also serve as a place where suspended students can attend to do school work if there is not adequate supervision at home.

We must also offer a strong curriculum that leads to improved outcomes. Along with the rest of Australia, we are moving towards a national curriculum which will greatly advantage our transient student population. With an additional investment of \$2.15m, we are on track to commence teaching Maths and English next semester and Science and History by semester 2013. That is, of course, within the national curriculum framework.

We are investing in getting our students on a nationally consistent footing in other ways. Our latest NAPLAN results, while some way behind other jurisdictions, are showing some very positive and encouraging results over time. This is very important. In comparing the first lot of results in 2008 with the results of 2011, I am very pleased to report that, on average, in reading and numeracy across all year levels there has been a 16% improvement for Indigenous students achieving above the national benchmark, with an impressive 28% increase in Year 7 reading for those students. Non-Indigenous students are showing an improvement consistent with the rest of Australia of 5%. We are beginning to close that gap, something to truly celebrate.

Of course, Mr Chairman, the last but by no means least important cog in the wheel of improved outcome is our teaching staff. They are the backbone of our education system and we are concentrating on attracting and keeping our quality teachers. The department introduced a screening process to access a teacher's suitability to teach in a remote setting. We also have a range of incentives for those teachers, including cash benefits, and early results show the retention rate of newly recruited classroom teachers in very remote schools increased by 13.6% from 2010 to 2011. Across all government schools, this retention rate increased by 10% for the same period.

In conclusion, Mr Chairman, the 2012-13 year will see the department forging ahead to deliver quality schooling with data and evidence-based systems, strong community and industry involvement, supported by a strong budget.

I thank the committee for this opportunity to address them, and I welcome your questions.

Mr CHAIRMAN: Are there any questions to the opening statement?

Mr WOOD: Before you start, can I ask for a point of clarification from the minister?

Mr CHAIRMAN: That is what this area is for.

Mr WOOD: So I can have a broader question later, you gave a figure there in regard to reading for Indigenous students - Year 7 had gone up by?

Dr BURNS: I will repeat what I said. I said I was pleased to report that, on average, in reading and numeracy across all year levels, there has been a 16% improvement for Indigenous students achieving above the national benchmark, with an impressive 28% increase in Year 7 reading for those students.

Mr WOOD: Thank you. I just needed the number.

Mr CHAIRMAN: Are there any other questions to the opening statement?

Mr WOOD: That was not really a question.

Mr CHANDLER: Mr Chairman, I have a number of questions right across the department rather than specific to any one area.

Mr CHAIRMAN: We will step out of questions to the opening statement and go to questions to agency -related whole-of-government. Your call.

Mr CHANDLER: Minister, the first question is in regard to carbon tax implications for the department. Has an increase in operating costs across the board, including direct costs to run schools, like electricity for instance, been factored into this year's budget and what is the amount of that?

Dr BURNS: Let me say at the outset, we have always supported schools to be able to pay their power and water bills and will continue to do that. In relation to the carbon tax, there will be an increase due to the price on carbon which will come into force on 1 July 2012, and the utilities expenditure by the government for the 2011 calendar year was nearly \$13m. The department provides essential services grants to schools to cover utilities expense. We will continue to support the schools in any changes to their power and water bills. I am unsure if the CEO has anything to add to that.

Mr BARNES: There are two processes we put in place. One is we provide a utilities amount to schools. In fact, the total amount of utilities funding we provide to our schools exceeds the expenditure and we do not take money back from schools if the utilities cost is less than the money we give them. For schools that exceed their utilities costs, they have the opportunity for supplementary funding and can make application, which we look at very carefully.

Mr CHANDLER: Where would that supplementary funding come from?

Mr BARNES: We keep money aside as part of our budget process to accommodate those schools who expend beyond. The important thing to note is we also provide a whole range of additional support for our schools to assist them to be frugal with energy costs. They can have energy audits done. Most recently, as part of the BER process, there have been very strong quality controls of all of the new buildings built to ensure they comply with energy efficiency ratings. As I said, if we find ourselves in a position where high schools need extra assistance, we certainly do that.

Mr CHANDLER: The Legislative Assembly recently applied through QEnergy for a better deal on electricity. Is that something the department has considered? Could a group of schools, such as Palmerston schools, approach a company for a better deal on electricity charges?

Mr BARNES: As things currently stand, the provision of power and water is done in a centralised way. At this point in time, we have not explored whether individual agencies might seek the supply of those essential utilities through other means, but it is something that, no doubt, chief executives, when they meet on a regular basis, will have before them.

Dr BURNS: There are probably schools in your electorate, member for Brennan, that are very keen to cut energy usage in a range of ways, and a number of schools have energy audits. A number of schools in my electorate, vis-à-vis Millner, which used its wonderful BER funding for a solar panel project, is putting electricity back into the grid and has cut its power bill by a third. The department offers an incentive for that - the department does not take that third back. The school is now looking to have more insulation in its buildings for more efficient energy use. It is also using the funds it is recouping from the energy savings for a range of educational uses – the school council is – within the school.

Jingili won an award for its solar panels. Schools, and school councils, are looking at ways to reduce energy use and, I suppose, greenhouse gas emissions overall. Young people are very tuned into this, member for Brennan, as you well know.

Mr CHANDLER: In Budget Paper No 3, page 112, there is mention of \$13.6m. Why are the \$13.6m current grants not included under Commonwealth appropriation? Have those grants come from some other funding source?

Dr BURNS: With your concurrence, I will let the CFO answer that question.

Mr RYAN: David Ryan, Chief Financial Officer. The number you are referring to - \$13m - they are smaller grants paid directly from Commonwealth departments, such as DEEWR, rather than paid through finance to Treasury as SPP or NPP payments. It is still Commonwealth funding, but it comes directly from a Commonwealth department to DET rather than coming from the Department of Finance in Canberra to Northern Territory Treasury.

Dr BURNS: You may like to clarify SPPs and NPPs.

Mr RYAN: SPPs and NPPs are national partnerships which apply across all jurisdictions, and all jurisdictions participate in those funding arrangements. We would get our share of those pools. They are paid in a different manner, hence the different classification in our budgeted PNL.

Mr CHANDLER: Same page number - 112. Were the reductions in Commonwealth appropriations from \$223m in 2011-12 to \$216m in 2012-13 matched by an equivalent reduction in expenditure?

Mr RYAN: Yes, they will be. There is also the chance that some of those NP payments, or differing NP payments, may be negotiated in the near future and new funding would come to the department in that case.

Dr BURNS: The bottom line is, unless the agreement is set with the Commonwealth, we cannot show it in our budget books. I am unsure if the CEO has something to elaborate. We hope we will get more money. We are certainly, on a number of fronts, negotiating with the Commonwealth. Unless you have a written agreement with it, you cannot show it in your budget books; it would not be fair.

Mr BARNES: The minister is right. At this point in time, we are currently negotiating at least two further national partnership agreements with the Australian government. One of those is in relation to rewarding teachers. If that is signed - and we believe it will be signed in the first part of the next financial year - then those revisions will be made as that money comes into our budget. For the purposes of Budget Paper No 3, we can only include in our budget estimates those fundings for which there is an agreement - a signed implementation plan - and we know the money is going to hit the books in the financial year.

Mr CHANDLER: Minister, the Australian Education Union suggested in a media release dated 23 May 2012:

As the Gonski review makes clear it is the federal government that is under-investing in public schools and with its greater revenue raising powers it needs to be looking at providing the majority of the \$5 billion a year that Mr Gonski said is necessary to ensure every child is getting a high quality education.

Minister, do you agree with that statement? What have you done, or what are you planning to do, to ensure the Commonwealth provides adequate funding in the NT?

Dr BURNS: If you read Gonski carefully, from memory, Gonski talked about a split - I believe it is a 75:25 split. Is that right, Mr CEO?

Mr BARNES: 70:30.

Dr BURNS: So, 70:30. There is an expectation states and territories will dip in 30% of that. A number of your colleagues interstate - as Education ministers from Liberal National Party-type jurisdictions - have some grave reservations about their capacity to pay into that. Really, the Commonwealth has the capacity for large investments but, nonetheless, we all recognise GST revenues have turned down. That had a knock-on effect in the funding the Commonwealth gives through a whole range of portfolio areas. I am not sure whether the CEO wants to elaborate further?

Mr BARNES: Just to say, at the officer level, we continue to work with the Australian government to unpack the work David Gonski and his committee pulled together. We acknowledge the fact the Australian government has yet to commit to a position on Gonski, but is working in a very meaningful way with every jurisdiction to look at a new way of funding both public and non-government schools.

If the model finally accepted were to be similar to the one David Gonski and his committee recommended to the federal minister and the Prime Minister, then both government and non-government schools in the Northern Territory would stand to benefit in a fairly meaningful way. Therefore, we are actively engaged in the process because this model, for the first time, acknowledges jurisdictions which cater for kids who have a disadvantage - whether that be a socioeconomic disadvantage, a disadvantage of a disability, a disadvantage of indigeneity, or whether they have English as a second or an additional language. There will be further money flowing to those jurisdictions. From our perspective, we are actively engaged in the process, because there is a very significant funding reform.

Dr BURNS: To add, member for Brennan, we mentioned a 70%-30% split. On a very crude calculation with a record budget of \$850m or thereabouts in the education budget, if you took approximately a third of that, it is a substantial amount of extra expenditure which - it would be a major thing for any government. I am unsure what your CLP position would be in committing to a budget impost or a budget investment such as that, but it is substantial. It is a decision that needs to be very carefully considered.

Mr CHANDLER: I agree. You touched on keeping money aside for utilities and things like that. Will that also cover R&M for schools? I ask this question because I have had many schools speak to me in recent times specifically about BER funded projects within the schools, which they are very happy to have, but there was no allocation of support for that additional infrastructure – maintenance and bigger electricity

bills because of additional buildings and so forth. Would that be covered in the same area as the additional money you say you put aside?

Mr BARNES: They are two entirely separate buckets of money and two different line items. I can assure you we when we receive additional assets, whether they be Commonwealth funded or funded by the NTG, for example the two new schools at Rosebery, and the new facility we have for special kids at Nemarluk, we negotiate with Treasury so there is additional money for a whole range of things, including cleaning and maintenance of those assets. The budget does grow annually, and in my understanding - I will ask David Ryan to elaborate for you - but my understanding is there is a central committee which I believe is chaired by the Department of Construction and Infrastructure, and Treasury has a seat at that table, and there is a deliberate approach to ensuring our R&M budget keeps pace with the additional infrastructure that is made available. David, would you like to elaborate?

Mr RYAN: David Ryan, CFO. In answer to the first part of the question, at the completion of the BER the essential services grant funding was increased to schools based on the projects completed. Their pool was increased and extra funding was provided to schools.

In relation to R&M, across government the R&M values are set based on analysis of the ageing assets we own. We, as a department, hold a considerable amount of assets and we have a considerable amount of R&M - \$33m at the moment - and that money is quarantined. It is only spent for R&M; it is not diverted to other operational expenditure.

Mr CHANDLER: On funding again, I have had a tremendous amount of feedback on the process of getting money out of the department. Can you explain to me how money is allocated to schools, the length of time it takes, and why, in some cases - I have looked at financial papers from different school councils where I could argue if it was a private business it would be insolvent because it is still waiting for payments from the department. How long does it take and what is the process?

Dr BURNS: That is a broad question because there are many different financial interactions between schools, schools councils, and the department. Like you, I attend many school council meetings and probably one of the major sources of discussion at the school council is around recompense for relief teaching. I have taken, as you probably have as well, up the issues on behalf of school councils on relief teaching. That is one issue. I am not sure whether you are still continuing your line of questioning on repairs and maintenance - is it specifically about repairs and maintenance or generally?

Mr CHANDLER: Generally about payments. A variety of payments are made to schools, everything from utilities, to staffing, R&M, all of those things. What is the length of time it takes to acquit these payments?

Mr BARNES: The vast majority of funding for schools goes to schools directly in a grant and equity allocation. They also get additional funding streams beyond the grant and equity. Again, I could ask David to walk you through those, but the vast majority of funding goes to schools. In keeping with what has happened right across the country in the last 10 years, we have untied those funds. It used to go to schools with very definite performance agreements which say: 'You must spend this amount on this activity, this amount on this activity, and we will monitor it and vigilantly hold you accountable for that expenditure'.

In keeping with the principle of school autonomy and schools' capacity to align their budget with their strategic intent - the strategic and annual planning processes they do with school councils - we have untied the funding and put the vast majority of funding with schools. So, the money we are talking about is money where schools have found the budget they have has not been able to satisfy a need. That is when they come back and say: 'Look, the money you have given us to cover teachers on sick leave - we have had an extraordinary bout of the flu and have not been able to meet that'. Therefore, we process those things and we try to use a business rule where we can turn things around within a month because that is the accepted norm in the private sector.

However, I need to be clear that if schools do not provide the necessary evidence, under our financial accountabilities - we are audited, as people would know, every year, and are held accountable to various committees - we need to go back to the school and say: 'Guys, you have not given us the required evidence to recompense you'.

Our finance area is very mindful of the fact schools need the money to be able to operate in an effective manner. We actively work with our schools to ensure we can get that money paid to them in a very tight turnaround. However, there are odd occasions - we will hear about them because, just as the minister

hears about them, I hear about them through my meetings with COGSO and other peak bodies - where there are glitches in that process and it is something we need to continue working on.

David, did you want to identify other direct funding streams to schools?

Mr RYAN: The three major funding streams are essential services, relief teacher, and the equity and base grants, as Gary has just mentioned. The majority of those funds - 90% of it would go out in a particular time frame. At the beginning of each semester, equity and base payments go out in adequate time for schools to commence their terms or semesters. The part where we do have difficulty is the review process where, in hindsight, something has happened and the school is coming back to us saying: 'We need these things looked at'. That is where we need to get the justification and validation process spot on before we can look at putting extra funding in. In reality, that is a very small portion of what is going out against what the base funding is.

Mr CHANDLER: We were talking about BER buildings before. I found it interesting to read an article in *The Australian* on 30 May 2012 regarding school libraries and how many are closing their doors in preference to new IT-based learning centres, which appear to be the way of the future. The article quoted figures from NT DET which said nine of the 35 schools given BER libraries have no one staffing them. Minister, is this still the case? Do we have Commonwealth-funded libraries unstaffed?

Dr BURNS: All the schools I have been to, which have had - they call them learning areas, and that learning area may incorporate some type of library facility. In fact, they are multifunctional areas, so to categorise it narrowly as that article appears to have done really undermines what many schools have done.

Let us cast our mind back to the BER and how schools themselves decided how to use that money. It was a wonderful combination of the educators - the teachers - and the parents, through the school council, deciding. 'We want this space or that space; this is the type of function we want'. Each school did a different thing. As I said, some schools had spaces which included a library-type learning area, but many of them are open areas and include electronic media and space in what would have formerly been called a library, so children could perform and do all types of activities there. We need to look at the categorisation first, and we do not want to pin the nail and imprison our schools and our school councils into narrow uses of spaces. I will defer to the CEO with that.

Mr BARNES: Member for Brennan, the public schools in the Northern Territory are the most generously staffed schools in the country bar none. I know a bit about staffing because, in a former role, I was head of strategic HR for Education Queensland. At the time I was staffing their schools, it was 1:23.8, and nothing has changed in Queensland. In the Northern Territory, we staff schools on the basis of one teacher for every 14 kids in our secondary area, about 1:17.5 in our middle schools, and about 1:22 for kids in the primary area. Our schools have more teachers for their student population base than any other in the country.

Our principals have more flexibility in how they can utilise their teaching staff than any other principals in the country. One of the things principals can do here is decide on the mix of specialist staff versus classroom teaching staff as long as they comply with the accepted class size ratios articulated in the EBA. You will find some schools decide to have music specialists, some decide to have art specialists, some a sport specialist, and some schools specialist teacher librarians. I would be interested to know the schools that have built a library out of their BER funding and have not utilised the flexibility in the staffing numbers we have given them to sufficiently accommodate what is, as the minister rightly points out, a broad range of functions which now take place in what probably are more learning resource centres than the old libraries. It is something we want. If you have a library, or that broad range of functions and are differentiating on that basis, we would expect our schools to adequately staff that within the resources they have.

Mr CHANDLER: Thank you, Mr Barnes. Minister, I have a couple of questions relating to the answers provided by your department in response to generic questions. According to the answers provided last year, as at 30 March 2011, the number of teachers employed by the department was 2252. According to the answers provided this year, as at 28 March 2012, the number of teachers employed by the department is 2107. That is a reduction of 145 from now to this time last year. Can you explain where those 145 teachers might be?

Mr BARNES: I am happy to answer that question. It relate to the fact that what has been asked for in the questions is the number of people being paid at a particular point in time.

Mr CHANDLER: So you are not paying 145?

Mr BARNES: If I could answer the question. At that particular pay period, there were less people being paid this year than last year categorised as classroom teachers. Classroom teachers on our payroll will be those who are on paid leave or those in front of classes who are either permanent or people who are temporarily backfilling people who are on paid leave. The volatility and fluctuations from any pay day to the next pay period - I have not interrogated that data, but we can do that. The pay period you are referring to was 28 March this year, and about 30 March last year, which is heading into Easter. I am unsure when Easter fell. What happens is DBE will finish up contracted people at various points, depending on where Easter falls, who our backfilling folk on paid leave. On any given day, we probably have several hundred people on sick leave, long service leave, maternity leave, or on paid leave of other sorts, such as study leave. According to the figures my people give me, we have a growing number of teachers face-to-face in front of classes every day. That is what interests me most - teachers standing up in front of classes are there adequately meeting the enrolment growth we are experiencing. It is small enrolment growth, but it is certainly there.

The question you asked is about people processed through the DBE payroll system at a certain point in time, and there will be volatility and fluctuations. The other question we can get you an answer for is the number of people standing up on any given day in front of Northern Territory students in public schools. By head count and FTE, that has continued to increment in a positive way year on year.

Mr CHANDLER: Can I have that on notice?

Mr CHAIRMAN: Minister, are you happy to take question on notice?

Dr BURNS: Yes.

Mr CHAIRMAN: Do you mind repeating the question for Hansard, member for Brennan?

Question on Notice No 4.1.

Mr CHANDLER: Can you tell me the current number of classroom teachers in public schools in the Northern Territory?

Mr CHAIRMAN: That is question No 4.1.

Mr CHANDLER: Minister, while I appreciate on any given day there will be fluctuations, the question we asked was in regard to full-time equivalents. What concerns me is in Budget Paper No 3, page 110, shows a reduction in employee expenses from \$428m last year down to \$422m this year. So ...

Dr BURNS: Budget Paper No 3, what page?

Mr CHANDLER: Page 110. The question was in regard to FTEs - full-time equivalents - not staff on any given pay period. It still shows a reduction of 145. When we back that up with a reduction in employee expenses, one can only assume we have fewer employees.

Dr BURNS: You are talking about this figure in BP 3, page 110?

Mr CHANDLER: \$428m down to \$422m.

Dr BURNS: We are looking at a \$3m variation in \$400m. I am trying to work out what that is in percentage terms.

Mr CHANDLER: Close to \$6m.

Dr BURNS: My head is telling me it is a quarter of six, which is about 1.5%. Is that right - over the whole department? I will defer to the CFO who might want to answer that in some detail.

Mr RYAN: There is a projected drop in our salary expenses at this point in time. That relates back to the issue we mentioned earlier - the \$16m drop away in our Commonwealth revenues. As very fixed projects finish, the employment associated with them would also finish. However, we would also expect, as

we negotiate new agreements, those staff would be redirected to the funding that comes in as well. We would not expect there to be any drop away in staff at this point in time.

Mr CHANDLER: You are not sacking public servants are you, minister?

Dr BURNS: We have made that commitment; there will be no forced redundancies. Unlike you and your mob! We read with interest what Mr O'Farrell did in New South Wales, but that is another portfolio. Over to the CEO.

Mr Westra van Holthe: That is another state, minister.

Dr BURNS: That is interesting. Are you saying you are not going to be sacking public servants? You want to bring your budget into surplus, there is only one other way to do it and that is to cut your capital works. What you are saying now is you are going to completely cut your capital works. Not saying anything? Well, that does not surprise me ...

Mr CHANDLER: Are you verballing ...

Dr BURNS: You have not announced your policy yet, member for Brennan. However, I digress. I will go to the CEO.

Mr BARNES: Thank you, minister. Minister for Brennan ...

Mr Wood: Member!

Dr BURNS: Oh, not yet!

Mr BARNES: Member for Brennan, I apologise.

Mr CHANDLER: There are a few hurdles to get over yet.

Mr BARNES: I apologise.

Mr Wood: He will not accept the apology.

Mr BARNES: As the CFO has pointed out, there are a number of Commonwealth programs which are being finalised. They are life-limited programs. As they finish, so too do the employees who are part of those programs.

The other thing to note is there will be a corresponding drop in employee expenditure because we have had a number of our staff go across to the Department of Business and Employment. That happened, as you might be aware, earlier this calendar year.

Mr CHANDLER: Do we have approximate numbers for that?

Mr BARNES: I could get those numbers for you. I am being told it is approximately 70 staff, so there will be a corresponding drop in ...

Mr RYAN: About 50.

Mr BARNES: About 50, is it? We can get those numbers accurately. There will be a corresponding drop in our planned budget for employee expenses.

Question on Notice No 4.2

Mr CHAIRMAN: Can you repeat that question for Hansard, member for Brennan so we can take it on notice.

Mr CHANDLER: The number of DET employees who have moved to the department of Business.

Mr CHAIRMAN: That is question No 4.2. Are you happy to take that on notice?

Dr BURNS: Yes, but I think the CEO also has a clarification.

Mr BARNES: Apparently, that money has come from our budget.

Mr RYAN: Yes, in 2011-12. The drop to here - it has all gone there.

Dr BURNS: I will take the question, but just a further clarification from the CFO.

Mr RYAN: The transfer of the training budget takes place, effectively, from 1 July this financial year. It does not have an impact on our forward estimates. When you compare what is published now, that drop, as I mentioned before, relates to the time limit of programs which are finishing and we would expect, again - we already know there is significant funding coming in and has been negotiated since we published these papers. We would not expect a drop in our staffing.

Mr CHANDLER: I was hoping 50 to 70 people might have something to do with 145, but that is separate.

Mr RYAN: Yes, in fact it could, because the figures we produced last year included training, and the ones produced now do not.

Dr BURNS: Well done, member for Brennan!

Mr CHANDLER: I am helping you, minister.

Mr RYAN: We will get the exact number.

Mr CHANDLER: Minister, I understand the government designed its own program to assist teachers roll-out the national curriculum, but then chose to use the program called the C2C program. How much did the homegrown program cost to develop?

Dr BURNS: A point of clarification. Obviously, the national curriculum has been in the pipeline for some time and the department, rightly, has been doing some work, and some schools have been doing some work. The C2C framework was developed by Queensland and has been given, as I understand it, to the Northern Territory at no cost. It is a discretionary thing for schools if they want to use that framework, if they want to adapt it. I would expect those schools which have already done work in the national curriculum for their own work - I imagine it all complies - to use that. We are talking about a discretionary process here, member for Brennan, but I will defer to the CEO to further elaborate.

Mr BARNES: The important thing, from my perspective, is none of the investment in the development of resources and processes that emanate out of the trial and piloting and the good work of ...

Mr CHANDLER: What was that local program called?

Mr BARNES: The local program? I do not believe it was given a title per se, but I can ask ...

Dr BURNS: It was more individual schools, was it not?

Mr BARNES: A suite of materials were developed that came out of the trial pilot phase. The trials and pilots happened across a number of government and non-government schools. All that material and processes that developed as a consequence of that very good work by our curriculum area on behalf of the Board of Studies is still available for schools. We have provided a complementary and supplementary additional set of resources which can be used alongside those which are being generated nationally through Education Services Australia on behalf of ACARA and the people who own ACARA, which are ministers of the Crown right around the country.

As the minister rightly pointed out, those materials are opt-in materials. If schools want to avail themselves of those materials they can and it can complement the work they are already doing. If they do not want to use those unit plans - and our schools have asked us to see if they can get the lesson plans as well, so many schools are really valuing the additional materials. If they do not want to use them, they can develop their own units of work. The important thing is this additional material has been at no cost to us, and we are very hopeful within the next few weeks to be able to make those additional materials - now third party copyright arrangements have been sorted - available to our Catholic and independent schools as well.

The only requirement we are asking our schools is they follow a scope and sequence which is similar across all our schools so when families move from one place within the Territory to another place, they do not cover the work again, or they do not miss work. That is the scope and sequence.

There was a particular set of materials we developed called RSCAM for our remote schools. We have been developing those now for two or three years. We have also made it expressly clear that those are a valued set of materials and will be included within the suite of resources to support the Australian curriculum as well. All in all, people are very happy with the suite of materials provided to them as they begin, from Semester 2, to implement the new Australian curriculum for English and Maths. We have piloting about to happen for History and Science.

Mr CHANDLER: The RSCAM program you talk about was developed locally?

Mr BARNES: Yes.

Mr CHANDLER: Do you know how much it cost to develop the program?

Mr BARNES: Over a period of time it had a fairly significant budget, which is why we have been very particular to say - and it has had good take up, particularly in places like Tennant Creek, and group schools were using RSCAM. Remember, it is for remote - RS is remote schools curriculum, but it happened ahead of the Australian curriculum and we are very keen to ensure that resource is fully utilised as part of the suite of things schools can use.

The only thing we are saying to schools, which is mandated, is they must follow our scope and sequence - the Northern Territory government public schools scope and sequence which chunks down the Australian government scope and sequence into chunks of about five weeks.

Mr CHANDLER: To clarify this, the local program developed in preparation for the national curriculum has not been tossed out in preference to the C2C program? Schools still could use ...

Mr BARNES: Absolutely. In fact, member for Brennan I would be very happy to provide you with a communiqué I sent to principals to that effect earlier this year. I made it expressly clear that if they had programs that were working - and RSCAM was working for a whole host of our schools - that they should continue to incorporate that program under the new Australian curriculum.

Question on Notice 4.3

Mr CHAIRMAN: Do you want to ask for the other question to be put on notice?

Mr CHANDLER: That is the communiqué.

Mr BARNES: I am happy to give you a copy of the e-mail.

Mr CHANDLER: For the communiqué in regard to RSCAM being provided to ...

Mr BARNES: It is part of a broad communiqué around Australian curriculum.

Dr BURNS: It was about the C2C material?

Mr CHANDLER: Yes. The communiqué sent to principals in regard to the broader aspects of ...

Mr BARNES: For the Australian curriculum implementation.

Mr CHAIRMAN: That is question 4.3.

Dr BURNS: I am happy to take that on notice, Mr Chairman.

Mr CHANDLER: Thank you, minister. I understand other jurisdictions have shown interest in the RSCAM? You said the C2C program has been provided at no cost to the NT government from Queensland. Would the same reciprocal rights apply if other jurisdictions wanted access to RSCAM, or is there some form of copyright on it?

Mr BARNES: I will let Susan Bowden respond to that and then I have another comment I would like to make.

Ms BOWDEN: Susan Bowden, Executive Director, Education Services. In relation to your question, member for Brennan, Education Services Australia, which is a national body, has sourced the RSCAM materials along with a suite of materials they source from jurisdictions as part of their resource package. We use a combination of materials as well, as the CE has already indicated. We have the C2C materials, and the RSCAM materials are used as a resource. We also have a program used in Central Australia called the CAR, which the Central Australian assessment and reporting map. That is a locally created product used extensively in Central Australia as a resource.

The point of clarification I would like to make around RSCAM is it did not align neatly with the Australian curriculum. It can still be used as a resource, but there was not a neat alignment with the requirements of English and Mathematics in the Australian curriculum.

Dr BURNS: To tail off on what Susan Bowden said, we would expect schools and teachers to use that remote material and adapt it to the Australian curriculum, and use their professional judgment and prowess to do so. I am glad you mentioned the leadership role the Northern Territory is taking in some of these issues, particularly with the remote teaching service. I ask the CEO to elaborate briefly on that.

Mr BARNES: One of the things we have done in the Territory is taken the lead in creating a national alliance for schools which cater for remote Indigenous students called NARIS, which I chair.

Mr CHANDLER: NARIS?

Mr BARNES: NARIS, National Alliance for Remote Indigenous Schools.

Mr CHANDLER: Do we have a dictionary for acronyms?

Mr BARNES: We probably should have. The NARIS group comprises jurisdictional DG delegates from WA, Queensland, New South Wales, the South Australian department and also the Australian government. That group meets four times a year and has ongoing work where it shares best practice examples across the 170 schools across the country that cater for these people. There is no difference if you are in Kowanyama, Doomadgee, Halls Creek or the Pitjantjatjara lands of South Australia than any place in the Northern Territory. I thought it was appropriate to create a national alliance so we had a commitment to attracting quality teachers to these 170 schools – attracting quality leaders. In fact, the leaders' conference is on in Perth in the next couple of weeks, and we share information regularly. The Australian government have realised the benefit of the Northern Territory's leadership in this area and has provided funding over the next three years in excess of \$5m to support the NARIS agenda. This means we do not have to replicate and duplicate things, which includes sharing materials for teachers. It is a very positive thing and, again, it is one where the Northern Territory has been acknowledged as playing a lead role across the country.

Mr CHANDLER: Minister, how many senior executive staff employed in the last 12 months are from Queensland?

Dr BURNS: I am not sure if we can provide that type of information. I am thinking with my Public Service minister hat on. I would have to consult with Mr Barnes. I am not sure we gather that information.

Mr BARNES: Member for Brennan, it is well-known in some quarters I was a Queenslander. I am now a proud Territorian ...

Dr BURNS: Have you caught a metre barramundi, though?

Mr BARNES: I have not, no.

Dr BURNS: Neither have I.

Mr BARNES: Obviously, there are people who have expressed a concern that the source of - particularly school principals - people in executive positions are coming in vast numbers from Queensland at the expense of good, local people in our organisation. I have those figures in my folder and I am prepared to give them to you, which will clearly demonstrate our commitment to our senior executives,

particularly our principals, is to promote local people where the quality is there and we are committed to developing quality local principals and quality local executives.

You will find the vast majority – and I am talking big numbers – have come from within the agency or from within the Northern Territory, because I am committed to growing our own. With the Centre for School Leadership, Learning and Development, we have aspirant programs where we identify assistant principals and senior teachers who have expertise and experience and, with some additional support, can move into these very senior roles. I am pleased to say a whole number of those people who have been through our aspirant programs over the last couple of years have moved into those very senior roles.

I have those figures here. I believe I have later figures than these. Of the 21 successful applicants from the two rounds in 2011, 15 were from the NT, three were from Queensland, one from the ACT, one from New South Wales and one from Victoria. I will not deny the opportunity for valuable expertise to come from other parts of the country, but I am super committed to ensuring we grow our own. In fact, if you look at my very senior leadership team, all but one of those six people who sit around the table are from the Northern Territory.

Dr BURNS: So, 15 out of 20 came from the Territory?

Mr BARNES: Twenty-one successful applicants from the two rounds and 15 were from the Territory.

Dr BURNS: Rounding up, my computer is saying about 75%, is that right?

Mr CHANDLER: I heard 15 from the NT, three from Queensland, one from the ACT and one from Victoria.

Mr BARNES: New South Wales, and one from Victoria.

Mr CHANDLER: New South Wales. That is good, because I counted 20 not 21.

Dr BURNS: I approximated, member for Brennan.

Mr CHANDLER: Minister, given there have been major issues identified with government's procurement processes according to the Auditor-General's report, can you advise the range of issues your agency may have experienced because of the failed implementation of the asset management system? In particular, what is the value of payments that have been impacted?

Mr BARNES: Member for Brennan, I will call on our Director of Infrastructure, Leanne Taylor, to respond to that question.

Ms TAYLOR: Leanne Taylor, Director, Planning and Infrastructure. Member for Brennan, the implementation of the AMS system has not impacted on our operations as our department does not pay contractors directly. Procurement for our infrastructure is by the Department of Construction and Infrastructure. We manage the program and the funds are appropriated through that department.

Mr CHANDLER: If there were any additional payments, delayed payments or duplication of payments, DCI would have managed that? Would they have notified you of the issues?

Ms TAYLOR: If an issue was going to impact on our school operations as a result of those works they would have notified us. To my knowledge, member for Brennan, there was no impact for our department.

Mr CHANDLER: That is good. Minister, I note from questions on notice the DET car fleet has grown by 33 vehicles this year. Given the reduction in the number of staff, I can only assume these vehicles are being used by executive or departmental staff. Can you tell me where the 33 additional vehicles are being used?

Dr BURNS: That is really an operational matter and I will defer to the CEO.

Mr BARNES: Thank you, member for Brennan. A number of new Commonwealth programs are starting to roll out. Those Commonwealth programs relate to things around universal access with increasing numbers of mobile preschools and mobile Families as First Teachers - we have families as first teaching staff now in all 20 of the Territory's growth towns, and we have six mobile or virtual FAFT hubs that service, I believe, in excess of another 20 communities.

These programs require people to have appropriate vehicles to travel to and from the communities in which they are providing the service, even within the community, occasionally collecting young families to come to the FAFT program etcetera. The bulk of those additional cars relate to those types of programs. If you look at the questions we responded to in another part of those questions on notice, you will see we have had a corresponding drop in the number of executive contract officers we have within the department. So, it is not that we have more highly-paid public servants driving around in vehicles, it relates to programs.

Mr CHANDLER: Being the environmental champion I am, minister ...

Dr BUNRS: Is this one about Cash for Containers and schools?

Mr BARNES: Minister, one of my staff has also pointed out we now have 30 truancy officers right across the Territory, as well. Those people are patrolling regularly ...

Dr BURNS: They are also going to remote communities.

Mr Wood: When did they change their name? They were not called that a couple of years ago.

Mr BARNES: Sorry?

Mr Wood: Truancy officers were given a fancier name ...

Dr BURNS: They are attendance and truancy officers.

Mr BARNES: There were seven vehicles which related directly to the increase in the attendance and truancy team. If you put those together, you will have a fair idea as to where ...

Mr CHANDLER: Do any of these new vehicles run on LPG? Are there any LPG vehicles in the DET fleet?

Mr BARNES: Again, I have to differ to the Chief Finance Officer. Our fleet is being greened at the rate required. The average rating should be around 5.5, and our fleet is well and truly exceeding the plan. I believe 100% of new vehicles meet the energy efficiency. However, I cannot tell you whether they have moved to LPG.

Mr RYAN: To confirm what Gary said, I am not aware of any that might be LPG. In fact, we are moving the fleet, progressively, to ensure all cars meet the government standards for greenhouse emissions.

Mr CHANDLER: Minister, of the department's vehicle fleet of 395, 170 are home garaged. That leaves 225 other vehicles. Where would they be garaged each night?

Dr BURNS: I do not walk around the car park at night, but I will ask the CEO.

Mr BARNES: The vast majority of those would be garaged on school premises in secure arrangements. As you would appreciate, we have a number of troop carriers, Coaster buses and vehicles of that order which would be in that category.

Mr CHANDLER: Minister, of the \$1.3912m spent on advertising - and I have the breakdown here from newspaper, TV, radio - there seems to be a large proportion going to newspaper. It is \$416 000 versus \$26 000 for radio, \$67 000 for television, and \$35 000 for other advertising. Why so much to one type of media?

Dr BURNS: That is a very good question, member for Brennan. I would have thought the majority of that would go to the *Northern Territory News* and its wonderful education supplement which I read avidly. When I get up in the morning it is not to the sports section, it is to the *NT News* education supplement. I have discovered so many facts and figures - I have not been able to use many of them today but, hopefully, I will later on. I will defer to the CEO.

Mr BARNES: Minister, there is another good reason. When we do an analysis of how effective the various streams of media are, print media for people in the Northern Territory is particularly effective - it is the most effective way of doing business. However, the biggest chunk of that expenditure, as the minister points out, is we have a commitment to showcasing the excellence which happens in our public schools across the Territory through those supplements in the *NT News*. We also provide papers to share that

good practice with our school communities. It is effectiveness as well as the capacity to meaningfully showcase over the course of the year. It is a far more cost-effective way of doing the showcasing because as you would appreciate, when you go into the electronic media it is far more expensive for the impact you might get.

Nevertheless, we use the electronic media in a whole range of different ways. The Every Child, Every Day campaign would be a case in point where we have hit all media because of the importance of that particular message we want to get across.

Mr CHANDLER: Minister, I read it, too. I learnt much about volcanoes recently. It is a very good supplement.

Dr BURNS: And the submarine attacks in Sydney. I read that the other day - it was fascinating.

Mr CHANDLER: In an ever-tightening budget, could information like be used on the department's Internet site to get it out to schools using other media.

Mr BARNES: We have just reformed our Intranet and our Internet presence. Capacity to push our messages out through that media is something we are looking at. Again, having had some experience in a big agency which needs to share messages in a very effective and timely way, a \$1m allocation for all manner of advertising and messaging within the context of a budget which was, at the time, \$950m is a very frugal line item.

Dr BURNS: If I could also respond, one of the things I would like to claim some credit for is the VAMP TV show which is aimed at later-aged primary school to middle school years, and has been a great innovation. It was something I asked the department to do. It targets kids in the later years of primary school and probably into secondary school in remote regions - Indigenous kids - and it is all about music, performing arts - it is catchy. It comes out of the Music School at Nightcliff Middle School - that is where the Music School is situated. It is a great way to engage with kids. There are all types of competitions and kids who come along to school can access the VAMP TV website. Bands play, there is art and there is performing art.

On the back of what the CEO said in regard to the effectiveness of print, one thing we could investigate and pursue with the *Northern Territory News* is looking at - they are moving more into that electronic area as well - a way in which we can combine the two and get the message out to kids in those schools. You are right; it is a different world and kids are accessing this area well. All of us need to work together to maximise the message and the information.

Mr CHANDLER: Thank you. I have a couple of questions on the Teach For Australia program. While we are still in ...

Mr CHAIRMAN: ... agency whole-of-government. That is fine.

Dr BURNS: I am happy to take those questions.

Mr CHANDLER: How do you think the Teach For Australia program is progressing?

Dr BURNS: I have heard positive feedback from the associates who are teaching and the school communities they are teaching in. As I have had discussions with you, also the members for Katherine and Barkly where those associates are situated within the system, the feedback I have had is positive. It is something that, after a year or so, should be evaluated and looked at. I am excited by it; it is an alternative way into the profession of teaching and it is my belief the people we are attracting are of the highest calibre. It is an interesting pilot program.

Mr CHANDLER: You talk about the positives, have you had any negative reports from teachers, principals, parents or the union regarding the program?

Dr BURNS: It is no secret the union is opposed to Teach For Australia. However, I hope as time progresses and these associates became part of the school communities and are observed in what they do and the excellence they bring, that position might soften. I do not see it placing hundreds of teachers through Teach For Australia. It is very much a pilot program and very much something - as you are aware, the Teacher Registration Board gives permission to teach on a case by case basis. I would not expect the Teacher Registration Board to be doing anything different. It needs to look at each applicant, each

situation, and the support each of those associates receive. At present, there are five or six overall, Mr CEO, is that correct?

Mr BARNES: I think there may be seven.

Dr BURNS: Including the non-governments?

Mr BARNES: No.

Dr BURNS: There are seven in our system and a number in the non-government system, I understand.

Mr BARNES: Member for Brennan, I visited the people in Katherine. I have spoken with fellow staff, I have spoken with students, I have spoken, albeit with a very small cross-section of parents, and predominately, as the minister pointed out, they are very talented people in their fields because they come with the equivalent of a TER in the 90s. These people are accepted into that school community.

When I go to schools I sit in on their classes because that is the best way to get a feel for how things are going. Those people are like any other neophyte teacher I have experienced and had the opportunity to sit in on. They are honing their teaching skills, as people do when they are in their first year of teaching.

As the minister pointed out, our commitment to Teach For Australia is we will monitor the program very carefully. They are on a one year authority to teach and we have said, and made it abundantly clear, that we will only consider using Teach For Australia in hard-to-staff remote schools where we want good quality people to be in front of our young kids teaching the subjects they demand. That is what the people of Katherine want and have told me - they want quality people and they want their school to be able to offer the full range of subjects. We will have to do a review because the Teacher Registration Board will have to give another authority to teach. We are pretty certain that will occur.

Mr CHANDLER: I understand Teach For Australia is looking towards a significant expansion in the size of the program across the Territory next year. Can you elaborate on that?

Dr BURNS: Member for Brennan, I have not been approached by Teach For Australia on that issue, and that would require careful consideration. As you are aware, across the Territory we have a 1% vacancy rate of teachers. It is not about getting bodies into schools, so to speak. We have a quality agenda with our teachers, our recruitment, our selection, so it is not about bulking up the service. Strategically, where Teach For Australia might be beneficial for both sides it should be explored, but for some wholesale influx of Teach For Australia graduates it comes down to the Teacher Registration Board and its considerations.

Mr BARNES: The conversations we have had with Teach For Australia are as the minister described. We will only look to use the Teach For Australia model where we find it difficult to recruit people through the ordinary processes. The only other place we seriously might look at is a place like Nhulunbuy, where it is very difficult to source quality subject specialists for senior secondary. The principal, Frank Greene, has recently attended a Teach For Australia information session. We will not be looking at it in Darwin and Palmerston because we believe we can source teachers through traditional means.

Mr CHANDLER: I have one more on Teach For Australia.

Mr CHAIRMAN: Go for it.

Dr BURNS: Is that part of your policy, member for Brennan?

Mr CHANDLER: Sorry?

Dr BURNS: Teach For Australia.

Mr CHANDLER: You said we do not have a policy, minister. It is all there. Minister, are all the teachers employed in the program at the start of the year still teaching in the schools today?

Mr BARNES: My understanding is one teacher in Tennant Creek dropped out. The other teacher at Tennant Creek is still in place and also, I believe, the teachers in Katherine are there. I have the person looking after the program here. I will swing around and ensure that is doubly right for the record.

A Witness: Yes. All the teachers that commenced with us are still with us. The person who dropped out did so during the initial one-week visit and they had not signed any agreement.

Mr CHAIRMAN: Can you repeat that for the record?

Mr BARNES: All teachers who started with us under contract are still engaged. I put that commitment on them as I spoke to them at the beginning of the year, and again when I went to Katherine, and I put it on everyone who comes to teach in the Territory. If you are coming to the Territory you have to be good enough to be here and committed to stay in the Territory. Increasingly, they have to be committed to stay in the same school and we are getting very, very positive forward momentum off the back of a message which asks: 'Are you good enough'? Do not come to teach for a term.

Mr CHAIRMAN: We will take a five-minute break.

The committee suspended

Mr CHAIRMAN: We will start with the member for Brennan.

Mr CHANDLER: Minister, how many teacher houses do we have, in total?

Dr BURNS: Essentially, that is probably a government employee housing question. I will defer to the CEO.

Mr BARNES: Again, I will ask Leanne Taylor to answer that question. One of the things we have been very proud of is, through our negotiations with the Australian government about the 200 teachers *Closing the Gap* money, we were able to provide an additional 47 houses for teachers - brand new houses for teachers. That was in tranche 1.

In tranche 2, an additional 22 houses are currently being rolled out. The 47 have been delivered, 22 are being rolled out, and the great thing, member for Brennan, is when we signed off on the Stronger Futures package - that has not been fully signed off on yet - but you will read there are an additional 103 houses coming for our teaching staff as a part of that package. Of the 103, a number of those will be for non-government schools. We are committed to replenishing and ensuring we have new housing stock for teachers so they can enjoy safe housing in some of our more remote areas.

Leanne is here and can give you a total figure of stock at hand at the moment acknowledging, as the minister pointed out, government employee housing is managed by DHLGRS. While DHLGRS makes stock available for us, the houses are not all tagged as education houses – they are government employee houses made available to Education to meet the demand we have.

Ms TAYLOR: Leanne Taylor, Senior Director, Planning and Infrastructure.

Member for Brennan, apologies, I will take that on notice for the precise number because the split between our government employee housing - some is stock, assets of which are owned by the Housing department, and there is also housing which is head leased, as in owned by others in some situations. We will provide you with that.

Question on Notice No 4.4

Mr CHAIRMAN: Could repeat that question for the record, member for Brennan.

Mr CHANDLER: Minister, how many teacher houses do we have in total across the Northern Territory?

Dr BURNS: I will take that question.

Mr CHAIRMAN: That is question No 4.4

Answer to Question on Notice No 4.2

Dr BURNS: Mr Chairman, I have Question on Notice 4.2, which was the number of employees from DET who moved to DBE. The answer I have been supplied with is a total of 58 positions.

Answer to Question on Notice No 4.1

Dr BURNS: Also question 4.1, which the CEO took on notice - the number of teachers in classrooms, and I will defer to the CEO on that.

Mr BARNES: Member for Brennan, over the short break for morning tea we were able to discern comparing the figures from last year's questions to this year's figures was not an apples for apples comparison. Last year it included all DET employees, both permanent and contract employees, and that was at question 2 last year where the figure of 2252 teachers was derived from a total figure at the time in the agency of 4387. This year, the question has changed ever so slightly and the following question around the number of teachers employed at the pay period was only inclusive of those which were funded permanent positions in the department. That was at No 4 on your questions, which was a number that was approximately 370 less than the total FTE staffing of the department, which was at No 2.

It is not an apples for apples comparison to compare the teachers reported as part of the whole because we have - versus the positions permanently employed because there are always a number of teachers that are contracted, including those positions we have that come through our 170 teaching staff.

Mr BARNES: I did agree to get an answer to you about the head count of the folk in front of classes. In Term 1, the number of classroom ...

Dr BURNS: This is 4.1.

Mr BARNES: In answer to question on notice No 4.1, the number of classroom teachers, Term 1 2012 - this is head count – 2272, which is an increase of 98, or 4.5%, over the previous year same time period.

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

Mr CHANDLER: Back on to the teacher houses, how many of those houses are classified as remote? Can I add that to – you are going to get the number ...

Dr BURNS: Do you want to add that as a question on notice?

Mr CHANDLER: If I can, yes.

Mr CHAIRMAN: We will make that a separate question on notice.

Mr CHANDLER: Of the houses provided for teaching in the Northern Territory, how many are classified as remote housing?

Dr BURNS: I am more than happy to take that on notice, but the CEO believes he has an answer. If that does not satisfy you, we will take it on notice.

Mr BARNES: Member for Brennan, the geolocations commonly used in the Territory are: provincial, which includes Darwin and Palmerston; remote, which is Alice Springs and Katherine; and the rest of the towns, including Nhulunbuy, are classified under the Australian geolocation standard as very remote. The answer we will come back to you with is they will all be either remote or very remote.

Question on Notice No 4.5

Mr CHANDLER: As you were going to provide the answer to how many houses you have, can I have that broken down to those three locations, provincial, remote and very remote?

Mr BARNES: Yes.

Mr CHAIRMAN: That is question No 4.5

Dr BURNS: I am happy to take that on notice, Mr Chairman.

Mr CHAIRMAN: Thank you, minister.

Mr CHANDLER: I do not have the answer at this stage to how many remote houses there are, but I am trying to find out is how many teachers we have living in remote teacher housing.

Dr BURNS: I will defer to the CEO about the numbers, but that is a complicated question because, in some cases, a teacher could be the spouse of a policeman. It is probably not a simple equation, but I know you love simple equations, member for Brennan, so I will defer to the CEO.

Mr BARNES: Member for Brennan, to get you an accurate answer will require quite a bit of leg work because, as the minister rightly points out, some of our teachers in remote locations are local residents who will be living in government housing, not government employee housing, and some will have their own homes because they have been there for a number of years. I can find the answer, but I will need to take that on notice.

Mr WOOD: Mr Chairman, could I help? I asked the department that question and have that answer.

Mr CHAIRMAN: Thank you, member for Nelson.

Mr WOOD: How many permanent and contract employees are provided accommodation in Darwin, Katherine, Tennant Creek, Alice Springs, Nhulunbuy and remote areas? None from Darwin, 97 for Katherine, 70 for Tennant Creek, none for Alice Springs, 73 for Nhulunbuy and 612 for remote areas.

Dr BURNS: Thank you, Mr Wood. Very good, was it not?

Mr Elferink: You are retiring. Am I starting to smell a rat?

Mr CHAIRMAN: To clarify before we proceed, do we need to have a question on notice?

Dr BURNS: It is really the purview of the member for Brennan.

Mr CHAIRMAN: Member for Brennan, do we need a question on notice?

Mr CHANDLER: I think so.

Ms Scrymgour: You just had the explanation.

Mr CHAIRMAN: Can you rephrase it as a question?

Ms Scrymgour: Do you want Gerry to do it?

Mr CHANDLER: That is helpful, but it takes me in two different directions. Cost of living pressures in Alice Springs has been raised, and why Alice Springs is not included in teacher housing, which is another question again. One can argue the cost of living here is just as bad. Where I am trying to go here - and you have acknowledged this, minister - there are a number of teachers living in accommodation that probably would be considered substandard. Some are doubling bunks and so forth in remote areas, but the fact you are building new homes and establishing older homes or providing maintenance on them, are you acknowledging we need to have better standards of housing in our remote communities?

Dr BURNS: We will always endeavour to give our employees, whether they are teachers or whoever, the best possible accommodation. However, that has to be done within the constraints of budgets. As the CEO said, there has already been substantial investment by the Commonwealth. There are 60 new dwellings - was that right - in tranche 1 - 47 dwellings, sorry - and there is a considerable number more - how many is it?

Mr BARNES: One hundred and three.

Dr BURNS: One hundred and three in the second tranche. All up, the cost would have to be ...

Mr BARNES: Over \$40m for the 103 spread across a number of out years.

Dr BURNS: It just is not the cost of the dwellings, member for Brennan, sometimes the headworks and services underlying them are often expensive, also lease negotiations. It is not a straightforward proposition, but we are trying to increase and improve our government employee housing.

Mr BARNES: Member for Brennan, as mentioned earlier, 47 houses were delivered in nine remote communities, a further 22 in tranche 2 are currently under way, with six dwellings constructed - two in Mataranka, Jilkmिंगgan, two at Alparra, two at Minyerri, so tranche 2 is well under way. Tranche 3, which comes with Stronger Futures, will deliver 88 for us and a host of dwellings for non-government schools in remote as well.

With reference to the member for Nelson, a point of qualification, some of our staff in remote locations receive an allowance for housing rather than being in government employee housing. We probably will have to flesh that out. It is important to note the issue around affordability of rental is very much on our agenda. I have been in constant dialogue with the Office of the Public Service Commissioner looking at our ability to recruit to places such as Alice Springs and other places so we can accommodate perhaps paying an allowance if that is required, but that would obviously require extra funding.

Mr CHANDLER: Moving on, a couple of years ago changes were made to the remote teacher induction program. Over how many days does the course currently run, and what percentage of the course is online?

Dr BURNS: I will defer to the CEO on this, but there have been changes made both to the selection process and the induction process. That is not to say we are not looking at further changes. I have had feedback from the Australian Education Union about the induction. I have discussed some of those issues with the CEO. We will continue to try to provide the best induction we can for our recruited teachers who are going to remote locations. Over to you, CEO.

Mr BARNES: Teacher induction is something we take pretty seriously. Getting the best quality people to go to all the schools in the Territory, particularly the remote schools so they do and will stay in those schools is something we take very seriously. We begin that process by running seminars and information sessions in other jurisdictions, as well as working with CDU to ensure we have our own people coming through.

The process of identifying those people, particularly for the remote areas, is a very rigorous one. We created the Remote Teaching Service and the processes we are putting in place are now being looked at by WA, New South Wales and South Australia. Queensland has a similar process in place. That means putting people through a form of, if you like, psychometric testing to ensure they have the necessary qualities to thrive and survive in those remote communities. We look for resilience, relational ability, capacity to problem solve, capacity to operate as a part of a team but also independently, and if people do not pass those tests, we say no to them.

Previously, as folk around the Territory have heard me say, if you were upright and could fog a mirror you might stand a chance. Those days are gone - they are absolutely gone. We are attracting people on the basis of quality and, more and more, we are trying to attract people who have experience as well. You just do not want first year out folk. Those sessions happen both interstate and with CDU folk. We have a wonderful teaching schools program with CDU, and many of our teachers from CDU move seamlessly and begin their induction almost a term before they begin working with DET. The non-government schools pinch a few of those people we train up, but we can live with that.

When we get to the formal aspects of the induction – the induction happens over the course of a week and from the moment those people come into that induction process, we put them on the payroll. They come to a central location in the first instance, and they receive all those things that are very important for everyone to hear. If you like, the DET family get together and give them key messages that are going to be important whether they are working in Darwin, Woolanang, Wooliana or on the Tiwi Islands. The key message is about what is expected of them. There are key messages about the importance of the Indigenous culture around 43% of our young people have, about their responsibilities around child protection, their responsibilities around being a teacher in the Territory and how they will be supported. Then, after that two-day period, we allow those people to have a regional session, because some regions have specific needs and responsibilities; they have specific things they need to do culturally as they operate in those areas. The final part of the induction is in their schools.

In particular schools, particular things are expected of folk. It is a pretty comprehensive program and there is an online component we have developed. Again, the NARIS schools across the country are going to use the same online tool - we are developing it up - and that is around English as a second language learners, so everyone who goes into one of those remote contexts can feel satisfied they know about band scales, they know how to teach kids who have English as a second, third and sometimes fourth language. We provide that fully-funded course to them so they might be able to complete a Graduate Certificate with Charles Darwin University.

It is a fairly comprehensive process. We bring these people back throughout the course of the year as well, particularly those in remote areas, so they can learn from one another. We are doing that through NARIS. The remote teaching service staff are also provided with one person in every region who is their teacher support officer. That teacher support officer meets all of their needs if they have trouble with their teacher housing, with DBE with their pay coming through, getting FOILS flights in and out of the organisation, with communications, and practical day-to-day things. We have a teacher support officer because we know what make the difference in those remote communities is for them to feel valued, to feel part of a team, and to be exposed to leadership. They want a safe house to live in. The dough is helpful, of course, and the incentives we provide them; however, most of all they want to feel professionally and personally connected into the community.

The other thing by way of induction is we now have in excess of 60 of our School Community Partnership Agreements with the communities signed off. The communities have acknowledged the need to link with the teaching staff, particularly Balanda staff who are coming in, to make them feel welcome and valued because that will lead to them staying longer. The induction process is a pretty big show.

We have two external consultants and we look at the feedback vigorously. We will change the induction program again off the back of the feedback from this year. People want more of this and less of that in their feedback and, as we have looked at it, we agree with that. They particularly want to understand their regional and local context. That is not to say they did not enjoy those top-level, centrally-delivered messages, but they want more of the regional and local stuff, and we will accommodate those.

Mr CHANDLER: You have answered the next couple of questions. Acknowledging teacher retention has been a problem, do you see signs of improvement in that area, particularly in remote schools?

Dr BURNS: I will kick off with that. Retention rate is very important. The retention rate of newly-recruited classroom teachers in very remote areas increased by 13.6% from 2010 to 2011. That was up from just under 70% to just over 83%. All teachers who began working in very remote schools at the beginning of this year were retained at the end of Term 1. Across all Northern Territory government schools for newly-recruited teachers, there was an increase of 10%. To the end of Term 1 2012, the retention rate for all teachers who started at the beginning was 98.8%, which I believe is a pretty good number.

I could talk about a whole range of things. The Leader of the Opposition asked a written question about how many were retained from Term 1 to Term 4 in one given year and, of the cohort, how many returned at the beginning of the next term in a very remote school setting. I acknowledge those percentages are further behind, but we are improving that. The overall point I would like to make is we are improving retention during the school year of newly recruited teachers. We have strategies in place to encourage them to continue in that same school, although given the nature of why they could be at that school in the first place – it could be someone is on maternity leave so their placement is only for a year. There are things we would like to do to encourage people to come back to that very remote school the next year. However, the figures of many are retained in very remote schools are encouraging - not necessarily the school they started off in one year, the next year they are more likely to go to another remote school. This work is very important, and I will defer to the CEO for more detail.

Mr BARNES: Thank you, minister. This is something the department is very proud of and something we set for ourselves to improve in our strategic plan. As the minister pointed out, those people recruited in very remote schools in Term 1 last year who are there at the end of the school year has gone up from 69.6% to 83.2% - up by 13.6%. The percentage of teachers retained at the same school as at the end of Term 4 is 76.1%, which is up nearly 17% on the previous year. The percentage of teachers recruited to very remote schools in Term 1 who stayed at the same school into the next year is nearly 47%, which is up 4.5%. As the minister pointed out, many people who are recruited into very remote schools go in behind a teacher on study leave, because they accrue study leave at the rate of six months every four years. The percentage of teachers recruited to very remote schools in Term 1 2011 who stayed in another very remote school is nearly 60%, which is up nearly 9% from the previous year. When they go to a very remote school - as I issued the challenge - we want them to stay in the RTS team - the remote teaching team. The

really encouraging thing is the percentage of teachers who are teaching in very remote schools in Term 1 2012 who have been in that school a year or more is nearly 57%, and that is up 7.3%.

On every measure in our very remote schools we are seeing extremely positive forward momentum and it is making a difference. When you look at what has happened over the last three years - no doubt the minister will want to talk about this - with our NAPLAN results - a 16% improvement with Indigenous kids. The vast majority of our Indigenous kids are out in the bush - 16%, on average, more kids are achieving at or above the benchmark. It comes back to simple things like teachers being committed and prepared to stay in these schools and build a relationship.

In 2012, at the end of Term 1 as the minister pointed out, all the people we recruited at the beginning of the year were still there at the end of Term 1. No people flying in, looking around and saying: 'This ain't for me' because we are putting the effort up front to say: 'This is what it is like to live in one of these remote communities. There is not a cappuccino available at a corner store or a latte', although if you go to Shepherdson College they have a very good coffee machine Mr Hughes has made available. However, we are being very honest with them about the challenges if they come from outside the community.

You probably feel I am been a bit emotional about this, but we have put much effort into it. I would be horrified, three years down the track, if we were not getting traction here, and we are.

Mr CHANDER: The School of the Air has a number of remote trailers set up to stream School of the Air. How many trailers exist today, and how much did that cost to step up?

Dr BURNS: I will defer to the CEO on that question, member for Brennan.

Mr BARNES: That is a question I will have to take on notice. I do not have that information with me at the moment, but we will get that.

Mr CHAIRMAN: Could you repeat the question, member for Brennan.

Question on Notice No 4.6

Mr CHANDLER: The School of the Air has a number of remote trailers set up to stream into remote communities. How many trailers exist and how much did it cost to set up?

Mr CHAIRMAN: That is question No 4.6, minister

Mr BARNES: A point of clarification, member for Brennan. Is this both Schools of the Air, or is it one in particular?

Mr CHANDLER: Yes, include both if they both have trailers.

Mr BARNES: All right.

Mr CHANDLER: Several years ago, each school across the Territory received \$300 000. Did that include School of the Air?

Mr BARNES: Yes, it did.

Mr CHANDLER: Can you tell me about the funding arrangements for the Darwin Language Centre? I understand co-funding arrangements have been in place for some language positions, for example, Japanese. Has the Territory government provided funding, in conjunction with support from the Japan Foundation, for a language position which finishes at the end of this semester and that the Japan Foundation had not been told of this until this week?

Dr BURNS: I will defer to the CEO on that one.

Mr BARNES: Again, member for Brennan I will need to take advice on that and get an answer back to you.

Mr CHAIRMAN: Could repeat the question, member for Brennan.

Question on Notice No 4.7

Mr CHANDLER: Is it the case Territory government funding provided in conjunction with support from the Japan Foundation for a language position finishes at the end of this semester, and that the Japan Foundation was not told about it until this week?

Mr CHAIRMAN: That is question No 4.7, minister.

Mr CHANDLER: Can I clarify one thing? I have in front of me Legislative Assembly of the Northern Territory Written Questions page 217 in regard to FTEs. I have last year's information, which was 2107, and that included: permanent employees held in nominal positions, 1280; permanent employees not in their nominal positions, 172; temporary employment contracts, 655; which totals 2107. Last year's answer was FTE 2252.55. I still find that to be 145.55 positions less than what we had at this time last year, and it includes all those areas you mentioned before.

Mr BARNES: Member for Brennan, it is not apples for apples. My advice is there was a cohort of people included in last year's response because it immediately followed the first question last year, which was: 'what is the NTG FTE cap for the agency?' and then went on to the breakdown. This year, the first question was: 'what is the NTG cap for the agency?' and then at question 4 it moved on to: 'how many funded permanent positions are there in your department?' The answer to that was, as I said, less than the overall position. In responding to answer No 5, we went to the breakdown of the funded permanent positions in the department. It may be, in the way the department and DBE have responded, we have not provided an apples for apples response and I am happy to clarify that.

Dr BURNS: The bottom line is, as the CEO alluded to in his response to that question, there has been a significant increase in classroom teachers over the last twelve months. What was the percentage CEO?

Mr BARNES: It was 4.5%.

Dr BURNS: That is substantial.

Mr CHAIRMAN: Member for Nelson.

Mr WOOD: Thanks, Mr Chairman. Minister, in relation to the cost of power for schools - this is the Department of Education and Training and education is always about facts, turning off the lights at schools does not relate to a reduction in gas emissions. In fact, I suggested to Power and Water that we would have to turn off 15% of Darwin's power before it turned off a generator at Weddell. That is reducing carbon emissions. Is the issue of reduction about ...

Ms Scrymgour: Climate sceptic.

Mr WOOD: Not climate, you sceptic. Member for Arafura, if you say turning a light switch off in Parliament House reduces gas emissions, you are telling fibs. It does not. The issue for schools, and the issue I have been raising during Estimates, is we need to reduce costs because the government is in deficit. The way to reduce costs at schools is by reducing the use of power. Minister, you said some of the schools have solar panels, and I appreciate that, but what is the department doing about redesigning schools? I will give you a classic example - Namarluk School, an excellent design – designing schools so less power is required, for instance, the use of natural air flow ...

Dr BURNS: It is hard to know where to start, member for Nelson. I will take a flat earth position on the issue of the generator at Channel Island.

Mr WOOD: That is where the carbon comes from.

Dr BURNS: My view would be the greater the load on a motor the more fuel it is going to guzzle. Even though you might be right about X proportion of lights have to be turned off before they can turn a generator off, while that generator is going, it responds to load. You have, no doubt, been out to Channel Island, as I have, and you can hear the variations in the load and see the graphical representations on the control boards as they respond to greater load. If you can turn a few lights off you might save a few litres of fuel, but I digress.

Mr WOOD: I know. I will talk to Power and Water about what you said.

Dr BURNS: In relation to our infrastructure, you are right. When new schools are designed we try to maximise natural elements to reduce energy consumption. That is a positive. However, we have much aged infrastructure and completely remodelling that infrastructure would come at a cost. That is something we need to consider. I have often wondered about some government facilities. You go into them and either the air-conditioner is on or off. Here it can be ducted to certain areas, but there are instances where people use a school and the whole air-conditioning system needs to be turned on. We need to address issues like that, but in better use of our facilities for energy bills, I will defer to the CEO.

Mr BARNES: Member for Nelson, a considerable amount of dollars is spent across government on reducing energy expenditure across our schools. I can find the dollars that come through various government programs.

Mr WOOD: It was a fairly general question. I just wanted some idea whether - the minister spoke about some older schools - putting solar panels on the roof. Girraween school, which I am visiting today, is 10-years old. You cannot open any windows in the classroom. It was designed when people thought air-conditioning was the only way to cool a place down. Now we have a carbon tax and increasing electricity prices. Is the department looking at options of refitting some schools - not just with solar panels which have to be replaced, and we do not know what the replacement costs will be over a period of time, but some simple changes to schools to try to offset the costs?

Mr BARNES: Yes. Two things happen. One is we send people out to conduct energy audits, and most of that is around business process improvement. I go into schools all the time, as you do, and the kids will be out playing, on an excursion or whatever, and the whole of the block for Year 4 kids – you will find the air-conditioning units have been going all afternoon, or a class from a block where they have the capacity to isolate, do not isolate their classroom. Our schools have been pretty good at improving their business processes to reduce their energy bill. They have been able to accommodate and, in fact, in many cases save dough as there have been increases to energy over the last couple of years. So, an improvement in business process.

The other one you mentioned, which is very important, is all our planned upgrades through minor new works programs are now differentiating on the basis of the use of equipment which is able to be user-friendly as far as energy efficiency goes. So, when we put in new air-conditioning units, they are all able to be isolated. All those BER projects are energy efficient.

Dr BURNS: Member for Nelson, I will make you an offer on this. I would be prepared to ask the department to work with that school. I am unsure whether Leanne Taylor is involved in that as well, but what can be done physically at that school - perhaps an unofficial pilot project to see how we can assist that school and it could become a model for other schools. I am more than happy to make that offer to the school.

Mr WOOD: Is it possible to get figures for electricity bills for schools? The CEO said they are working on efficiencies, but is there a reduction in the cost of electricity you have to pay? That is what I see this debate is about, trying to reduce that cost. Can we see that over the years?

Mr BARNES: I could get you, if you like, a case study of several schools which have reviewed their business processes resulting in a corresponding drop in energy usage.

Mr WOOD: Okay. Would it also say how they achieved those?

Mr BARNES: Yes.

Mr WOOD: I would like to see that. It would be good.

Mr CHAIRMAN: We can put that on notice if you can pose it as a question.

Question on Notice No 4.8

Mr WOOD: Minister, could I be given figures for schools which show any reductions in electricity costs, and how those reductions were achieved?

Dr BURNS: Yes, I am happy to take that on notice, member for Nelson.

Mr CHAIRMAN: That is question No 4.8.

Mr WOOD: Something I had not really understood was Teach For Australia. At some Estimates Committees I have raised the issue of encouraging males into the teaching profession by seeing whether they - this has been knocked on the head - people with prior experience in industry or whatever, could be, to some extent, shortcut into the teaching profession. Part of my reason was trying to improve the male to female ratio.

I understand Teach For Australia is trying to get people - male or female - with specific subject qualities you cannot get through the normal process. Is there any move to encourage more males into the profession, even older males who may have retired but have good skills which may be useful for education?

Mr BARNES: Member for Nelson, if it is okay with the minister, I will answer that.

Dr BURNS: Yes.

Mr BARNES: I am on the record at Estimates last year saying this was a very real concern, particularly in light of the very low numbers of males being attracted into the profession. It is a national issue and one discussed by systems officials. Last year, I indicated I would meet with the incoming head of the School of Education at Charles Darwin University to pull together a project to attract more of the Territory's young male population into teaching.

That meeting has occurred. Professor Peter Kell and I have committed to look at this issue. We have also committed to look at getting more Territorians to agree to go into remote locations because we are under-represented by Territorians in remote areas. We have two projects in the context of the NTG/CDU partnership. One will be trying to attract more males into – and it is very difficult. It is extremely difficult when males can get very high unskilled salaries. Even though we have one of the best starting salaries for our graduate teachers in the country - right up there with New South Wales – it is still a tough gig to get them to come into the profession.

We will develop a set of strategies. I would love to be around next year to report back on the success of those strategies as we put them in place. Most definitely, also, to be able to report back that we have increased numbers of local people putting their hand up to go to remote locations.

Mr WOOD: The minister, when I asked about the percentage of people who have improved in literacy and numeracy, said a 16% increase. That is fantastic. I have the figures myself - I was looking at last year's and this year's reports. Some years ago we broke those figures into remote and very remote. The inconsistency is we used to do that, and that 16% figure does not tell me whether you are dealing with remote or very remote - we broke that up into what it means.

In attendance, the department break it into very remote and remote. I find the figures a little hard to understand between one year's report and the next year's report. I have been trying to read the graphs and they do not seem to make much sense.

Can you say whether there has been a 16% improvement in numeracy and literacy in very remote communities and, if not, can you say what improvement there has been?

Dr BURNS: CEO.

Mr BARNES: We have to get that. Every year through both ACARA - the Australian Curriculum Assessment Reporting Authority, which publishes the My School website – there is a breakdown by geolocation. It happens around December/January every year. You can aggregate the data, obviously, through the My School website. It is something we can get to you. \

Mr WOOD: For two years it was in the reports then it was dropped - before your time. We used to have an extra column which gave us very remote. Then, it was taken out. Under Average attendance rate by Indigenous status in 2009-10 and 2010-11 there is a column for very remote. It seems to be an inconsistency when you are trying to ...

Dr BURNS: Is that in the annual report?

Mr WOOD: The annual report has a section for very remote enrolments and attendance, and the same in last year's - 2010-11. However, when it comes to numeracy and literacy, it is all put as remote, which does not give me an indication of ...

Mr BARNES: My data person, Deb Efthymiades, has just been whispering over my shoulder advising jurisdictions usually do in their annual report and also, through their Estimates processes, is reflect the data which is gathered nationally. A number of years ago, at a national level, there was an agreement not to report down to that fine-grain level. That was the trigger for the different reporting. Again, if you would like to see that breakdown we could do that for you.

Mr WOOD: If I could ask, Mr Chairman?

Mr CHAIRMAN: Please ask the question.

Mr WOOD: Can I see the breakdown for reading, writing, numeracy, and literacy?

Mr BARNES: Writing cannot be compared over the last four years because, several years ago, there was a national decision to change the genre. It moved from a recount genre to a persuasive text genre, which means ...

Dr BURNS: Better explain what that means, CEO.

Mr BARNES: Recount is just retelling a story ...

Mr WOOD: I have trouble with genre.

Mr BARNES: Persuasive text ...

Mr WOOD: It is something the ABC uses to confuse the plebs.

Mr BARNES: You would be very familiar with persuasive text, member for Nelson.

Mr WOOD: Yes, and nice writing not print with curves.

Mr BARNES: We cannot make a statistically valid comparison because of the national decision to change writing, but we can get it for you for reading and numeracy.

Question on Notice No 4.9

Mr WOOD: Could we have the figures for reading and numeracy for primary, middle and senior schools for remote and very remote areas?

Mr CHAIRMAN: That is question No 4.9.

Mr WOOD: No senior? Okay, just for ...

Mr CHAIRMAN: Not senior.

Mr BARNES: It is for kids in Year 3, 5, 7 and 9.

Mr CHAIRMAN: Yes, Year 3, 5, 7 and 9.

Dr BURNS: I accept that question on notice.

Mr WOOD: Has attendance in very remote communities improved? I had to go to page 32 of the 2009-10 report, and page 35 of the 2010-11 report, where there is a graph on very remote Indigenous attendance - 58.3% and non-Indigenous 89.8%. I am trying to see if there is an improvement and trying to read the previous graph. If anyone has the 2009-10 - I presume attendance has dropped. It was 68% and now it has dropped to 58.3%. I may be wrong.

Dr BURNS: Which page is this?

Mr WOOD: I am looking at page 32 of the 2009-10 annual report, which seems to show very remote Indigenous attendance was 61.8%, and last year's annual report shows attendance at 58.3%, which is a reduction in attendance.

Dr BURNS: I will leave the complex and detailed explanation to others; however, member for Nelson, there is a delusion effect. When you have children coming into school and starting to attend who were not previously attending - enrolling and attending on a spasmodic basis - often you can get a backward trend in the attendance. I will give you a simple example - this is the way I understood it as a foundation for the discussion here. For example, if you had a school with 90 students with a 90% attendance rate, on any one day 90% of the kids are there. That means on any one day 81 kids would be at that school. If you had 10 kids who were re-engaged with the school with an average attendance rate of 60%, that attendance number adds six on that day. If you add 81 plus six it is 87 out of 100 students, which brings the attendance back to 87%. Does that make sense?

Mr WOOD: Sort of. You have to adjust for ...

Dr BURNS: It is a delusion effect. That is the challenge we have. It is not only getting the kids to school, but getting the kids to school every day. In that example, the kids with the 60% attendance rate - you would want to lift them up to 90%. That is when the change in the percentage you are talking about will occur. I am talking about a delusion effect here. We are on a long journey with this, but I will defer to the CEO.

Mr WOOD: I know this is not easy. I am not trying to pontificate, but it is a concern.

Dr BURNS: It is an important question.

Mr WOOD: Yes.

Mr BARNES: If you look at the data included in BP3 in the output areas you will find we have improvement in enrolments and only minor improvement in attendance of Indigenous kids. BP3 does not break down - the annual report does - BP3, in the output classes, breaks it down across year levels and then it breaks it down to Indigenous and non-Indigenous.

The very important thing to note – and is a question I ask - as I said last year, there are probably four main reasons why kids in the bush do not go to school. The first reason is every year we have weather events which close schools. You would be aware with the cyclone that pushed through we had to close a whole host of schools, then Nganmariyanga with the floods and through to Pigeon Hole, Amanbidji etcetera. Weather events are one thing.

No one can blame anything on that, but we are running a program called Target 180, which says if you cannot get along because of a weather event we will try to make up time. In places like Groote Eylandt, they are running school on a Saturday morning to make up time. This is happening across the rest of the country.

The second area is where we could do things differently by working more closely with communities. That covers things like the time we lose to funerals, sorry business, and time we lose to sporting carnivals etcetera. Interestingly, I have had an external group do a snapshot of attendance in May, and we lose literally hundreds, if not thousands, of days of attendance off the back of those things. We are sorting it out. We have Mark Motlop working with land councils and Indigenous nations to become far better at that.

The third category is where the schools are pretty ordinary and people will not go along because there is a breakdown between the school and the community. I am very pleased to say we have very small numbers of schools where that is occurring. We have a handful, but very small numbers. In fact, most of the kids in the community and from the community attend over 90% of the time in most of our remote schools. The problem is on any given day there are a whole heap of kids somewhere else doing things.

The last thing is, as the minister alluded to, the Every Child, Every Day legislation, where the parents have no regard for education and do not send their kids to school. That is where we focused our energies in the latter part of last year and the first part of this year in Darwin and Palmerston. We are seeing an additional 700 kids turning up in Darwin and Palmerston every day, on any given day. Across the Territory, an extra 835 kids are turning up, and we are switching to the latter group right across the Territory through our additional attendance and truancy team.

Mr WOOD: Do you know if any of those parents now have income management because they have not sent their children to school?

Mr BARNES: I do not want to confuse the SEAM process, which is a federal government measure we have been working on with them, with our Every Child, Every Day. Ours leads to an infringement notice and, as the minister said in his opening speech, over 80 families have been issued infringement notices and the vast majority - In excess of 70% of the kids whose families have been issued infringement notices - have re-engaged with schooling.

As the minister quite rightly points out, when they re-engage they do not come back automatically nine days out of every 10. They come back sometimes four days or five days, and we gradually bring them back into the fold. That has a perverse and adverse effect on our overall percentages. So ...

Dr BURNS: The delusion effect.

Mr BARNES: I defer to you, minister, on that.

Mr WOOD: More genres!

Mr BARNES: Yes. The critical thing from our perspective is it is small, incremental progress on four fronts. I have to take my hat off to the people at Gunbalanya this year who, through their community and the union, worked together to open the school over the Christmas holidays because they knew that was when the best attendance would be.

Mr WOOD: Yes, thank you for that. I have to put a plug in for Robinson River - for Bill South and the relationship between good, strong leadership and kids going to school? He has 100% of kids going to school, and if a visiting child turns up at the community, that child is not wandering the streets.

Mr BARNES: Spot on.

Dr BURNS: Absolutely.

Mr WOOD: Time is of the essence, as usual. Minister in the Treasurer's Annual Financial Report, there is \$6.154m brought forward from 2011-12 to purchase rather than lease computers. Why is the department purchasing computers rather than leasing them?

Dr BURNS: I will have to defer to the CEO on that one.

Mr BARNES: Thank you, minister, and thank you for the question. Member for Nelson, I had this discussion with my Chief Information Officer, Greg Moon. Many would be aware Greg has been in the space for a long time, and probably recognised as one of the best CIOs and longest standing across the country. Greg tells me this has been an increasing trend across the country where the cost benefits of owning the units have outweighed the lease arrangements.

Mr WOOD: So, it is an economic reason?

Mr BARNES: I asked him exactly the same question and he said: 'We will save you dough'.

Mr WOOD: Can you let me know when those computers run out of their time in schools? There are some schools in Dili which have been asking me for second-hand computers for a long time. We have not get anywhere with that, but if there are second-hand school computers available, I would love to know.

Mr BARNES: Now we own a number of those assets, the capacity to have control over their disposal is easier for us. I would be happy to do that.

Mr WOOD: Thanks. This question is across schools because it is in relation to the Northern Territory Open Education Centre and The Essington School. My understanding is Essington has approached the government about using that facility. I know of a parent whose children, for a long time, have used that school who has concerns about the facility being taken over by a private school. Could I have an update on what is happening to Essington and the Northern Territory Open Education Centre?

Dr BURNS: Thank you, member for Nelson, that is a very good question. I preface what I have to say by saying The Essington School, along with a whole range of non-government schools in the Territory, is a

valued part of our education system. As minister and as government, we uphold choice for parents about where they send their kids to school. I will also say, as a small jurisdiction, we have a very good relationship with the non-government sector throughout the Territory and a fairly strong capital grants program. I was at MacKillop college recently, along with other members, and it was great to see that facility being opened and the way the Northern Territory government has been able to support it.

However, you are right. Essington has made approaches over a number of years regarding use of the Northern Territory Open Education Centre, which currently houses both the Northern Territory Open Education Centre and the School of Languages. From memory, about 60 staff are part of open education, is that about right?

Mr BARNES: Yes.

Dr BURNS: There is probably about 20 in the languages area - about 80 staff there. A considerable number of students are serviced by both the language school and the Open Education Centre. It is very important work. Most of those students live remotely and rely on the Northern Territory Open Education Centre for their education.

Essington is having problems with space and enrolments, we all acknowledge that. We were approached by Essington earlier this year and it was agreed there would be a dialogue on this issue and we would look into accommodating some more expansion on their part. We have already leased them some land on the Open Education Centre and they have erected a number of classrooms there. I understand three demountables went in there this week.

I tasked the CEO to consult with the school community of the Northern Territory Open Education Centre and the staff on this issue. If we could help The Essington School we would. I also asked, if we were to accommodate their desire - at that stage it was to lease most of the bottom floor of the Northern Territory Open Education Centre. The CEO did that. I also asked him to look at what it might cost.

We consulted with staff of the Northern Territory Open Education Centre. They were not favourable to the idea for a whole range of reasons, mostly because they believed if they were to relinquish the bottom floor it would impact on the delivery of services and education to the students of the Northern Territory Open Education Centre. That was their view. For the bottom floor to go to The Essington School would also mean the relocation of some services that are now located at NTOEC - they would have to be relocated somewhere else.

Moreover, on looking at the costs involved with this - the CEO has come back with indicative costs suggesting this would cost somewhere between \$500 000 to \$750 000. The consideration for me, as minister, is where I would find that money? Where am I going to find \$750 000, or \$500 000? Moreover, the feeling within the school - we not only had discussions with the staff at the school, but also the school council. Reluctantly, I came to the decision we could not accommodate Essington's request for the ground floor of the Northern Territory Open Education Centre.

However, I have asked the CEO to have further discussions with Essington about other ways we might support their expansion. As I have mentioned, we have a capital grants process, and there may be some way we can help them through that process in relation to expansion, either on that site or another site. We have to look at various ways to assist them. We have already assisted them considerably in leasing space at NTOEC. They have also received some substantial grants of money over the last two years or so.

We have been supporting them, but the short answer to your question is, no, we are unable to accommodate their request. We will continue to try to support them in their expansion, because they are a very important part of the Northern Territory education sector. I am not sure if the CEO has anything to add to what I have just said?

Mr BARNES: No, just to say we will continue to have dialogue. In fact, I have a meeting with the parent group tonight. We meet with the staff and parents of NTOEC every two weeks, and we have been meeting weekly with Essington. The current proposal is around a childcare centre going into the ground floor of the building. We are taking very seriously assisting The Essington School. The dialogue is going to continue. Both I, and my deputy, met with the principal of the school again yesterday, and we will explore the full range of options.

Dr BURNS: For further clarification, I am unsure whether I mentioned it in my answer, but the proposal with The Essington School was always we were prepared to look at leasing the bottom floor. There was a

bit of mischief that we were going to give The Essington School either the ground floor and/or the whole building, but that was never the proposal. Also, in previous approaches from The Essington School about them having the whole building, which would mean a complete relocation of the NTOEC at a cost somewhere in the region of \$4m to \$6m - that is a substantial amount of money. I am very focused on providing the best for our students. I will always help the non-government sector where I can, but I have answered your question, member for Nelson.

It has been a difficult decision because I would have liked to help The Essington School in their request. However, I was unable to, mainly because of the budgetary issue I mentioned. Also, I have to look at the NTOEC as a school community as well.

During discussions, the suggestion was put forward that the School of Languages, which is also co-located with the NTOEC, might like to relocate to the former Namarluk site. They said they would like to do that. That would occur at minimal cost – the cost of removal vans and a few refurbishments. We are able to accommodate them in their desire to have more autonomy on a particular site for their activities. They believe the Namarluk site would be suitable for their activities. That is a positive.

Mr WOOD: We could probably go on with that a little longer but, again, time is of the essence. Minister, on page 142 of the annual report, under Corporate Governance, it mentions the NT Indigenous Education Council, since its inception, has made 118 recommendations to NT and Australian government ministers. Could you say how many of these have been agreed to and acted upon?

Dr BURNS: CEO.

Mr BARNES: The Northern Territory Indigenous Education Council has equivalent partner or sister organisations in each jurisdiction. They are funded by the federal government, and their prime responsibility is to the federal minister. However, they also have, because they are created and provide advice to our minister, regular meetings with the minister. I, being the CEO, regularly attend all of their meetings. They have been a hugely influential and useful touchstone as we have done significant things which impact on Indigenous education in the Territory. I am aware, for example, the member for Arafura used that group on a regular basis in her previous role to work through issues to do with our Indigenous education programs which we have incorporated into ours, and around the very difficult issues surrounding the legislation which impacted on remote communities by way of fines. We work with that group very closely now.

I will have to take on notice how many of those have been officially notified as actioned. I can tell you they have unfettered access to me as the CEO - I meet on a monthly basis with their head, who is Mark Motlop. They have regular meetings with the minister. Many of their suggestions have prompted changes to our policy.

Question on Notice No 4.10

Mr CHAIRMAN: Can you rephrase that as a question on notice?

Mr WOOD: Yes. Minister, how many of the 118 recommendations of the NT Indigenous Education Council have been acted on?

Dr BURNS: I accept that question on notice.

Mr CHAIRMAN: That question is No 4.10.

Mr WOOD: Moving along quickly. In relation to ...

Answer to Question on Notice No 4.3

Dr BURNS: Sorry, member for Nelson, I have an answer for No 4.3 which was the memorandum in relation to the C2C curriculum the member for Brennan requested. I now table that communication between the CEO.

Mr CHANDLER: Beautiful. Excellent.

Mr CHAIRMAN: Member for Nelson, you have the call.

Mr WOOD: Thanks, Mr Chairman. In relation to lease payments which will be required under the new arrangements for facilities run by the department of Education on Aboriginal land, have you budgeted for those lease payments and do you have any idea what that amount would be?

Dr BURNS: I will defer to the CEO on this one.

Mr BARNES: Member for Nelson, I will ask Leanne Taylor to answer that question. We had very good news in very recent times around lease arrangements finally being settled. They play a very important part in our agreement with the Commonwealth around when we can start construction. Leanne, if I can ask you to come forward?

Ms TAYLOR: Leanne Taylor, Director, Planning and Infrastructure. In relation to those lease payments, we are aware they will be effectively - when the leases commence on 1 July – the payments will be made annually and incorporated into the overall DET budget.

Mr WOOD: The question really is how much have you budgeted for those lease payments? On what basis have you calculated that figure?

Ms TAYLOR: The calculations are a result of the agreement with the various land trusts. They are set through the various negotiation processes not by the department. As the leases are gradually signed, we will then have the full quantum. At this point, the first leases signed are in relation to Groote Eylandt. They are the start of what we expect over the next 12 months to be a rolling program of signed leases and executed leases.

Mr WOOD: I understand that, and I am not saying it is easy, but you would have had to make a calculated guess as to how much should be put away in this year's budget for lease payments. That is what I am trying to understand. How much have you calculated you will need to pay those lease payments?

Ms TAYLOR: As we have just rolled out the first set, I do not have the figures for you, member for Nelson. We can take that on notice and provide an estimate of the first 12 months and ongoing.

Mr CHAIRMAN: Do you want to phrase that as a question, member for Nelson?

Mr WOOD: Minister, could I ...

Dr BURNS: The CEO wants to add to the conversation.

Mr BARNES: We have taken some account within our budget forecasting of what we anticipated might be the first tranche? We can get you those figures and, as those figures come through finally, we will know how we have tracked against what we forecast.

Question on Notice No 4.11

Mr WOOD: Can I have a copy of the first tranche of lease payments the department would be required to pay?

Dr BURNS: Taking that on notice.

Mr CHAIRMAN: Thank you, minister. That is question No 4.11.

Mr WOOD: A question relating to the 2030 outlook, minister. Objective three says students from regional and remote areas to have access to residential facilities closer to home. What progress has the government made in this area? I visited the new boarding facility at Jabiru built by traditional owners from royalties. Does the government have any equivalent facility it is building?

Mr BARNES: Member for Nelson, as far as the Australian government is concerned, it provides funding directly to the non-government sector to assist with the running of boarding facilities and we advocate on their behalf. Several non-government boarding facilities have been in the business of boarding for a number of years now and the Australian government assists through direct funding in that regard.

We assist the non-government sector with grants to help facilitate them run boarding facilities. The Northern Territory government has a significant allocation every year to assist boarding in non-government schools. The Australian government has created a boarding facility at Wadeye, and has two other boarding facilities on the board – one at Garrthlala, and another at Yuendumu,

The Northern Territory government Department of Education and Training run a boarding facility at Callistemon House in Katherine. That is a significant investment and supports young Indigenous kids not only from the Katherine area, but from Ngukurr and as far afield as Numbulwar. We have been running that for a number of years now and the annual operating budget is well in excess of \$1m a year.

We are looking at, and have done the early work on creating, a boarding facility in Alice Springs for young kids who come in and are working, or their parents are in and around the Alice Springs area. The initial work has been done on that. We were instrumental in working with Gundjeihmi Aboriginal Corporation to help switch them on to the need for a boarding facility for town camp kids who really wanted to move into work and other jobs.

The department is picking up some responsibility for the operating costs of the boarding facility at Jabiru, and we provided expertise and put them in touch with a similar facility at Spinifex in Mt Isa. We are talking with other Indigenous groups about them using royalty funding and their money to create similar types of arrangements across the rest of the Territory.

We are actively engaged in this space. We would like the Australian government to really kick in behind the programs in this regard, but it is something we see great benefit to and, given it is a 2030 objective, we have put a great deal of energy into this.

Mr WOOD: Two other questions. One, I hope we can have a good relationship between non-government and government schools. All my kids have gone through the non-government section, but I maintain contact with government schools all the time.

The Beat, why is it not for all schools? It is only for government schools and, from a kid's point of view, why is everyone not involved in *The Beat*. From a kid's point of view, it is not about government or non-government; it is about bringing kids together to enjoy some music.

Dr BURNS: Good suggestion, member for Nelson.

Mr WOOD: The other one is the Internet. I mentioned saving costs to the Chief Minister yesterday. Instead of having consultants design our webpage or getting you-beaut people - I gather each department has its own webpage people. Can we get them together and have a uniform webpage for every department? Forget all the fancy logos. I want to know how to find the address for Girraween Primary School, the phone number and the name of the principal. If I want to do it for MVR in the department of Transport, I can hit a button, similar place, find out who to ring. Is there some process at whole-of-government, because whole-of-government is always mentioned, where departments can work together to come back with uniform things, like the webpage, so people can easily access it and it does not cost us a great deal of money changing it all the time?

Mr Elferink: Before you finishws that question, I was able to look it up using Google ...

Mr WOOD: Yes, I am a Google man.

Mr Elferink: Well, the physical address - it is all here.

Mr WOOD: I am asking if there is uniformity between departments.

Mr Elferink: You used Girraween Primary School as an example – I got it up before you finished the question.

Mr WOOD: Thank you. I am not saying you cannot, but do departments have a whole-of-government approach so webpages are basically uniform.

Dr BURNS: You are talking about the navigation.

Mr WOOD: Yes, and when someone gets onto the webpage they are familiar with each department.

Mr CHAIRMAN: Can I suggest the minister and the CEO can only answer from an education perspective today? That question went to whole-of-government and was asked of the Chief Minister yesterday.

Mr WOOD: They are part of government, and I am encouraging a whole-of-government approach. I am not knocking your webpage by any means, but I am asking if departments can work together in that field?

Mr Elferink: It even says it is in your electorate. It identifies it by electorate.

Mr BARNES: Member for Nelson, cooperation occurs at a whole-of-government level, particularly around the standards for people accessing government websites. A set of standards dictates those things that can and cannot be placed on government websites, including commercial advertising, etcetera. There is some work, but we could find out.

One of the things my people advised me of is on our website is a schools environmental tracking system, which allows all government schools to measure their energy savings and corresponding reduction in greenhouse gas emissions. That might be one I could show you.

Mr WOOD: I will tell you if I can find it. Obviously, the member for Port Darwin is clever than me, but it was not a go at what it is on it.

Mr BARNES: No, I know.

Mr WOOD: I was asking if people get together to ensure things are relatively uniform. There are other questions. I will take one more if I am allowed, Mr Chairman, in relation to your new – I have forgotten the name of the facility now – the re-engagement centre. I have visited the Edmund Rice facility and it is great to hear it is up and running; however, the information I received was you want to ensure you start off with small groups. They have 27. The indication from the minister's media release is you are going to take 40. Is 40 too many in light of what people in Alice Springs are saying? They believe you need to keep it small so there is as little disruption as possible and people can settle in better.

Dr BURNS: Yes, that is why we are starting off with smaller numbers. It has capacity to grow to well over 100 or 150.

Mr BARNES: One hundred and fifty.

Dr BURNS: There is capacity to grow, but not all students will be there at the same time. Students will receive whatever tuition or whatever support they need and then will be moving out. It is not like a regular school. I had the privilege when I was in Queensland several months ago to visit an Edmund Rice facility. I was mightily impressed by what I saw - the attitude, the commitment of the staff, and the difficult task they have. It is a very difficult task and they are dealing with a challenging group. It is wonderful work those people do, and I am really glad we have recruited and it will be up and running within the next month or so. I will defer to the CEO, who can talk more about it.

Mr BARNES: We have created an advisory group to help us as we roll-out this very important program. One of the people on our advisory team is Dale Murray. Dale runs Edmund Rice across Australia. We are taking advice from him and other eminent people involved in this very important work. It is a cost-intensive piece of work, but we will reap the benefits over and over again. If we can get these young people back into a pathway about training and into a job which will give them self-esteem and feel as though they have something to contribute, there is every chance they will not be a burden to the public by way of costs associated with a range of social and criminal justice issues.

We need to invest in these young people. We saw it firsthand at the Albert Park Flexi School and the work done with the kids there. These kids were headed to gaol and some of them have moved into highly successful careers. In fact, some have moved into university and one is studying to be an engineer. It is a very exciting thing we are embarking on, but one we will need to take advice on as it rolls out.

Mr WOOD: I visited the one in Alice Springs just before it started - they are fantastic. It is a fantastic facility, and \$5 spent now is going to save - in economic terms - \$200 further down the track. The human

thing is more important - you keep these kids on the straight and narrow or at least give them a chance. This is not quite early intervention, but at least intervention, and it is really important that government supports these areas.

Dr BURNS: It is the parable of the lost sheep, member for Nelson.

Mr WOOD: It could be the prodigal son if we are going to be biblical, minister. That is all the biblical questions I have.

Mr CHAIRMAN: That concludes consideration of a broad definition of agency-related whole-of-government questions. We are going to take a five minute break. When we return, it will be to Output Group 1.0 - Government Education, Output 1.1 - Early Years. If you need to change witnesses have then present when we come back.

The committee suspended.

Mr CHAIRMAN: We are ready to start again. Minister, could your witnesses come to the table.

Dr BURNS: Could you come to the table, please.

Mr CHAIRMAN: The questions are with the member for Brennan.

Mr CHANDLER: Thank you, Mr Chairman. Noting the time and having many questions to get through, I want to jump Output 1.1 and go straight to Output 1.2.

Output 1.2 - Preschool Education

Mr CHAIRMAN: That would be fine. We are moving from Output 1.1 to Output 1.2, Preschool Education.

Mr CHANDLER: Minister, your media release dated 1 May states Budget 2012-13 provides an additional \$1.5m to upgrade preschool facilities. What schools have been identified to receive an upgrade?

Dr BURNS: I will defer on that. Leanne Taylor, could you come forward, please.

Ms TAYLOR: Leanne Taylor, Director, Planning and Infrastructure. Member for Brennan, the \$1.5m will be for various small projects to upgrade preschools to meet the national quality framework across 73 schools. In essence, all the preschools in the Northern Territory may have - we are in the process of finalising the implementation of that. I cannot give you a particular school with a particular project. However, of those 73, there is a wide range of different upgrade projects involved.

Mr CHANDLER: Is this additional money or is it considered R & M?

Ms TAYLOR: It is additional funding to be applied to the minor works program.

Mr CHANDLER: Minister, \$1.5m to be spread across 73 schools does not appear to be a great deal of funding.

Ms TAYLOR: Member for Brennan, if I can answer that. The upgrades involved are things like a hot water system, a need to change some joinery in a kitchen to make it meet a particular regulation, or it may be in relation to extending shades. This is not for a major upgrade such as knocking down walls or expanding. Where any of those issues were identified, they would be put through the submission process under the capital works program.

Mr BARNES: Member for Brennan, the vast majority of our public preschools - and I remind the committee we are one of the few jurisdictions providing free preschool education for all kids in the Territory - the vast majority of our buildings already will be found to comply with the new quality framework which took effect at the beginning of this year. Part of the implementation of the new quality framework means every provider in that early childhood space has some capacity to upgrade, over a period of time, to take care of any small things which might need doing.

Our buildings previously complied with the Northern Territory regulations. It is just a matter of dotting the i's and crossing the t's and doing very minor work to comply with that new arrangement.

Mr CHAIRMAN: That concludes consideration of Output 1.2.

Output 1.3 - Primary Education

Mr CHAIRMAN: We can move on to Output 1.3, Primary Education.

Mr CHANDLER: Thank you Mr Chairman. Minister, NAPLAN results have improved in some schools, I appreciate that; however, overall, compared to other jurisdictions, the academic level of students in the NT fall way behind. What specific programs have you introduced this year to improve these results?

Dr BURNS: I contest the preamble to your speech. It is always fraught to compare averages with averages, which is probably what you have been doing in some of your media commentary, member for Brennan. You have been comparing the averages of schools in the Northern Territory with the national average. I will say this as a foundation: comparison of averages without standard deviations is, to some extent, meaningless.

In the Northern Territory, in many of our schools there are probably two groups of students who may get disparate marks, but the whole school is assigned an average. You will also find those students who may be at the tail end of things are probably the students who are not attending regularly. NAPLAN and My School are not built for the comparison of averages; they are built around individual student performance. As I alluded to in my introductory remarks, there has been significant improvement, particularly amongst the numbers of Indigenous students in the Territory who have been meeting national benchmarks standards, which is really what the My School website and the NAPLAN testing is all about. We have a comprehensive strategy around literacy and numeracy in particular, diagnostic kits, support for teachers, remedial work for students, and we are very focused on this. To this end, we have Professor Geoff Masters, head of the Australian Council of Educational Research, involved as a critical friend to lift our performance in all these things. Being an objective view, he reports directly to me and directly to the CEO, and will also go to many schools within the Territory context.

We are investing, we are in partnership with the Australian government to the tune of about \$120m over a number of years, which is particularly built around disadvantage in our schools - many of our remote Indigenous schools fit into this category - about support for teachers, support for learning, and support for literacy and numeracy.

I contest what you said at the start. Many of our schools are improving and meeting our national benchmark. If you were to look at Australian averages, we have had a significant shift since I have been minister. There was not one school in the Territory government system which was consistently, across domains, achieving or getting better than the national average. We now have quite a few and I am sure the CEO can rattle the names off. There are many very close as well. We have made progress, and I will ask the CEO to elaborate further.

Mr BARNES: Thank you, minister. Before I get to the strategies we have, there are three ways of looking at progress in literacy and numeracy. First, over the last four years, as the minister has already pointed out, we have looked at the proportion of kids achieving at or above the national benchmark. That is the passport for learning. If you are not operating at the benchmark it is very difficult to engage in the broader curriculum. In my experience, that has always been the measure in education. Before NAPLAN it was the MAP process, which shows we have a 16% improvement, on average, in Indigenous students and 5% improvement in non-Indigenous students.

In the same four-year time frame, the national average of improvement for Indigenous across the rest of the country was 3.2%. While the rest of the country has taken kids at or above the benchmark 3.2% in the right direction, we have taken it 16% and we needed to. In relation to non-Indigenous - because we cater for all kids here - over the last four years, on average, we have taken non-Indigenous kids - the percentage achieving at or above the benchmark is a factor of 5%. Across the rest of the country it is 0.2 of 1%. For me, over the last four years, if we were not achieving those outcomes I would be asking whether the investment we have with the government has been making a difference?

The next measure the minister has already alluded to. We have three more schools achieving at or beyond the national mean scale school than we had in 2009, and we have a further two schools which have equalled or bettered the national average in all the tests in all the year levels. We have a further four

schools - Larrakeyah, Nakara, Nightcliff and Stuart Park - equalling or bettering the Australian averages, and all tests for one cohort.

Overall, in relation to national averages, I support the minister in his assumption it is a fraught exercise to compare averages with averages without standard deviations. Nevertheless, 11% of our schools have less of those dark red cells produced in the My School website, again a measure of strong, positive shifts. We have a number of schools which will crack it next year - Bakewell, Bees Creek, Jingili and Wagaman - so we have schools which are on the move around literacy and numeracy.

We have been working with the COAG Reform Council and the federal minister to help him understand the best measure is comparing the same kids, against the same kids - kids tested in 2008 and retested in 2010, kids tested in 2009 and 2011. This year, for the first time ever, we are going to have kids who were tested in 2008, 2010 and 2012. When the data comes out in September this year we will have some quality data about distance travelled or NAPLAN gains. In those NAPLAN gains for our kids, we are outstripping the rest of the country in the progress of kids in 2011 and 2012 measures.

Off the back of that, those three areas all sustained progress in the right direction. It means things like our focus on literacy and numeracy coaches and data analysts who work with schools and their senior leadership team around how to use data to know what kids to target. If you go into any of the schools now you will be able to have a conversation about what focused effort they are doing in literacy and numeracy.

We have an incredible program happening with school improvement around literacy and numeracy. We have had Professor Geoff Masters go through our school improvement program. That has been so successful that the Commonwealth has asked Professor Masters to develop the same program for all schools across the country and he has already released his paper and begun consulting on that. We are ahead of the game. As far as school improvement in literacy and numeracy goes, we said to our schools: 'We will road test this and then you can opt in'. With opt-ins, you always hold your breath, but we had over 56 schools put their hand up to say: 'Yes, we have seen what our mates have been through around the school improvement agenda, we know school improvement is about targeted effort, quality teachers putting their efforts into programs which will make a difference'. Now 56 schools will be engaging in this school improvement literacy and numeracy agenda by the end of the year.

We have focused effort happening in preschools through to Year 2 with our literacy and numeracy continua. That is very, very important for our remote schools because we have to report on the Australian curriculum around how kids are going, A to E, with their outcomes in English and Maths against the rest of the country. Many of our kids, against the rest of the country, will be A. That is fantastic, but we will have quite a few in the bush that will be E or D, and we need to show those parents they are not stacking up with the rest of the country. They should also know their kids are moving a considerable distance, and that is why that continua is very important because we can show them they started here in literacy and this is where they are now.

The Estimates process is a little like doing spring cleaning in autumn. You look at the data very, very carefully, as we do every year anyway; however, I took the opportunity to e-mail my principals and their teaching staff to thank them for the work they have done in moving steadily to a very positive space in literacy and numeracy. We have demographics which sometimes work against us, but that is not to say we cannot be the top of the pile somewhere down the track. It is a long journey; we will get there if we continue to sustain that effort.

Mr CHANDLER: Minister, I am the first to appreciate NAPLAN is not the very best way of measuring everything about a school. It is wrong to think you can do that. Schools are part of a community and there are some very, very good schools out there. We have some fantastic teachers. However, can you see any merit in NAPLAN testing at every year stage rather than the two-year measure we have at the moment? Would there be a benefit to that?

Dr BURNS: I would be putting forward a personal opinion here. You can over assess students sometimes, which is always a danger. We are in step with what is happening nationally. There is some pushback, as you are probably aware, from some parents who feel there is an overemphasis on reading, writing and arithmetic - there is more to a curriculum than just reading, writing and arithmetic. One thing we would agree on, member for Brennan, is that is the key to learning; that is the key to appreciating other parts of the curriculum, even music. If we can link kids learning music - the research tells us is if a kid learns music, even if it is notation rather than music itself, that helps them with mathematics and other communication.

I understand curriculum is more than reading and writing, but for the core of our students to participate in our community, economically and socially, they need literacy, numeracy and proficiency to be able to participate. That is why there is focus on it. My own personal view - the CEO might feel free to contradict me on this, or someone else – is we would be putting too much of an impost by having examinations every year for students. Over to you, CEO, let us to hear what you have to say. It is an interesting debate.

Mr BARNES: We need to be very mindful of some of the adverse impacts of structured testing. We cater for that and are very mindful of it. Nevertheless, this data provide us with very clear diagnostic evidence, at the school, region and system level, about where to put our energies and efforts. From our perspective, it is worth doing.

The work we are doing with ACER - we have canvassed a low-stress online type test we could do for kids in Year 1, because sometimes it is too late by the time kids reach Year 3, to work out where the effort needs to be. Our people in the curriculum area have been working with Professor Masters. This is something all jurisdictions are looking at because, at the moment, we have very good data for kids in our transition class - that is AEDI data - Australian Early Developmental Index data, but it is more global and not as diagnostic as it could be. One of the things we might look at is a low-stressed online - young kids do not want to do pencil and paper stuff but are keen to get on iPads and click on things, and if we could come up with something in the second half of Year 1 that might give our Year 2 teachers some focus it is something we would explore. However, we would have to be very mindful of the fact there are some perverse things happening.

On the eastern seaboard, there is a growth industry for kids between the ages of three to five where you are now sending your kids along to coaches so you can get a better NAPLAN result when you hit Year 3. Some of the select schools also want to see individual NAPLAN data as an entry requirement.

Dr BURNS: The cost of administering and processing that would be considerable.

Mr BARNES: We would have to look at that, yes.

Dr BURNS: Do you have any idea what it is for NAPLAN?

Mr BARNES: We would have to develop the test first and then aggregate the data. The NAPLAN data testing process, because it requires international validation, is a very expensive beast to administer.

Mr CHANDLER: Minister, if you were at a COAG meeting, given that NAPLAN is a national testing program, would it be your recommendation that all of Australia went to yearly testing rather than ...

Dr BURNS: No, it is not an issue that has been raised within the ministerial forum I attend. Most of the attention has been on the administration and the process of NAPLAN. Probably, most discussion has been about the presentation and what colours are going to be used. That has been a major topic of conversation.

I am speaking personally once again, I have seen in some other jurisdictions a constructive process around schools examining things other than NAPLAN performance. You hit it on the head, member for Brennan, when you said something like education is more than just a NAPLAN score for a school. There are schools in my electorate, as I know there are schools in your electorate, which do a fantastic job. I will mention Millner again. They pick up kids from Bagot - they have many special-needs students, a real mixture of students in that school. That school does a fantastic job. However, if you looked at their NAPLAN score in isolation, someone might ask what is going on there.

The parents at the higher end are happy with their child's performance and, at the other end, there is much support for those kids who may come from disadvantaged backgrounds. What I have seen in other jurisdictions is looking at the schools and what they do in another light. In Queensland, a couple of schools - one in a high socioeconomic group has very high NAPLAN scores on those measures about how they interact with the community - what their plan is about doing things better in their school. A school in a lower socioeconomic group scored far better than that school because it was about attendance and a whole of range of support for students in special ways. They were doing a fantastic job. A NAPLAN result is a bit too reductive in some ways, but it is the one in the environment we are in that is judged.

Mr CHANDLER: Thank you, minister. I will touch on special needs. It fits within primary schools, but it does cover other areas as well. I had a briefing on this, but I would like a few further answers to questions in regard to the funding, particularly the \$30m at our schools. I appreciate the wonderful new school at

Nemarluk. Can you provide further details on why the Labor government decided to delay the Palmerston special education school ...

Dr BURNS: You mean Bellamack?

Mr CHANDLER: The Bellamack special education school. You have gone to great lengths to explain the additional money needed to complete Nemarluk would not come at the expense of the program, including the building of the Palmerston special education school. In fact, at one stage, I heard you say you tipped Mr Barnes upside down and emptied his pockets for him to find that money from other sources. There should be no reason to delay it if money has already been allocated. No additional money has been needed for Nemarluk School why, then, the delay, if money has already been allocated?

Dr BURNS: To start at the beginning, when the undertaking was given a number of years ago for the \$30m to be spent over five years, a number of projects were mentioned, including Bellamack special school. That commitment for the five years will still be met. All the projects mentioned originally will be met in the five-year time frame.

It is true we have had to push the Bellamack project out but, as I explained previously - it could have been on the public record somewhere, or in parliament you asked me a question - because of the budgetary position of government, \$10m as a lump of expenditure is quite a bit in the capital works program. Member for Brennan, I tried to come up with a configuration to fit Bellamack school in a shorter time frame but could not. We have brought some projects forward so some schools will benefit from that, and the Bellamack special school, unfortunately, is in the 2013-14 year. Fortunately, under this government's plan, it will be constructed.

As your shadow Treasurer will tell you, budgets are a year-by-year proposition on what is locked into a budget. There is flexibility around that, there has to be. For a whole range of reasons projects are shifted out but, in retrospect, Nemarluk School was very fortunate - there was a window of opportunity and we were able to achieve. We will achieve for those kids in Palmerston, but it will be in the 2013-14 year. In the interim, in the 2012-13 year, there will be scoping and design work done. I am unsure if you have anything to add to that answer.

Mr BARNES: Member for Brennan, as previously mentioned, one of the things the minister asked us to do was some demographic work to look at the pressure on primary school aged kids in and around Palmerston, remembering Bellamack school originally was P to 7, although there have been discussions about expanding that to include up to Year 9. The demographic work we did off the back of the projects that were going to be completed, including bringing the \$3m project at Taminmin a year ahead of schedule and some of the other project work, meant we were able to accommodate within our existing structures or our planned new structures up until when the Bellamack facility will open at the beginning of 2015.

Mr CHANDLER: Given Nemarluk was a design and construct program, this will be designed this year - next financial year and constructed the year after - how much money has been allocated to the design phase?

Mr BARNES: It would not be in our budget; it would have been transferred over to DCI. There would be, I guess, a significant quantum of money to do a proper, fully-spec design.

Mr CHANDLER: Within that design you, as CEO, you as minister, make the decision whether it is going to be Year 3 to 7 versus 9 before the design work?

Mr BARNES: The normal design process will involve options being generated. A reference group has already been established for the Bellamack project and has met. You have an education design brief first, and then that education design brief is passed to DCI who interpret what is required into options and concept drawings. From there, there will be an approval and a fully spec design brief will be made available to the market to begin the tender process. I could ask Leanne Taylor to talk about that.

Mr CHANDLER: No, that is okay. I have had a briefing.

Minister, I have recently had a number of complaints from parents regarding special needs. I am getting feedback from particular schools that there has been reduced funding for direct support – SESA funding - and some reports that money has run out to the end of the financial year. Some are reporting SESAs are either not working or down to two hours a day because the school has run out of money. Can you describe to me how the funding allocations are worked out for schools for children with special needs?

From what I can see, this might be more about how the schools are managing the money rather than what the department is requiring of the schools. If they are running short of funds it is because they have spent the money? I could be wrong.

Dr BURNS: I thank you for your question and your genuine interest in this issue, member for Brennan.

A review was completed in 2011 into special needs funding. The long and short of the results of that review is there should be a focus more on the needs of the child rather than the diagnosis, and that children would be funded on need rather than simply the diagnosis. Obviously, the diagnosis forms a foundation for the funding and the needs of the child. I am not saying we are doing away completely with that approach, but it was more an approach about the needs of the child, and the needs of child could change with time.

It is our aspiration, and I am sure your aspiration, as we give children support, the needs they require would reduce and, in some cases, they could re-enter the mainstream, or with some limited support be in the mainstream. The obverse side of that is children who, for whatever reason, may require more support or support at a certain level.

That is the aim. It is always a contentious area this area of special needs, but as a result of that review we have invested more recurrent money into special needs funding. I am concerned to hear what you have said because, over the last two years going into the next year, the first tranche of funding was approximately \$320 or \$350 – is that right? - then a further \$320 or \$350 in the 2012-13 year – is that right? - so an overall recurrent investment going into the future of probably around \$6 000 to \$7 000 a year. Whatever you invest in this area, it is never going to be enough because parents advocate for their children, as they should, and are very focused on their children's needs and supporting their children. The challenges in meeting those demands are immense, but we try, and we acknowledge we can do more.

I recently had a discussion with the AEU - the Australian Education Union - and those who specialise in this area as well, and they brought issues to me about the department being more responsive in timeliness, in urgent requests, in cutting down some of the administrative barriers, or challenges, hurdles, whatever you want to call them, schools face when they are requesting extra support.

In relation to the assertion that somehow we have run out of money, that is exactly what I asked the CEO. I am assured there is money there as a contingency for new children coming into the system. If you want to communicate to me – we do not want to make people's names public here – individual cases you know about, I will certainly follow it up.

CEO, you have heard what is being said here? You and I have had conversations about this as well, do you want to respond?

Mr BARNES: Remember we are talking about students with a disability being catered for in mainstream schools, not students with very high needs in special schools – these are the ones that find their way.

What we are doing mirrors what has been agreed to happen nationally, which is these kids will be assessed regularly and their needs will be categorised either as high adjustment needs, medium adjustment needs or low adjustment needs. This money is beyond the money schools receive for classroom teachers; this money goes out to provide additional support whether it is therapy support, teacher aide or assessor, etcetera. The money goes out ...

Mr CHANDLER: Could you mention those categories again?

Mr BARNES: High, medium and low. It is to do with educational adjustment. You can have a young person with what might be considered to be a significant disability, for example spina bifida, who may have low educational adjustment requirements for delivery of their education, whereas another child's disability might be considered to be at the lower end of the range, like autistic spectrum disorder or something like that, but may have medium or high education adjustment requirements.

We have an expert panel of people trained in child psychology who work with schools and parents to talk through those educational adjustments. The money goes out based on who schools tell us they expect to have in their schools. The money goes out at the end of the previous year so that decisions - this is a change because schools were saying: 'We need to let our assessors know whether they are required with the same time demands going forward in the next year' otherwise they lose them. In fact, you and I have had the discussion about the reason we have started making permanent a number of our assessors because we do not want to lose the drain of those people.

The money goes to the region, and the principals in the region sit down with their Executive Director of Schools and negotiate, based on the data they have about educational adjustment, how that money is going to be distributed amongst the schools in the region. We have taken it away from central bureaucrats making decisions at arm's length from what is happening in schools and put it out there.

As the minister alluded to, we keep some money back because you will get new kids coming in. It is the nature of the way in which the Territory operates. When those kids come in, schools will already have fully committed budgets for the kids they have and they cannot make that money go around so they get an assessment. There is emergency funding available for those kids and then an assessment is done on those new kids with regard to the level of educational adjustment required, and then there is a topping up process after it goes to the expert panel at the end of each term.

I also would be very interested to get information in relation to the specific cases because this is something we need. We are the provider of choice for students with a disability. The public system in the Territory is where people come because we generally have the expertise. We have the commitment to take these young people on board. We do not refuse them. In fact, we welcome them into our system so I really want to ensure these young people have a chance of achieving what they need to.

Dr BURNS: Other systems do a good job.

Mr BARNES: They do a fantastic job, they do a fantastic job.

Mr CHANDLER: I might write to the minister because this has been raised by a number of schools, not just one particular school.

Mr BARNES: Yes, that would be good.

Mr CHANDLER: How many assessors do we have working today and has this increased since last year?

Mr BARNES: Susan Bowden, who is in charge of Education Services.

Ms BOWDEN: Currently we have 134 support officers, 95 of those are in specialist settings and an additional 39 are in mainstream schools. In addition, we have 165 special education teachers in our system, 120 of those are in special schools or specialist centres and 44 of those are in mainstream schools.

In addition, the Chief Executive also alluded to making some level of permanency for people who we formally call ISAs in the system. There have been 15 of those positions created across the Northern Territory in various regions. Some of those are full-time positions which we have put into schools that may not have the same level of support in Special Education, some have been made 0.5 positions so they can work across a number of schools.

Mr CHANDLER: Thank you, that answers my next question. Minister, the department has made an effort - 15 positions to be made permanent. However, is it the department's objective to continue this, because I have seen SESA contracts where people are employed and then sacked, effectively, at the end of each day, or in some cases after two hours, or work an hour and then have to sit around for an hour until they get paid again. When we are focusing on children with special needs, that does not provide the focus on their needs; it is more about how positions are funded rather than starting with the needs of the child. Is it the objective of the department to continue to focus in this area of providing training for staff, permanency, and things like that?

Mr BARNES: That is the clear objective. As Susan has pointed out, we have made a start, and we want to continue on that journey because we invest much money in these staff and train them up. They do become frustrated with the fact they have to wait every year to see whether they are going to be renewed. If they are offered a permanent job elsewhere, invariably they think very hard about taking that job. We would like to create more permanent SESAs, but have them realise and understand they need to be based in a geographic area, because the demographics of these types of kids - students with a disability - will change from one year to the next. Disability, as opposed to having a learning difficulty, is not a characteristic of socioeconomic disadvantage. I give you my undertaking this is well and truly on the agenda. You will find the SESAs that have taken up the opportunity for permanency see this as a career path. We hope some of them move, with our support, to becoming special education teachers in the future.

Answer to Question on Notice No 4.6

Dr BURNS: Mr Chairman, I have Question on Notice No 4.6. The member for Brennan asked: the School of the Air has a number of trailers. How many trailers exist and how much did they cost to set up? This includes Katherine and Alice Springs School of the Air. That was the question?

Mr CHANDLER: Yes.

Dr BURNS: The answer I have been supplied is as follows: there are three mobile satellite services units provided by the respective School of the Air, two in the Alice Springs School of the Air and one in the Katherine School of the Air. A new trailer cost is approximately \$7500 per trailer.

Mr CHAIRMAN: At that point, we will take a break for lunch and will be returning at 1 pm at this output. Thank you.

The committee suspended.

Mr CHAIRMAN: We will start, minister. We are at Output 1.3 - Primary Education continuing with the member for Brennan.

Mr CHANDLER: Thank you, Mr Chairman. I have just had a major cull.

Mr CHAIRMAN: We are in your hands, member for Brennan; you do not have to cull.

Mr CHANDLER: Minister, what level of funding do you receive from the Commonwealth specifically for special education?

Dr BURNS: I will defer to the CEO for that, member for Brennan.

Mr BARNES: The funding we receive from the Commonwealth is in the form of a national partnership agreement. The national partnership agreement we are about to confirm will see the provision of some additional funding for therapists and adaptive and assisted behaviour money to support kids with autistic spectrum disorder. I might ask Susan Bowden to give further details about that.

Ms BOWDEN: Susan Bowden, Executive Director, Education Services. Member for Brennan, as the Chief Executive outlined, there is new money coming in for the 2011-12 financial year in the tune of \$790 000, which will continue for following years. For a total of a three-year period, there will \$1.9m. Those funds will be used, as the Chief Executive indicated, to look at supplementary support for speech pathology services, as well as assistive and adaptive technologies for students with disabilities, which will include looking at the use of iPads and continuing a very effective iPad trial executed in some of our special education settings, as well as services for students with autism spectrum disorder. Finally, additional regional support, which lends back to your previous question for not only teachers, but special education assistants, to support them with professional learning.

Mr CHANDLER: Would there be a way of finding out how much of that money makes it to the classroom level?

Ms BOWDEN: That particular funding - we have been in consultation with COGSO and other disability stakeholder groups who have had key input in how we distribute and use that funding. Of course, that is one of their particular agendas, so we have ensured there has been a balance of not only advisory support for schools, but also there is some direct money going to the schools. That would be particularly around the assistive and adaptive technologies.

Mr BARNES: Member for Brennan, just to add, the funding which previously flowed from the Commonwealth which came in very discrete buckets, as I previously ...

Mr CHANDLER: A discrete bucket?

Mr BARNES: Well, it came ...

Dr BURNS: Discrete just means separate. It is in a chemical sense rather than a social sense.

Mr CHANDLER: Like a dilution?

Mr BARNES: Like a dilution, that is right. There is a range of those funding allocations to support students with special needs in the broader sense, including learning difficulties. That money, as I previously mentioned, in part, forms the equity base we provide directly to schools on the basis of socioeconomic disadvantage because that is a driver for learning difficulties. That money no longer goes in those very separate tied arrangements, rather it goes as a global amount and schools use that equity component of their base and equity funding to accommodate kids with special needs. There is much NTG funding for that broader group as well with special education teachers who are NTG funded etcetera.

Mr CHANDLER: I hope this does not come across as a silly question, and it is the last one I have on special needs, in my experience there are many children in schools who have been diagnosed with a particular ...

Mr BARNES: Disability.

Mr CHANDLER: ... disability, others have not, it might be a behavioural issue, and schools will decide to provide some level of support for either case. In a case where parents have gone through the processes and had a child diagnosed, the school is then provided notification, but they then provide half for this child who could have been diagnosed with autism, explain that process. Does it go from the school to the department and then you can get additional funding through the Commonwealth, or does it stop with you?

Mr BARNES: While Susan is here, I can ask her to explain the process. The bulk of money for students with a diagnosed disability, at the moment, is Northern Territory government money. David Gonski, in his work, has identified students with a disability as one of the drivers to how the Commonwealth should distribute its money going forward. We welcome that because it means the more of those students that are identified, and their educational adjustment determined, the Commonwealth might come to the party and provide additional support. However, Susan could explain the process around which the Northern Territory government money flows when a kid is diagnosed.

Ms BOWDEN: Essentially, there are multiple pathways for a student to access the money regardless of whether the parent identifies the student may have a special need and proceeds to get a diagnosis, it might be the teacher of the student in the classroom, it might be the special education teacher, or it could very well be a student services advisor who may, initially, indicate the student has some additional learning needs.

From that point, the advice would be given to the parent or the parent might self-nominate to provide a diagnosis. That then triggers a process around the special education teacher or the teacher putting in a submission for funding, through the principal, to the expert panel the Chief Executive mentioned prior to lunch where they are assessed for their level of need - whether it is a low, medium, or high. We have recently brought in a new category of very high because there are a very small number of students in mainstream schools with very high needs. We try to ensure the funding allocated is appropriate for the student's need. That is essentially the process.

As also previously mentioned, we have our funding cycles and the panel meets every semester. However, if a student is new to the system, recently diagnosed or suddenly presents with some needs, the schools can apply for some emergency funding to assist.

Mr CHANDLER: Minister, are you aware of any school principals who have assumed the role of the chair of their own school councils?

Dr BURNS: I am not directly aware of any such instance. As you are aware, school councils and the governance of school councils is prescribed under the act and there are very clear guidelines. There may be instances in some remote areas where principals have to assume a leadership role in that respect, but in almost a statutory illegal role, I am not aware of any such instance, but I will defer to the CEO.

Mr BARNES: Under the act, school councils can take three forms. One is a fully-fledged school council and, in those instances, the principals are not the chairs of those groups. The second form it can take is a school advisory council. I am not aware we have any school advisory councils. We have either category 1

or category 3, because the third category is around group school management councils. That group manages across a number of very small schools and we have those that support all of the group schools.

Again, if there is information where principals have assumed that role it would be against the existing legislation. We would need to know about it because I have to sign off on those memberships.

Mr CHANDLER: Thank you. Can we move to Output 1.4?

Mr CHAIRMAN: That concludes consideration of Output 1.3.

Output 1.4 - Middle Years Education

Mr CHAIRMAN: We now move on to Output 1.4, Middle Years Education.

Mr CHANDLER: I am all over the place, I am sorry. I am culling. Minister, with a few years on the clock, are you satisfied with the middle years approach to education?

Dr BURNS: It has been a journey with middle years and there is more work to do. I receive feedback from teachers and parents about what progress they would like to see with middle schools, but it is moving. I get the feeling from most primary schools I visit, when it is time for kids to go to the middle years, they are itching - they are waiting to get into the middle years. It is not as if the students do not want to go into middle years. We have had some internal discussions and the department is aware of the challenges. Most of the challenges revolve around the curriculum and pedagogy, but I will defer to the CEO.

Mr BARNES: The biggest impact around middle years happened in the greater Darwin area. The middle years agenda should be considered as part of the whole secondary agenda because one of the key drivers was we have a number of very small comprehensive schools which cater for kids from Year 8 through to Year 12. If you remember back to Dripstone, Nightcliff and other such schools - one of the very compelling reasons to move to middle years and a stand-alone senior secondary agenda is if you have bigger senior secondary schools you can offer a far broader range of choice in both academic and vocational subjects, and that has certainly been the case.

The other thing is the pedagogy around the middle years is a little different from the pedagogy you use for self-initiating senior secondary students. As we all know, hormones tend to kick in around 12, 13 or 14, and the other thing is kids were moving from Year 7, where they basically dealt with one or two teachers, into a secondary environment where they dealt with multiple teachers, and we lost a few kids on the way.

Around the country there have been various responses to the research around middle schooling and the need for it. Here in the Territory, there was both a structural and a pedagogical response. Some of our schools are doing a fantastic job in meeting the need to transition kids into senior secondary, and in other schools there is a way to go. This is a part of the school review process we have been working on. In fact, we have people specifically focusing on the middle years in our Curriculum, Teaching and Phases of Learning Division because there is further work to do, as there always is.

When we get to that output area, last year was a sensational year for senior secondary performance - record numbers of kids getting NTCETs and astounding numbers of kids completing a Vocational Educational and Training Certificate the likes of which we could only have dreamed of. I hope we get a chance to talk about that. In part, that will be attributable to the preparation that happens in those middle years and the flow-on effect to sharp, focused, effort in senior secondary where there are now multiple choices for kids. You could never have catered for that in a school which had only a very small number of Year 11 and Year 12 kids. That is what we were getting with those old, comprehensive high schools.

Dr BURNS: Member for Brennan, I was a middle school sceptic. This reform was brought in by one of my predecessors, Syd Stirling, and I was hard to convince. Next time I see Syd, I will compliment him on his foresight in implementing this change because, as the CEO said, it is reaping positive results. However, as we both have said, we have more work to do - more development.

One thing we did not mention is around teachers and people specialising in the middle school, and giving them support to specialise in teaching in the middle schools. Those teachers really want to be involved in curriculum development.

The scorecard is: one convert, some really good positives, but more work to be done written down the bottom.

Mr CHANDLER: Thank you, minister. In the last two years, I would have received one complaint about the middle years' curriculum and about education - what is being provided - although I have had many complaints about behaviour. Is that one of the areas we need to be able to tighten up on? The facilities are first rate, particularly the new schools, the teachers, and the academic curriculum being delivered. I have only had one complaint in the last two years. Every other complaint has all been around the behaviour of students?

Dr BURNS: That is a legitimate concern, member for Brennan. During my time as minister, the issue of behaviour has been front and centre and, as we foreshadowed in my opening remarks, positive learning centres, engagement centres - it is also about supporting teachers in the classroom with discipline and behaviour management, and professional development support in that regard as well. I might ask the CEO to comment further. You have raised a very important issue.

Mr BARNES: There is very clear evidence by data right around the country that behaviour issues start to evidence themselves in those years of children's development. Whether you have a stand-alone middle school, or whether it is a comprehensive school like Katherine or Nhulunbuy where you are going to get the issues around Year 7, 8, and 9 and then things settle down a bit, that goes a little towards understanding child development, etcetera.

Creating stand-alone middle schools has not in any way directly contributed to the issue that we need to manage student behaviour in those year levels. When I talk to middle school principals like Marcus Dixon at Darwin Middle School - the thing they very wisely do - and even schools that are not colocated are doing this and Centralian is a good case in point in Alice Springs - they ensure the Year 12 and 11 kids engage with the Year 7 and 8 kids in some structured way on a regular basis so the role modelling of where you are going to get to is inclusive of those kids at the pointy end of their schooling. It is something we did not want to lose as we moved to stand-alone middle schools where the aspirations should not be determined by just the Year 9 kids. It should be added to by the kids in Year 11 and 12 as well.

Is there further work to be done, as the minister pointed out, around ensuring behaviour does not interfere with learning and good pedagogy in the curriculum? Absolutely! Are our school principals onto it, vigilant, and ensuring the kids misbehaving are addressed appropriately so others can learn? Absolutely, and they do it in the strongest possible terms.

Mr CHANDLER: Thank you. Minister, can you please tell me the position of Sanderson Middle School Council was on annexing land for the northern suburbs super clinic?

Dr BURNS: I have no information about that whatsoever. I have not received any correspondence from Sanderson Middle School. Are you aware of anything, CEO?

Mr BARNES: No, but I believe Leanne would have information about this because we asked if that was our land and Leanne gave me an answer.

Ms TAYLOR: Member for Brennan, that particular parcel had already been subdivided, so it goes back some time ago. I do not know whether the process, at that time, included consultation with the council, but it has been subdivided for quite some time. It was not part of our land.

Dr BURNS: If it was subdivided there would have been a consent process involved in that?

Ms TAYLOR: There would have been the normal type of statutory advertising to invite public comment, which occurs any time land is subdivided.

Mr CHANDLER: You do not know, offhand, when that was?

Ms TAYLOR: I can take that on notice and check. No, I do not.

Dr BURNS: That is more a question for the Minister for Lands and Planning. Leanne is saying that land is not Education land; it has been subdivided and is not Education property.

Mr BARNES: My understanding is it was not recent.

Mr CHANDLER: Therefore, there would not have been a need to consult with the school in the first place. The next question was answered when Mr Wood asked a question. Could we move on to 1.5, please?

Mr CHAIRMAN: Not directly, the member for Nelson is with us and he might have a question to Output 1.4.

Mr WOOD: I have a general question. I believe we have the biggest high school in the Northern Territory at Taminmin. Who has beaten it?

Mr BARNES: Darwin High.

Mr WOOD: All right, sorry.

Dr BURNS: It is pretty big.

Mr WOOD: It is big.

Mr BARNES: The biggest comprehensive high school.

Mr WOOD: What are the future plans for middle school education at Taminmin? What are the plans for a new school in the rural area, including Weddell? That school ...

Dr BURNS: I will defer to the CEO, but I will preface his remarks by saying given the growth expected in the Northern Territory – Darwin, the rural areas and Palmerston - I have been asking the department about forward planning over a range of areas, including the rural area. I was surprised by some of the answers that came back to me about Taminmin. I will let the CEO talk about that because he has more facts in front of him than I do.

Mr BARNES: Thank you, minister. The issue of demography and strategic planning to meet emerging growth areas is taken very seriously. Treasury predicts the population could increase by up to 25 000 in the Darwin and greater CBD/northern suburbs area by 2025, and Palmerston could have approximately 45 000 people – an increase of 15 000 from 2010 - and Litchfield a population of 30 000.

We have responded by creating a broad-ranging and inclusive group of people to undertake this demographic planning. This is not brand new; this has been going on for a number of years trying to stay ahead of the game, which is what we did at Rosebery, and what we will need to do as we meet the emerging demands.

There is representation from parents and the community sector - I believe Beverly Arartati sits on that group - and there are some very clear plans in place about how we might deal with that projected enrolment growth which includes catering for the new subdivision at Weddell and when the infrastructure will be required to meet the demand.

We are also looking, at and very confident about, meeting the immediate demand with the new subdivision at Durack Heights CDU is turning off.

If you would like further information around this I could ask Leanne Taylor to give a personal briefing either to you or your staff - to give you an update on where that planning is at just for your area.

The other question related to ...

Mr WOOD: There have been, over the last year, concerns about whether there was adequate infrastructure for - the middle school grew very fast and there were concerns about enough infrastructure. Are there any plans to upgrade or reorganise the school at all?

Mr BARNES: There are a number of capital works programs happening at Taminmin at the moment. We are working our way through upgrading ovals and building canteens, which will happen in the next financial year, as well as building a new special education facility. As you probably are aware, we have had a nett decrease in the number of kids over the last two years but we believe, with the young people coming through from Humpty Doo etcetera and surrounding schools, it will rise again.

Leanne has been working with the school around a longer term plan for Taminmin. It grew with a number of demountables which caused concerns. Leanne has been working with the school on a master plan for Taminmin. She could give you an update on that.

Mr WOOD: I would be happy to get a briefing at another stage. We can organise that. Thank you for that.

Mr CHAIRMAN: That concludes consideration of Output 1.4.

Output 1.5 - Senior Years Education

Mr CHAIRMAN: We now move to Output 1.5, Senior Years Education.

Mr CHANDLER: Minister, last year in parliament I raised the issue of schools and their ability to get parents to contribute since the Ombudsman's report on school fees. At the time you said if schools could demonstrate a real loss they could put their case to DET and IT would be considered on a case-by-case basis.

Minister, are you aware of any school struggling to maintain contribution levels? Have any put their case to DET and, if so, how many cases have been approved for additional funding?

Dr BURNS: I can talk primarily about my own electorate. Whilst schools have found it difficult, through their fundraising activities they have managed to get where they want to go. There has been no talk in the meetings I have attended. I would attend probably 70% of the time. There may have been some discussions outside that in my electorate, but it has been difficult for schools. I am not aware of any in my electorate, but whether that reflects the greater school population, I would have to defer to the CEO.

Mr BARNES: Thank you, minister. A number of schools have indicated to us they are pressed financially as a result of their being a smaller amount of money flowing through from contributions.

You might be aware I wrote to all school councils and principals indicating our position is contributions - not fees - contributions were standard and accepted practice right across the country and those contributions were for additional things above the free education provided.

I am aware a small number of schools have indicated, as a result of that, they were finding it difficult. Darwin High was one. We worked with that school to help with its financial planning and turned what it thought would be a budget deficit into something which now allows it to trade quite solvently. We have done the same with other schools as they have come to us because that was the undertaking we gave.

Every one of our regions now has access to a dedicated school finance person, not having to wait for someone in carpet-land to respond to them. Minister Burns taught me that phrase on the first day of Estimates.

Dr BURNS: It has been around a long time.

Mr BARNES: The interesting thing is the carpet in our schools is now better than the carpet in the Mitchell Centre because it is pretty clean.

Mr Elferink: You have chiselled it into the marble of our vocabulary.

Mr BARNES: We have dedicated school finance officers who work with school registrars to help them with their finance. We are on track with schools finances. On a monthly basis, they are asked to give a financial update under MYOB, but they now have easy access to a person who can turn things around. Member for Nhulunbuy, we also assisted Nhulunbuy High School take account of a diminishing stream there and turn finances around. At the end of last year we undertook a review of our school funding methodology for grant and equity, which delivered additional funding for big primary schools, big secondary schools, and special schools which seemed to be relatively pressured in their annual operating environment.

Mr CHANDLER: Are you aware of any unique methods of extracting more money from parents which could be shared on a wider basis?

Dr BURNS: No, the Ombudsman would not like that.

Mr CHANDLER: I said unique, not illegal.

Dr BURNS: It is unfortunate because it is reasonable parents should contribute towards some consumables. I am not talking about the nuts and bolts stuff, but with elective subjects and various others it is reasonable. Most schools would come to an arrangement with parents who may have had difficulty paying it. I believed it was all A-OK, but the Ombudsman had a different view and we need to operate under that parameter.

Mr BARNES: Some schools are uniquely advantaged insofar as they can create a steady stream of funding. I visited Parap recently, and they charge parking for people to attend the markets and things like that. There are unique things, but they are mainly location-specific and allow those funding streams to be developed.

Mr CHANDLER: Does the offer still stand, if a school has a genuine shortfall they cannot make up you would look at that on a case-by-case basis?

Mr BARNES: Yes.

Mr CHANDLER: Minister, over the last few years across schools IT has become a major factor in education. The Commonwealth provided thousand of computers in the short term for a new wonderful resource. Minister, IT being what it is, these machines age quickly and require upgrades, maintenance etcetera. What additional funding has been provided to schools to manage these assets?

Dr BURNS: I will defer to the CEO.

Mr BARNES: A big chunk of the digital education revolution was there to help with planned maintenance and upgrades etcetera. We are negotiating with the Commonwealth for that money again, because the DER project, just like the BER one after it - there will be a point at which that money ceases and we are negotiating with the Commonwealth for it to rollover. There is an enormous investment in maintaining our assets. I will give you an example, we have a very significant contract for planned support which applies to every one of our schools - I can get you the figures. Every one of our schools, no matter where they are, can get assistance when machines go down and companies - our contract at the moment is still with CSG - fly out and assist folk to repair those machines. Unlike other jurisdictions, we have a planned schedule for replacing all servers. In other jurisdictions, that is left to schools to find from within their own grant and equity funding. It is not just the hardware and software, because our Microsoft licenses cost the schools nothing. Our servers, where they run their local area networks, cost nothing. The provision of both satellite and dark fibre cost nothing, and the ability to have a wide area network that touches every one of our schools allows many of the fixes to happen centrally. We can fix problems with machines connected to the network centrally either ourselves, if it has to do with their capacity to access the WAN and bandwidth, or if it is to do with software and specific bits of hardware, we can get CSG to do that work.

That leaves our schools in a better position than any other schools around the country insofar as their day-to-day requirements for doing things at the local level - setting up their own websites. Even though we give them templates, etcetera, they use the money from grant and equity for those purposes. Some people have created a specialist ICT position through the staffing model, which they have the capacity to do, but one of the things - we met with COGSO the other day - we are doing is another review of our support because the new player on the block is the hand-held wireless device supplied through a company like Apple or like companies. Their support needs are far different from the laptop or desktop computers we have through Dell, which is our preferred supplier for those.

We have to do a review because some of the big companies have re-sellers and you have to deal through their preferred re-seller. That means we do not have any control over how we support that new technology. There is a review. I have told COGSO I would provide a full and comprehensive briefing on the review being undertaken mid-term 4. That review is well-advanced.

You would have seen in the Australian government's budget highlights it has given \$10m to a not-for-profit company called One Laptop Per Child. We are likely to be the beneficiary of hundreds, perhaps thousands of free units; however, those units add to the complexity of support. That is why I have asked Greg to look at how to support hand-held devices, how to support these One Laptop Per Child units, how you can support desktops and notepads. It is a complex business.

Mr CHANDLER: I assume it would be a huge worry. The industry standard is about one IT person for every 100 or 120 units. Palmerston Senior College has 1200 laptops.

Mr BARNES: Yes.

Mr CHANDLER: I believe there are two people for IT. That is a massive IT concern as these units become older.

Mr BARNES: For example, if a Dell laptop goes down - I saw this happen at Galiwinku - they give it to me. They open the next box and it is already imaged with the dead operating system. The school applies, through its proxy server, those things they are doing in the school and it is plug and play. We have had to come up with innovative solutions. The industry group that measures viability in this case is a group called Gartner, and we regularly test ourselves against those Gartner standards.

Mr CHANDLER: I am finished, thank you.

Mr CHAIRMAN: Any questions for Output 1.5, member for Nelson, Senior Years Education.

Mr WOOD: Yes. Minister, has your department sorted out the problems with work experience programs and OH&S requirements? How many students have not been able to participate in the program due to the problems?

Dr BURNS: Good question, member for Nelson. I remember you asked this question on the floor of parliament and I undertook to expedite that process. I will ask the CEO about progress.

Mr BARNES: Member for Nelson, the answer to your question is no child who had planned to undertake work experience this year will be denied that opportunity. The timing of when they undertake that has changed in some circumstances as we reviewed our policy around work experience, prompted by some very important changed arrangements in our responsibilities around workplace health and safety and duty of care. Nevertheless, we have come up with a very commonsense approach to this where once someone has interacted with the workplace the child is going to and sought an assurance that they comply with the workplace health and safety standard, then kids are all right to go. Once that has happened with that workplace, there is an online register and that workplace does not have to go over and over again.

The very important reason we have to do that is these are the lives of young people we are putting into a workplace where the school and the principal has a duty of care to ensure their safety, and they are also receiving an educational program which suits. The discussion that needs to happen is around the type of kid and the type of job or simulated work experience the kid is going to be engaged in. Getting that fit right is very important. We have overcome all the hurdles we previously had and have come up with a very commonsense approach which allows schools to sign off on their duty of care and ensure workplaces are not dissuaded from putting their hand up to accept our kids.

The other thing we need to be really clear about is this is for work experience. Where it is a structured work placement our duty of care is completely different. Rather than the kid being on the side observing and taking place in a minor way in that workplace, where there is a structured work placement the kids are actively involved in the activity tradespeople or workers are engaged in, we have to apply a far greater level of scrutiny to satisfy ourselves.

Mr WOOD: If someone wanted to undertake work experience at Pauls and wanted to look from a distance, what is the process? If you wanted to see how and where people worked and what they did, and it was not hands on, does the school contact Pauls?

Mr BARNES: Yes.

Mr WOOD: How do they know they can send that child to that place safely?

Mr BARNES: Two things. One, whoever is in charge of the work experience program would have a yarn about the type of kid we are talking about, the opportunities, if it is just observation and they have an interest, and say to them - because we have to sign an agreement - say to them: 'You are workplace health and safety compliant, are you not?' They say yes, and that is it.

Mr WOOD: They have a certificate from Work Health. Work Health is involved in this?

Mr BARNES: You will find workplaces, whether they are government or non-government, have to comply with Workplace Health and Safety requirements. However, Workplace Health and Safety here do not issue certificates annually or every so often, they only come in when people are reported as not complying, or where the workplace itself says: 'Would you help us out in putting a business process together', etcetera. All we have to sight is the group says it is compliant. It is a very responsible thing, because we ask the workplace to sign that they are compliant. Again, we have that duty of care, even if the kid is observing things. When we go to structured work placements ...

Mr WOOD: If he is hand-filling the milk cartons, he has moved into something different than just observing ...

Mr BARNES: Yes.

Mr WOOD: What will the company need to provide? Anything more than what they said before for just ...

Mr BARNES: We would try to match what the kid wants to do by way of experiencing the work with the – if the kid put his hand up and said: 'I would like to run a printing press', and it was an old printing press, we would say: 'No, that is not appropriate'. This kid is this sort of demographic - a Year 8 boy, a bit flighty. We would suggest we put him into this type of role and environment rather than that.

Mr WOOD: Have you employed any more people, or have the schools had to employ more people to run this program?

Mr BARNES: No, the schools have always done this. As we get more and more structured work placements - if you allow me to talk about our success in that space. We have employed more people to do the structured work placements. However, we have not had to employ more people for work experience because that duty of care has always rested with the principal and the folk at the school level. We are helping them out. In fact, we have tried to make their life a little easier.

For example, if the kid wants to do, as many do, work experience in government organisations, it can be as simple as a phone call. For example, at Taminmin, there was a young person whose parents wanted them to do work experience with Royal Darwin Hospital. There was a telephone dialogue around the nature of the work and matching the kid. There was a faxing through of the sign-off to do with the fact the hospital was happy to take the kid in that role, they would be adequately supervised, and they were compliant with workplace health and safety – and away it went.

It does not have to be a huge thing, but it needs to be highly accountable.

Mr WOOD: Okay, thank you.

Mr CHAIRMAN: That concludes questions to Output 1.5.

Mr CHANDLER: Can I ask one while we are here? It goes across three different areas, and I am happy to take this on notice if you want. Can I have the number of suspensions, expulsions and teacher assaults across primary, middle and secondary education?

Dr BURNS: I am prepared to take that on notice with a qualification. Assault could be – if I was to throw this pen at you now – which I am not going to do, member for Brennan - that would be an assault, which is quite different. Or a child – we have had discussions about this before – who might be upset, trying to be comforted by the teacher, pushes that teacher away. Technically, that is an assault, which, pales into insignificance when a student might strike a teacher or, even worse, brandish a weapon or attempt to attack a teacher.

I am more than happy to take this question on notice, but I am cautioning the definition of 'assault' is quite broad. We try to record those extreme incidents where there has been a serious assault on a teacher. That is also an important aspect. With that type of proviso, that type of ...

Mr Elferink: Footnote.

Dr BURNS: Preface, footnote – thank you, member for Port Darwin – I will take that question on notice.

Question on Notice No 4.12

Mr CHAIRMAN: Can you repeat it for the record, member for Brennan?

Mr CHANDLER: Minister, could I please have the number of suspensions, expulsions, and teacher assaults - acknowledging that teacher assaults could be broken down into categories – across primary schools, middle years, and secondary education for the last 12 months?

Dr BURNS: I will take that question on notice, also pointing to the broad nature of your question. There might be a student who is suspended for a uniform infringement or repeated refusal to conform to uniform requirements. There is a broad range of reasons why a student may be suspended, but I am letting you know there are qualifications in there.

Mr CHAIRMAN: That is question No 4.12.

OUTPUT GROUP 2.0 - NON-GOVERNMENT EDUCATION
Output 2.1 - Primary Education

Mr CHAIRMAN: We move on to Output Group 2, Non-Government Education, Output 2.1, Primary Education.

Mr CHANDLER: Can I ask a question in Output 2.0 across all sectors?

Mr CHAIRMAN: Ask your question.

Mr CHANDLER: Minister, I am aware of two options being provided in regard to funding of private education. Can you please explain both, and what implications that has for schools?

Dr BURNS: I need to interpret that question because there are discussions going on at present between the Education department, the CEO of Education and the non-government sector about the form league applied for non-government schools. Currently, the Northern Territory government is at around 21% calculated on our average per student cost. Currently, we are in negotiation with the non-government sector on that. To give an update about that - I am unsure about the second method. Is that what we are talking about here?

Mr CHANDLER: The information I have is two models are being proposed with caps involved and, perhaps, there is a loss of money in real terms over the next few years. I have a couple of subsequent questions in regard to funding around a growing population, INPEX, and implications for non-government schools. ..

Dr BURNS: As I said in response to an earlier question, we work well together with our non-government sector. We share many things and are mutually supportive. When funding comes around there is always a bit of tension; it is a negotiating process. There will be two sides to that equation. No doubt you have heard one side, and I will ask the CEO to respond on where he sees things are.

Mr BARNES: Thank you, minister. There has been a planned review of the current arrangements that have been ongoing since about the middle of last year. We agreed it was timely to go back and look at the current model. The current model, as the minister points out, provides for 21% of the cost the NTG bears in meeting the delivery of education services per student.

Mr CHANDLER: Is that per student?

Mr BARNES: Per student. It is NTG costs, and I need to be explicit here because the Australian government direct fund the non-government sector and it gives similar funds to us. What we are looking at here - the current model is 21% of the Northern Territory government spend on educating a kid, less some important areas where the non-government sector does not operate - where we provide services to them. The two easy example are we provide special schools and everyone comes to special schools, whereas the non-government sector does not have special schools, and the non-government sector does not have distance learning, schools of the air - NTOEC for example. A heap of kids access NTOEC from non-government schools to gain their senior secondary supplementation.

We have been looking at that with the non-government sector to work out whether that model is going to work or be the best model going forward. We have worked with them on an alternative model where they would get a grant which was split up into base and equity, because some of the non-government schools were saying as you give us our money, delivering services at Wadeye, for example, are completely different. Wadeye, the little school near Woolanang the Christians run, and Gawa on Elcho Island are completely different to operating a school in downtown Darwin. We need allowances for that and the non-government sector, working with us, has agreed to look at a model which has a base allocation per kid which everyone gets, and an additional allocation which is based on SES levels. Again, the non-government sector asked us to use SES.

For example, in our grant and equity funding we use ICSEA but they preferred to use SES. They have also looked at some threshold issues to ensure that either model going forward grows by not only increased enrolments, which is very important, it also grows by a factor of CPI. As the cost of services might rise, so too might the cost of providing that.

The critical thing is to ensure we get the starting point right. We are working on that at the moment with them. In fact, Michael Avery from the Catholic Education Office is representing the group, but I have met on a number of occasions with the broader group of non-government principals. As the minister indicated, we are very hopeful of coming up with something that will work for them because we need a strong non-government sector in the Territory because it provides the choice parents demand.

Mr CHANDLER: I only have one more question because I am getting the wind up. I have taken far too much time. Minister, I would like to personally thank you for your assistance over the last twelve months in providing access to the CEO, Mr Barnes, your approval and support in visiting a number of remote schools, and access to your advisor Rob Picton, who is always straightforward. It would be remiss of me not to ask this question. If you were a new minister coming in tomorrow, after all these years of being in the job what would you do different?

Dr BURNS: That takes much thought.

Mr CHANDLER: Perhaps it could go in the book.

Mr WOOD: You said you were running out of time.

Dr BURNS: Thank you for the nice compliment, member for Brennan.

Mr CHAIRMAN: Member for Nelson, it is Output 2.0 - Non-Government Education.

Mr WOOD: Are we doing the lot together?

Mr CHAIRMAN: You are the only member left with questions.

Mr WOOD: I can only keep to the proper process. Minister, one question in relation to senior years education, Budget 2011-12 shows a figure for senior education of \$18.494m but the estimate ended up being \$33.055m. Is there any explanation of the difference of \$14.56m?

Dr BURNS: We are looking at senior years education and the estimate for 2011-12?

Mr WOOD: The budget was \$18.4m, but ended up being \$33m. There is a big difference and I am wondering why?

Mr BARNES: Is this is in the ...

Mr WOOD: Page 108. I hope I have the right place. Page 108.

Dr BURNS: Are you talking about non-government education?

Mr WOOD: I thought we were on that. I was looking at the senior years education and my notes say there is a \$14.56m ...

Dr BURNS: The short answer to your question - we are getting wind up signs now - is the change in relation to ...

Mr WOOD: The Independent times are separate.

Dr BURNS: ... training, but I will let the CFO elaborate.

Mr RYAN: David Ryan, CFO. The movement there is largely due to the removal of training as an output from the department, and VET in Schools has come in to senior years. Part of VET in Schools is delivered to non-government schools as well, so there is an increase there. Also, as a result of the removal of training we had to restructure our corporate overheads across all our outputs because training no longer existed. We have also revamped our attribution method based on current enrolment numbers which indicates there is a higher level of funding going towards non-government ...

Mr WOOD: A planning issue, and you might tell me if it is your area or not, MacKillop college lost some land which had originally been provided. In its original state, it was about 9 ha, but a sacred site was identified. Were any alternative sites given to build on? They are squashed. You are a rugby man, Chief Executive - there is no room for an Aussie Rules oval there, that is how jammed in it is. I do not know why that site, when they found restrictions - some alternative land was not offered.

Mr BARNES: That is a question for Lands and Planning. I am unaware if Catholic Education specifically asked for that site.

Mr WOOD: It was originally bigger. That site is about 10 years old.

Mr BARNES: It is a Lands and Planning issue. I appreciate the other game as well.

Mr WOOD: I am multi-religious when it comes to sport.

My one non-output specific budget question, Mr Chairman, is I have been to Girraween. The windows slide, but you only get half the flow-through. They appreciate the offer from the minister. They knew we had spoken about the school. The IT system is working extremely well, thank you. They will accept the offer of being an experimental school to see if they can reduce the costs of electricity because they also recognise it is a major cost for the school.

I appreciate the offer, I thank the minister for the offer, and I would also like to thank the minister for his hard work. He might wonder from time to time about the questions, but he is a very dedicated minister, especially when it comes to Education. I appreciate all the hard work he has done and the good answers he has given. We might have a bit of argy-bargy, but we get a laugh as well, which is appreciated from time to time. Thank you, minister.

Dr BURNS: I do not know how many laughs will happen in the next session. I would like to finish off by thanking the officers from the department and thank you for your endeavours. We still have a few questions on notice. It looks like we will be moving on. There is two hours left on the field, let us move into it.

Mr CHANDLER: Thank you, Education. Thank you, Gary.

Mr CHAIRMAN: We will take a brief break while the witnesses change.

The committee suspended

DEPARTMENT of HOUSING, LOCAL GOVERNMENT and REGIONAL SERVICES

Mr CHAIRMAN: We will start, minister. Would you like to introduce the people you have with you today; and if you have an opening statement, would you like to make it?

Dr BURNS: I have an opening statement, I will try to keep it as brief as possible.

Mr Chairman, the committee will be aware my portfolio responsibilities include Public and Affordable Housing, Indigenous Essential Services and the Northern Territory Home Ownership Government Business Division.

I would like to introduce some of the public officials who will assist me, and the committee, throughout today's proceedings. First, Mr Ken Davies, Chief Executive of the Department of Local Government,

Housing and Regional Services and, from within his agency, Mr Chris Brooke, Chief Financial Officer; Mychelle Curran, Deputy Chief Executive, Territory Housing; Mr Mike Chiodo, Deputy Chief Executive, Capital Works Infrastructure and Remote Infrastructure Program Office; Catherine Weber, Deputy Chief Executive, Strategic Policy and Government; and, very importantly, Mr Andrew Kirkman, Executive Director, Remote Housing NT.

Delivering a range of housing options is vital to the future of the Territory if we are to fully harness the opportunities ahead of us driven by major projects such as INPEX. In the last decade, we have seen strong economic and population growth, which has increased demand for housing right across the Territory. Through our *Territory 2030* Strategic Plan and our Housing the Territory strategy we are focused on delivering more affordable and appropriate housing that meets the wide-ranging needs of Territorians - and that is a challenge.

Since I have been minister, there has been massive investment by this government and, of course, the Australian government, to target remote Indigenous housing, affordable housing, public housing and social and supported accommodation. We have also had a strong focus on creating pathways to home ownership.

The 2030 Housing conference was held last November. It was the first of its kind and it brought all the key players in the housing arena together in one room. It brought not-for-profit, government, builders, real estate agents, affordable housing companies and architects together to look at ways to deliver more housing and to drive a balanced housing market across the Territory.

In the 2012 budget, our work to deliver more housing for people across the Territory continues through a range of strategic investment measures which complement the significant land release program being delivered by this government, including the turning off of 1400 new blocks over the last three years; a further 4000 blocks are in the pipeline to be turned off over the next five years; there are currently four suburbs being developed; and now we have blocks of land available for people to purchase and build their home.

In relation to urban public housing, the public housing construction budget for 2012-13 includes significant investment in urban initiatives including: \$5.4m to redevelop existing unit complexes across all regions; \$2.4m to construct seven two-bedroom units in Rosebery; \$3.9m to build more public housing and dwellings in the northern suburbs; \$10.6m to construct new public housing dwellings in Bellamack and Zuccoli under A Place to Call Home program; \$12.4m for minor new works refurbishments, targeted upgrades to existing public housing dwellings; and \$22.8m to maintain our properties.

Our commitment to continuing to build public housing stock continues with the recent completion of the 40 unit Bellamack Seniors Village, 18-unit Larapinta Seniors Village and, shortly, 10 new seniors units will be available at Parap.

Public housing safety officers: Mr Chairman, I am also glad to report our 21 public housing safety officers are now operational and on the ground to help increase safety in and around public housing. I believe this will deliver better public housing, and they will have a strong impact - they are already having a strong impact - on safety issues and dealing with problematic tenancies.

In relation to affordable housing, growing a strong affordable housing sector is a priority of this government. We need to ensure low-paid key workers to our economy have access to affordable rental properties. In Budget 2012-13, we are investing further in the Territory's new affordable housing company, Venture Housing. This will see 140 affordable dwellings worth about \$50m built in the new suburbs of Zuccoli, Johnston, and on the site at Maluka Drive and, then, transferred to Venture Housing.

The first 35 affordable housing units at the redevelopment of the old Wirrina housing complex will be completed soon as well. Work has also commenced on the design of up to 21 dwellings at a site in Driver, as well as affordable rental properties to be managed by Venture Housing.

Regarding home ownership, we are helping low- to middle-income earners purchase homes through the NT home ownership scheme so they have an opportunity to build a life in the Territory. Budget 2012-13 has \$39.4m for new loans and \$7.6m in shared equity provided through HOMESTART NT. Since 2004, 1535 homes have been purchased through HOMESTART NT, and previous schemes valued at \$346m - 85% of these purchases were by first homebuyers.

As part of this government's commitment to deliver 15% of all new land release for affordable and social housing, there has also been a range of affordable housing product for sale. Most recently, there has been the sale of 21 two- and three-bedroom units in Johnston priced between \$320 000 and \$390 000, and 19 lots of land in Johnston sold for \$140 000. Soon, more affordable properties and land will be for sale in Bellamack and Johnston as well, creating more opportunities for people to get their foot in the housing market.

Much has been going on with supported housing, particularly through support with the Australian government. We must never lose sight of ensuring we are supporting the most vulnerable people in the Territory; those faced with homelessness. I am pleased to report the bulk of the new initiative delivered under the nation building stimulus package are completed and servicing those in need. This delivered 208 units of accommodation, providing 450 more beds through this \$60m investment. Budget 2012-13 delivered a further \$5.7m for supported accommodation, including the transitional facilities at Percy Court, Crerar Road, the Alice Springs Visitor Park, and other accommodation providers.

Remote housing: I stand proudly by our achievements over the last year, in particular, in our National Partnership Agreement on Remote Indigenous Housing, which includes SIHIP. As of the end of April, almost 2800 families are living in new or improved housing. This is over 630 new homes completed, over 1700 refurbishments completed, and over 420 rebuilds now completed. This program has been well scrutinised in reports in the media, and I certainly expect more scrutiny today in Estimates. This \$1.7bn program was always over 10 years with the first tranche over five years. Many people have lost sight of that. This \$1.7bn program is changing the lives of thousands of Indigenous families for the better by delivering safe, healthy and functioning homes.

Budget 2012-13 continues this investment with: \$162m from NPARIH for remote Indigenous housing and infrastructure; \$26m for land servicing and essential service infrastructure in growth towns; GEH - government employee housing. We are also working to support services in remote areas with continued investment in government employee housing with \$44m to build new, and upgrade existing housing.

Finally, Indigenous essential services: Through Indigenous essential services we continue to support vital power, water and sewerage infrastructure in our remote communities. Budget 2012-13 includes: \$37.97m in infrastructure funding comprised of \$7m to upgrade water supplies at Lajamanu, Maningrida and Hermannsburg; \$16.4m for minor new works; and \$14.5m in repairs and maintenance. A further \$38.8m has been provided in recurrent funding for operational requirements.

Mr Chairman, I thank the committee for this opportunity to address it and I welcome your questions.

Mr CHAIRMAN: Are there any questions to the opening statement.

Mr MILLS: No, not to the opening statement, although you said you would keep it as short as possible.

Dr BURNS: Much has happened in that area.

Agency-Related Whole-of-Government Questions

Mr CHAIRMAN: We will move on to agency-related whole-of-government questions. Leader of the Opposition.

Mr MILLS: Thank you, Mr Chairman. Welcome, minister Burns and witnesses. You are referred to as witnesses – it gives one the impression a crime has been committed. The cost of housing for young people could be regarded as that. Have you received funding for any new or expanded initiatives in 2011-12 or 2012-13?

Mr DAVIES: Ken Davies, CEO. In regard to new and expanded initiatives, keeping in mind, member for Blain, my agency goes across the housing, local government, regional development and service delivery coordination unit areas, we have received additional funding for a substantial program to fence all our remote public housing assets. That is in keeping with our tenancy management framework to ensure tenants have an amenity we require them to manage and look after, for example, the house. We also want them to have an identified yard where they can manage visitors, dogs in the neighbourhood and so on. There is a substantial fencing program we have been funded to deliver. We are doing that by funding shires and small businesses to fence all our public housing in remote.

Mr MILLS: Not to go into this any further, but was that initiative completely new or was their activity in that space prior to the injection of Commonwealth funding?

Mr DAVIES: There has been activity going on in the shires, member for Blain, to deliver that program. This funding came to us this financial year and we will be getting it out to the shires now. That program has come in the 2011-12 area just very recently. In relation to 2012-13, going forward into 2012-13 and our output groups, I would need Chris to explain what additional we have there. However, we have had some early money from the Commonwealth in the last couple of months to implement this very substantial fencing program in remote.

Mr MILLS: Are there other initiatives or is it just fencing?

Dr BURNS: There is funding in the budget for headworks at Johnston and Zuccoli, and funding to continue the development at Kilgariff. There are ongoing programs and funding to support our housing programs.

Mr MILLS: No, I am referring specifically to new initiatives.

Mr DAVIES: In 2012-2013 new, member for Blain, \$23.3m has come forward to us to fund the new housing we are going to give to Venture Housing under the National Rental Affordability Scheme. That is going to deliver a number of affordable rental properties in the Palmerston area in particular. Mychelle, you might like to add some more to that.

Ms CURRAN: Yes, \$23.3m is coming into our budget next year to enable the funding of construction through the Land Development Corporation.

Madam DEPUTY CHAIR: Excuse me, Ms Curran. I am unsure if your microphone is on.

Ms CURRAN: Sorry. Is that better? So, \$23.3m into our budget to enable the construction of roughly 65 to 70 dwellings for transfer to the Venture Housing company. The dwellings will be constructed on our behalf by the Land Development Corporation and then transferred to Venture Housing for affordable rental dwellings.

Mr MILLS: This is NRAS, is it?

Ms CURRAN: They will be NRAS dwellings and owned by Venture Housing company. In total, there will be 140 dwellings delivered by June 2014, with the first tranche of roughly 65 to 70 in the 2012-13 financial year.

Mr MILLS: That is it? Thank you. Let us go back to the fencing. It is interesting to hear this program existed and additional money has come in to add to the number of houses that could be fenced or ...

Mr DAVIES: Member for Blain, this is a program we have been funding through property management with our shires. The money is coming to us from the Commonwealth and is a one-off injection of funds to allow us to start fencing all our public housing properties in remote. It has come in the 2011-12 financial year and the activity will be committed in that year. Given the time frame, we have only recently received these funds. I expect much of the work will be completed in 2012-13.

Dr BURNS: If I could elaborate further, member for Blain, not only is there the fencing works, but there is also painting works totalling \$12m in the Barkly, MacDonnell and Central Desert Shires. As the member for Brainting will well be aware, during the roll-out, particularly of the refurbishment works, there was much comment about repainting the outside of houses etcetera.

I have advocated strongly with the Australian government and am glad to see it has come to the party. That \$12m will not only benefit the residents of those houses, but we are aiming to roll-out that \$12m to many local authorities or local organisations to carry out those works so we can provide some ongoing employment for Indigenous people in the repair and maintenance of their properties.

We have local people involved with the painting - a positive thing because, hopefully, that will reduce the amount of vandalism and graffiti these buildings might be subject to. It is about improving the amenity and giving owners and communities pride in the assets.

Mr MILLS: Thank you, minister. My question is not around selling of the ...

Mr Wood: Mr Chairman, are we moving from - that was dealing with remote Indigenous housing?

Mr MILLS: No, the question was whole-of-agency. What new money has come into any output group?

Mr Wood: Is that refurbishments and things like that?

Mr CHAIRMAN: We are at agency whole-of-government and the question was about new and improved services. That was the new improved service. We will go into more detail at the right output.

Mr MILLS: I appreciate that. Minister, my question is specifically what those new initiatives are and whether those new initiatives are additional funding to pre-existing initiatives? It appears there was money in this area before. This has added to that, and I want to know what replacement method there is.

Dr BURNS: To return to the budget parameters as a whole, member for Blain, as you are aware, there has been a downturn in GST revenues and the bids departments and portfolio areas have made have been limited by that parameter by some budget discipline. Apart from the initiatives I have just mentioned, we have found money from within from reallocation of resources, say for the public housing safety officers.

As minister, I have asked the department to – this is a priority of mine, and I believe it is the priority of the community - let us reallocate money, let us look at how we can realign our business to get the result we want. It is not just about new money. I am bemused to hear you talk about new money when you are hell-bent on returning to a budget surplus in a very short time. We have kept our new money to a minimum. We have ongoing funding at a very high level, particularly for our infrastructure development. Along with that, we are redirecting, reprioritising money. In parallel with that, we are working with the Commonwealth and receiving money from the Commonwealth, much needed money, particularly for our remote regions.

Mr MILLS: Minister, you sound unusually defensive. I am asking a fairly straightforward question and your response is making me increasingly interested. All I want identified is what new initiatives there are. Do not presume I believe something wrong has occurred. I just want to know what new initiatives there are and what space they are occupying - whether it is replacement of existing funding or not.

Dr BURNS: If I could remark on this. I started Estimates at 8.30 am and we had a very productive interchange during Education. You have bowled in here like Todd Carney coming onto the field. You are the one who is being aggressive. You are the one with his chest puffed out wanting to prove himself. You are trying to bulldoze us. I am saying: 'Hold on a minute, settle down, take a deep breath, member for Blain'. We know you did not do too well yesterday, so you have come out today - you had the pep talk in the dressing rooms. I can handle it; I am just putting everything into perspective.

Mr CHAIRMAN: We have an hour and a half to go with our current session. We are here to examine the outputs for Territory Housing. The rugby examples have been illuminating, but I ask the Leader of the Opposition to have call.

Mr MILLS: Thank you.

Mr CHAIRMAN: And to ask a question.

Mr MILLS: I did, but it seemed to evoke a strange response; however, I will push on. I will leave it because it warrants some investigation. I do not suspect anything bad has occurred. I wanted clarification of any new initiative - where it comes from and what place it occupies within the funding stream, that is all, minister.

Can you, minister, without any extra value added to your response, advise what are the range of issues you area agency may have experienced because of the failed implementation of the Asset Management System?

Dr BURNS: That is an important issue and an important question.

Mr MILLS: Thank you!

Dr BURNS: It is an issue that has concerned me greatly. In relation to this agency's interaction with our contractors, it has presented difficulties. However, I can assure this committee one thing I have asked the agency to do is to ensure those contractors are paid for the important work they do. There are substantial amounts of money involved here.

Mr MILLS: A point of order, Mr Chairman, I am asking what is the range of issues?

Mr CHAIRMAN: The question has been asked to the minister.

Dr BURNS: I am giving you the range of issues.

Mr MILLS: Not the additional commentary. You say there is only an hour-and-a-half. What is the range of issues, minister?

Dr BURNS: I have already started on one of them, which is our payment relationship with our contractors, a very important relationship the Chief Minister alluded to yesterday about the ...

Mr MILLS: Okay, next one?

Dr BURNS: ... the desire of government to pay within 30 days.

Mr MILLS: Sure.

Dr BURNS: The department has been working on this issue very closely with the contractors, also DBE, and I will let the CEO talk about how this issue is being remedied. I will echo what the Chief Minister said yesterday: a company was contracted to implement this and all of the important questions and issues of recompense will be addressed at an appropriate time. Now it is appropriate to ensure the payments are flowing to the contractors, and I am assured they are. I will ask the CEO to elaborate further.

Mr MILLS: For the sake of efficiency, because it will go backwards and forwards, the problem of the payments is fine. Through you, minister, in your response, could you also advise the value of those payments - what number are we talking about? The amount and how it is being managed? Thank you.

Dr BURNS: Over a year, we are talking about millions of dollars and ...

Mr MILLS: It has only been in operation for the last four weeks.

Dr BURNS: It is a substantial amount of money, and I do not want to see any contractor put to any disadvantage. I will ...

Mr MILLS: That is fine. I am after the number and how. What and how, thank you.

Dr BURNS: You right?

Mr MILLS: I am fine.

Dr BURNS: CEO, would you please respond?

Mr MILLS: I am quite okay, thank you.

Mr DAVIES: Member for Blain, we are working very closely with DCI to rectify the challenge we have had with this program. Under the old Asset Information System – AIS - we paid \$77.39m in both urban and remote payments to contractors to 31 March. Since the AMS post go live, that is, in the last four weeks, we have paid \$7.119m to our contractors.

Mr MILLS: That actually went out?

Mr DAVIES: That is correct, it has actually gone out. It is totally in keeping with sequencing of monthly payments. We are very much on track and on target in meeting the previous schedules, or at least the monthly rate the money was going out.

Mr MILLS: There were no delayed payments?

Mr DAVIES: There were delayed payments, but we worked with DCI, we brought in extra people, and we worked around that. It involved some manual transaction work, we worked with DBE, and we are getting the money out the door as quickly as we can. The issue for contractors is, at the end of the day, there is a contractor portal access required to AMS, and the contractors under the old AIS system could see when an order had been entered, they could track the workflow, and also check when a payment had been

made. At the moment, they cannot do that; they cannot get in there, and there is not a visual into the system. We have to work on that module to ensure the contractors can see the work that is going on, they can also add in if there are any amendments made to the work requirements, if they have found additional work, and we can get the right approvals in place.

At the end of the day, the AMS system is going to be a much better system than the AIS system. The current AIS system is a one-off stand-alone process where you go in, do your work, and get out. This system will allow our agency to forward plan on our assets, do schedules of work, and flag when we have done inspections and when we have not. At the moment, we have some challenges in paying our contractors direct from the AMS in reconciling and ensuring all the money is accounted for in an appropriate way. We are going to work to fix that, but the real fundamental issue for the contractors at the moment is the contractor portal access.

Mr MILLS: How many payments have been delayed?

Mr DAVIES: I would need to ask Mychelle Curran, Housing, for the detail on that.

Ms CURRAN: Payments are processed through AMS virtually on a daily basis. There were some delays, as the Chief Executive said, in the first couple of weeks. We had flagged that would be the case with contractors so they were aware of that. We then processed a manual payment to ensure they were not short of cash flow. We then subsequently had to process one other payment when an interface between the asset management system did not work with the government accounting system; however, that payment has subsequently been captured in the asset management system. The system is and has been processing payments on a daily basis for the last few weeks.

Mr MILLS: Any duplicate payments?

Ms CURRAN: Not that I am aware of.

Mr MILLS: Any penalties incurred?

Mr DAVIES: No, member for Blain, we are within the 30 day time frame. The issue for the contractors has been reconciling the work so they know which subcontractors to pay. We have people visiting these 17 contractors we have working with us on a weekly basis to ensure we are assisting in this process and, at the end of the day, we are going to end up with a better system. At the moment, we have some teething problems.

Mr MILLS: Thank you. Budget 2012-13 provides new capital works of \$111.5m for Indigenous housing and infrastructure. How many new additional homes will be built by this allocation and when?

Dr BURNS: I will call Mr Kirkman to the table.

Mr CHAIRMAN: That is moving on to a specific output rather the agency whole-of-government. I do not mind the question, but we should be stepping through the points in order so everyone has an opportunity to ask questions as we go. That is the only thing I flag. That seems to be specific to ...

Mr MILLS: Is it not Territory Housing Services?

Mr CHAIRMAN: We are at agency whole-of-government questions. The questions you were asking were not whole-of-government.

Mr MILLS: Okay, fine. With respect to the other members, this is whole-of?

Mr CHAIRMAN: Yes.

Mr MILLS: Okay. Effectively, in response to the opening statement?

Mr CHAIRMAN: Whole-of-agency questions. This is normally where we ask questions about staff numbers or questions which go to the whole agency. There is a specific agenda for Housing.

Mr WOOD: I need clarification on that. I ask the Chairman about the questions we will be able to ask in regard to Indigenous Essential Services. I thought it was all going to be minister Malarndirri McCarthy ...

Dr BURNS: No, I am responsible.

Mr WOOD: You are responsible for all of it?

Dr BURNS: Indigenous Essential Services, I am. There is a discrete output in Budget Paper No 3, member for Nelson.

Mr CHAIRMAN: I was going to suggest, member for Nelson, that we have ask those questions at that output. It is on the agenda.

Mr WOOD: Yes, but I want to delete what questions are not applicable now.

Mr CHAIRMAN: We can work through it at that output point.

Mr WOOD: Okay. That was my only whole-of-government.

Mr CHAIRMAN: To clarify, the Leader of the Opposition's question can be asked at Output 3.2 - Remote Public Housing. That is the output it falls in. We will go through the agenda as we have it.

Mr MILLS: Yes, that is fine.

Mr CHAIRMAN: Do you have any other questions to the whole-of-agency?

Mr MILLS: No, I am happy. Are we now going to 3.1?

Output 3.1 – Urban Public and Affordable Housing

Mr CHAIRMAN: Yes, Urban Public and Affordable Housing.

Mr MILLS: Fine. Thank you Mr Chairman. Minister, how much grog have the public housing safety officers poured out or confiscated?

Dr BURNS: I am trying to get the calendar of my mind right. I officiated at their graduation ceremony - I would say it would be the Friday before last, wasn't it? They have been on the ground for approximately a week. They were involved in a number of operations prior to that, but their statutory powers only really came into effect once the CEO signed off. I am more than happy to try to answer that. I am unsure who you are going to call.

Mr DAVIES: I will have a go, minister, if that is okay? Member for Blain, we have those statistics. We can get them for you, and take it on notice. For your information, I have a public housing safety daily brief here for 14 June 2012 to give you an idea of the incidents the public housing safety officer visited. They include reports of fireworks in complexes, disturbances, excess noise, an assault - this is just on one night. These are both in complexes and individual properties. We get these reports on a daily basis, and are working very closely with police on them.

Mr MILLS: Am I right in saying they are only effectively walking in their authority in the last week?

Mr DAVIES: Yes

Mr MILLS: Okay. So ...

Mr DAVIES: But we could give you an update and ...

Mr MILLS: I would appreciate the update, because the report you have just provided I would get from a constituent - whether they are a public housing officer or not - on any day of the week in my electorate.

Mr DAVIES: Member for Blain, that is true, but what you might not get is the follow-up ...

Mr MILLS: That is the bit I am particularly interested in.

Mr DAVIES: ... of the police and the interaction going on and the line of sight for those.

Question on Notice No 4.13

Mr MILLS: The question on notice - I will add to it if I may - the quantity of alcohol that has been poured out or confiscated, and the number of dangerous items that have been seized by public housing officers? How many non-residents have been asked to leave Territory Housing premises? How many times have police been called by the public housing safety officer or officers, and how many people have been banned for 12 months by public housing safety officers?

Mr DAVIES: keep in mind we have only been operating ...

Mr MILLS: I understand that.

Mr CHAIRMAN: That is question No 4.13.

Dr BURNS: Yes, we will take that on notice.

Mr MILLS: Minister, in last year's budget papers the budgeted number of urban public housing dwellings for 2011-12 was listed as 5236. In this year's budget papers the budgeted number of urban public housing dwellings for 2011-12, reporting same for same, is listed as 5161. I am sorry; I do not have the page number.

Mr GILES: Page number 177.

Mr MILLS: Thank you.

Dr BURNS: Have you completed your question?

Mr MILLS: Yes, I have. Would you like me to ask it again? It is clarification of why the numbers have changed from what they were in last year's budget, listed as 5236 and, for the same period, there seems to be a drop in numbers.

Dr BURNS: I am advised there was an error in what was published in last year's budget papers. It was published as 5236, the actual was 5161. The CEO may want to elaborate on that.

Mr DAVIES: Ken Davies, Chief Executive Officer. Member for Blain, the 2011-12 budget target of 5161 housing dwellings was reduced by 75 dwellings which were double counted in the original published figure of 5236. The 2011-12 estimate of 5080 public housing dwellings reflects higher than anticipated transfer of dwellings to industry housing programs – 42 in fact – government employee housing – one, and some sales to tenants.

Mr MILLS: Can you be certain a similar miscalculation was not made the year before?

Mr DAVIES: I would need to confirm that, member for Blain.

Mr MILLS: Could you?

Mr DAVIES: We could take that on notice and confirm it.

Question on Notice No 4.14

Mr CHAIRMAN: Could you frame that as a question, member for Blain?

Mr MILLS: Given there has been a miscalculation in the 2011-12 budget papers, would you please confirm a similar miscalculation was not made in the preceding year?

Mr CHAIRMAN: That is question 4.14. Talking to the secretary, in that last question we all knew what you were referencing in the question itself - we just want to get the years in. When it is published in Hansard people will know what the question and answer is referencing.

Mr MILLS: In last year's budget papers the budgeted number of urban public housing dwellings for 2011-12 was listed as 5236. This now appears to have been a miscalculation. Given that, can confirmation be provided that the preceding year, 2010-11, was not also a miscalculation?

Mr CHAIRMAN: That is question No 4.14.

Dr BURNS: I can assure you, member for Blain, on the advice I have, comparing 2011 with 2012 there has been an increase of 99 dwellings all up, and that is including urban, public and industry housing dwellings. The CEO talked about industry housing dwellings before, but those are dwellings where we might come to an arrangement with a non-government organisation that may be providing a service. That is the total – there has been an increase from 2011 to 2012, I am advised, of 99 dwellings; 48 dwellings in Bellamack, which you are aware of; two new dwellings in Tiwi, which is redevelopment of an existing site; 29 at Percy Court, Alice Springs, which is managed accommodation; 19 at Crerar Road, which is also managed accommodation which would be industry housing, and also one at Musgrave Street, Alice Springs, which was a special purpose. There has been an expansion of nearly 100 dwellings in that total stock, including industry housing.

Mr MILLS: Thank you for the value add. I am aware of the time and have a couple of specific questions. I want to know the numbers are explained because there was clearly a problem.

In Budget 2010-11 the number of urban public housing dwellings was listed as 5286. In Budget 2011-12, the number of urban public housing dwellings was listed as 5236. In Budget 2012-13, the number of urban public housing dwellings is listed as 5123. This is a decline of 163 houses over three years. Why is public housing stock shrinking when Territorians are facing enormous challenges with the cost of living due to the housing shortage?

Dr BURNS: I have pre-empted your question. I have answered your question about the increase of 99 dwellings between 2011 and 2012. All I would be doing is repeating the answer I gave then.

Mr MILLS: There has been, on these figures, from 2010-11 to 2012-13, a decline?

Dr BURNS: I have tried to explain to you that in there is transfer of industry housing dwellings.

Mr MILLS: Right.

Dr BURNS: That is what I am saying and I listed what the 99 dwellings comprised of. There are also private head leasing agreements we are entering into with some agencies which have demands, like child protection. Did you want to talk about that as well?

Mr MILLS: Perhaps if I ask.

Dr BURNS: It is important. You need to ...

Mr MILLS: I am not denying it is important, not at all. Please, do not be offended if I ...

Dr BURNS: I am not offended.

Mr MILLS: I mindful of the time you might ...

Dr BURNS: If you are not interested we will move onto your next question. Keep going.

Mr MILLS: I said I am interested, but I am interested in ensuring other members of PAC get the opportunity to ask questions.

Minister, I would like a hard figure - a real one. What is the number of urban public housing dwellings currently held by your department – right now?

Dr BURNS: That would be published in the budget paper and is also available in the annual report, but I will defer to the CEO.

Mr DAVIES: Member for Blain, I can break this down by region if you would like.

Mr MILLS: Yes, in fact, perhaps for the sake of time ...

Dr BURNS: Do you want us to table it?

Mr MILLS: I am after the total number, broken down by type of dwelling and location, which puts it in the region.

Mr DAVIES: We have that, minister.

Dr BURNS: We have that.

Mr MILLS: Yes. How many are currently tenanted and how many are currently vacant?

Dr BURNS: As of 2.48 pm, I cannot give you an exact answer. Member for Blain, overall we have a 4% vacancy rate across all our public housing stock right across the Territory.

Mr Giles: Twenty-one days?

Dr BURNS: A 4% vacancy rate across the Territory, and I can give you an idea of what those vacancies consist of and the time lines associated with that. The answer to your question is 4% of the stock, in toto, at any one time is vacant, and that is not a bad figure.

Mr MILLS: No, that is a good figure.

Dr BURNS: Ken, do you want to table that?

Mr DAVIES: Member for Blain, I can table it. It includes housing with number of bedrooms by region as well as the industry housing ...

Mr MILLS: Yes.

Mr DAVIES: ... and, to 31 March, 5054 in total.

Mr MILLS: Thank you, Chief Executive. Does that also include vacancies?

Mr MILLS: Thank you, Chief Executive. Does that include vacancies?

Mr DAVIES: It does not. We can get you the vacancy data. As of March 2012, there were 188 unoccupied public housing dwellings, a total of 4% of the stock. Of these dwellings, 19 were in vacate pending assessment prior to maintenance or upgrade works; 72 were being worked on - 38%; 52 were undergoing major upgrades - 28%; 13 were pending redevelopment or disposal; and 32 had maintenance completed and we were waiting allocation.

Mr MILLS: What is the longest period one of those was vacant?

Mr DAVIES: The average period we are working on at the moment, member for Blain, is 45 days. We could give you that data if we looked at it in detail. These would range in turnaround time from very low - in the 15s to 20s, through to 100 days. It will depend on how substantial those were pending major upgrade works. We are talking 144 of over 5000 houses. If you want that detail we can fix it to 31 March, but it is only 144 of 5000. If you want us to get that data, we can.

Mr MILLS: No, I know you have much work to do. Thank you, I will accept the documentation. I will take what you have said on *Hansard*. Thank you.

If the average, minister, is 45 days, could you please reconcile with your commitment to have a 21 day average?

Dr BURNS: Gladly, member for Blain. When I came into this portfolio the waiting time was 100 days. That was two-and-a-half years ago.

Mr MILLS: Are we talking about the turnaround?

Dr BURNS: Yes. I have been working with the department, having some pretty serious discussions with the department, with a target of 21 days. We are down to about 42 or 43 days, so we have halved that 100 days to 42 days. The target will always be 21 days. I would have to qualify - I made some statements at either last Estimates or the Estimates before about turnaround times and I said 21 days when there was no major damage to the property - when there was regular repairs and maintenance and some paint works, maybe some electrical work, whatever.

Unfortunately, a number of our dwellings have been abused and suffered major damage. Once it gets into that stage it moves out of the realm of being a minor new work into being something more major, even consideration of the future of that dwelling - whether it might be sold, refurbished or renovated. There are a couple of blocks in Moil you are probably aware of which are in the planning process. A number of duplexes will now be built on them. If we are talking about those properties, yes, it has taken too long. Even though the planning process has probably taken 12 to 18 months because we had to go out to public consultation, I would like to see properties like that turned around, redeveloped, much sooner, but it is a substantial amount of money even for those. I believe it is a triplex, is that correct, CEO?

Mr DAVIES: Yes.

Dr BURNS: For that triplex, the all up cost is \$1.2m, which is not inconsequential. It has to fit into budgetary cycles so there are a number of considerations. Yes, I acknowledge some of these properties have been around too long. I have had the whip out for turnaround times. We have the vacancy rate down to 4% and we need to do further work. We have restructured the contractor setups both in Darwin and Alice Springs to try to make it more expeditious. That is part of the reason Mr Mike Chiodo has come across from Construction and Infrastructure into this agency, to bring experience in construction and repairs and maintenance to further reduce waiting times. So, 45 days. I want it less and 21 days is the target.

Mr MILLS: You are still sticking with 21?

Dr BURNS: I am sticking with 21.

Mr MILLS: Good.

Dr BURNS: It is an aspirational target.

Mr MILLS: It is good to have those.

Mr Giles: You have had it for 15 years.

Dr BURNS: It has been reduced from 100. Halving it has been a substantial step forward.

Mr MILLS: I am very aware of the time and I know there are other questions to ask. I have plenty more to ask, but my final question is on vacancies. I am not sure whether you said it for *Hansard*, but are you able to provide where the current vacancies are? Are they concentrated in Palmerston and Darwin, or rural and remote.

Mr DAVIES: Member for Blain, we can provide that on notice definitely. We do not have that with us but we can provide that.

Mr CHAIRMAN: We will get that question repeated for *Hansard*.

Question on Notice No 4.15

Mr MILLS: The vacancies described, could data be provided on the location of those vacancies and the length of time those vacancies have existed for?

Mr DAVIES: Through the Chair, so we do not over-complicate it, member for Blain, I suggest we give you that information as at 30 March 2012 – at a time fixed date?

Mr MILLS: Sure, that is fine.

Mr CHAIRMAN: That is question No 4.15.

Mr CHAIRMAN: Does that finish your questions for the output?

Mr MILLS: Yes, and I would like to say, minister Burns, believe it or not, I think you have done a good job in Housing. I have liked some of the statements you have made in parliament, and I was a little surprised about your anxiety that I might be having a go at you personally. I am asking questions to ensure the systems are working well for the benefit of all Territorians, and I believe you have done a pretty good job.

Dr BURNS: Thank you, member for Blain, I appreciate and accept that. My concern was not for myself because I am **Petro** Cioniceva - I can take the hits. I was worried about the push on either side of me. To get the right information we need to relax a little, that is all.

Mr MILLS: I was completely relaxed, and the corporal over here was fantastic. Then I had a bit of trouble with the corporal there. I have dealt with you, minister, for a number of years and you have not changed, no matter what agency you are in. It does not mean you have been good in all of them; you have been bloody crotchety.

Dr BURNS: You will miss me when I am gone.

OUTPUT GROUP 3.0 - TERRITORY HOUSING SERVICES

Output 3.1 - Urban Public and Affordable Housing

Mr WOOD: Minister, my question is probably a bit more general. If we are talking about affordable housing, we really need affordable land. How much influence does your department have on making land available so people can afford to put a house on it?

Dr BURNS: That is an excellent question, member for Nelson. I will try not to be too expansive in the answer. The whole issue of land turnoff, etcetera, goes across agencies. It involves Treasury, Lands and Planning and Construction and Infrastructure. The Chief Minister has a keen interest, as well as me.

That is why we have a sub-committee of Cabinet looking at these issues on a regular basis. We meet either on a fortnightly or monthly basis and discuss these issues and review progress. One of our initiatives is looking at giving more responsibility to the Land Development Corporation. The Chief Minister spoke about that yesterday and the committee looked at that - for it to undertake some development so we, as a government, could get a better handle on the costs involved in not only turning off, but developing land. Up to now, the model has been that government does the headworks and all the rest of it, and then a private developer comes in on a commercial arrangement with government and sells the land.

What we have found in some cases, not just in recent times but going back a while, is there tends to be a bit of land banking going on, or there are suspicions it is happening, or sales are measured in such a way that a certain sale price is maintained. That is why it is important we get involved at that level as well. There are many strategies to do that. I hope I have answered your question.

Mr WOOD: You have, thanks, minister. The reason I asked is the government has done very little in the rural area in regard to public housing. I do not mind being corrected, but one duplex in 20 years has been built at Humpty Doo and no other public housing. There is government land available which has never been developed within the Humpty Doo District Centre. What concerns me is there are many people who will pull out the regulations to say: 'You cannot do this, you cannot do that'.

However, there is a pile of houses sitting at Holtze which were part of the Larrakeyah Naval Base that were going to be bulldozed. You might remember the debate in parliament about whether you could shift them. Well, they were shifted and they sit there. There is also Eaton. I presume a number of houses in Eaton are going to be demolished or removed. It seems nearly a crime that there are people in our community who cannot afford to buy a house, yet there are houses basically going to rot at Holtze at the moment. I believe a developer has bought them.

Why did the government not step in to say: 'Here is an opportunity for us to buy some', or talk to the Commonwealth about putting those houses on land such as at Humpty Doo, which is not going to interfere with any existing housing because there is hardly any existing housing there in the first place? Why did the government not look at opportunities - I just received a message that houses at Eaton are being bulldozed. I hope that is not the case because that would really be - I am going to St Vinnie's sleepout for the homeless at Gardens Oval next week. If I hear houses are being bulldozed, I will be very cranky. Why

could the government not take the opportunity to use some of those houses for people who cannot afford houses?

Dr BURNS: We have had this discussion before, member for Nelson. At one level it all seems quite reasonable, but there are a number of constraints. If we are talking about the RAAF houses - the standard of the dwellings not being commensurate with the durability requirements of public housing would mean they require some upgrading. The costs in servicing land - which are considerable - and the costs associated with the relocation and re-establishment - there are ongoing risks with the relocation in the physical integrity of the building.

Not only that - we have had this discussion before - I would be concerned if we were to move buildings to the back of the Berrimah Research Farm or even the back of the gaol. It is still, as far as I understand, within the cyclone zone and they would require work to bring them up to the proper standard. Talking to a few people about that - someone I know wanted to move one of those houses over the harbour to Mandorah and it was going to cost them \$130 000 to bring the house up to cyclone code. I am not sure whether the CEO has anything further to add.

Mr WOOD: Minister, that is the point I made at the beginning - those houses existed. People lived in them only two years ago. People were living in Eaton until recently and no one worried about upgrading. I believe they were up to cyclone code or they would not have been there. The point is, all of a sudden regulations come into play, people find - and I am not knocking you, minister, but there tends to be a 'cannot do' attitude. Sometimes, we need a 'can do' because there is a real problem. Kids today - from personal experience - people on one income simply cannot afford to buy a house, not even a unit. Renting - well they do not have much money to go shopping afterwards.

Here is an opportunity. The Commonwealth owns those houses. They were good houses and the ones in Eaton are good houses. It seems disgraceful we say we are concerned about affordable housing and about people who are homeless, yet we seem to be able to ignore the fact there are answers out there, but no one is willing to bite the bullet. Regulations seem to get in the way.

Mr DAVIES: Mr Wood, could I answer that? It is important to emphasise houses that are not beyond economic repair are not being knocked over. As I understand it, those that can be moved will be put to the general market. There are some houses the Defence department has deemed will need to be demolished because of their age and construction makeup. We looked at those in relation to their structural integrity for use as public housing and, given we were going to have to return the block to a standard after we had removed it, plus relocate to a new block and then do the work the minister has suggested, we felt it was better we redirected our resources to ensure we did infill work and worked on ensuring we built an amenity with infill blocks and that type of thing rather than trying to relocate these houses.

Mr WOOD: I was not expecting those houses to become public housing. The Commonwealth owned those houses at the RAAF base, or the naval base, and was going to bulldoze them so there would have been a cost to remove them. They are now sitting at Holtze and someone has to buy them. If the Commonwealth and the Territory government had got together and said: 'How about we take those houses and market them for people who show they cannot afford to buy houses in the normal market', and those people could put those houses say in the Humpty Doo District Centre and the government could put some infrastructure in.

People are buying houses today in the rural area that do not come up to cyclone code. There is no law saying you cannot buy a house which does not come up to cyclone code. Those houses sat on the RAAF base for a long time and they must be of a reasonable standard. However, sometimes you have to make an effort and sometimes you have to say: 'Let's get rid of the regulations if we are going to achieve something'. It is important because people are struggling. I have people ask me: 'Where can I buy a block of land in the rural area?' You cannot because of the land banking the minister is talking about. A block of land in Howard Springs went for \$550 000 – just a block a land. No young person can afford that.

I am pleading with the government, why can we not look at some drastic alternatives to give people a chance to get a roof over their head. That is what it is about. I may get a bit passionate when I go past Holtze and see houses sitting there that people should be living in.

Minister, in relation to Aboriginal - this is not remote Indigenous - the visitors accommodation in Alice Springs - Darwin also has its fair share of transit people, also, I presume, Katherine. Have you looked at that model elsewhere? I visited it in Alice Springs and it seemed to be a reasonable model? Have you

looked at something similar because it gave people an opportunity for cheap accommodation for a short time?

Dr BURNS: It is a good model. It comes down to money and budgets. The Commonwealth funded that, as it did quite a bit of work in Alice Springs - very positive work. Possibly, it is something for further budget cycles. It seems to be working well in Alice Springs. We have a range of transitional accommodation in Darwin, but it is a good model. However, given the downturn in GST revenues, I doubt whether - the Commonwealth does not have the funds it used to when it made that stimulus package investment, which was a considerable investment in the Territory and also reflected in the downturn in our own GST returns from the Commonwealth. It is very difficult, in a budgetary sense right now, member for Nelson.

Mr WOOD: The other question - I will take advice on this - we have a section on remote Indigenous housing, but in my electorate, and other Darwin electorates, we have Indigenous housing in the urban area. We have One Mile Dam at Knuckey Lagoon and Bagot, and in my area you have the 15 Mile and Knuckey. I would be interested to know - we had this debate in parliament - is the government reviewing the status of those parcels of land and the future ownership of those houses? Is something internally happening, because that is what the debate in parliament was about? At the moment, we seem to have communities basically in no man's land with one person owning the land and, in theory, owning the house, and another company managing the house but not having the power over the people in those dwellings?

Dr BURNS: Member for Nelson, I have had discussions with Yilli Rreung about some of their ideas. They have some very good ideas and have been consulting with some of those communities. Some lend themselves to changes better than others because of differing land tenure issues. We have the Aboriginal Development Corporation involved as well and some of it is, as you well know, a complex mosaic of organisations, politics between organisations and individuals, and also between - not politics between the different tiers of government, but the interactions between different tiers of government.

Yilli Rreung, as I understand it, has had some extensive consultation with the people at Bagot about ways forward for Bagot. There are some good ideas there, and it points to a way forward which is not just based on the public housing model. It is really a mixture of private ownership, redevelopment, also having more sporting facilities there and upgrading sporting facilities. That is something governments should be pursuing, both Commonwealth and Territory. Something special could happen at Bagot.

Mr WOOD: There is no one in government taking a leadership role to say: 'This cannot go on forever'. Someone needs to take the lead and say: 'Right, those problems you talk about ...'

Ms Scrymgour interjecting.

Mr WOOD: I am not worried about the past; I am worried about the existing ...

Ms Scrymgour interjecting.

Mr WOOD: Member for Arafura, you are leaving town and I have to live with these communities. These communities are in dire straits, both socially and from an infrastructure point of view.

Ms Scrymgour interjecting.

Mr CHAIRMAN: The member for Nelson has the call.

Mr WOOD: We can talk and talk and talk, but we need some action on these places.

Dr BURNS: In relation to some of the discussions I have had, I have asked for a brief to come forward so I can have a discussion with some of my Cabinet sub-committee colleagues on this issue. Obviously, there would be commitments on behalf of this government, there would also have to be commitments from the federal government, but more importantly the engagement – if you are talking about Bagot, it needs the engagement of the people living in Bagot.

Mr WOOD: So do the other communities.

Dr BURNS: I understand that has occurred to some degree - there has been consultation but, as with everything, you need to take one step at a time. There is a way forward, member for Nelson. I will not be

there at the end of the journey, but I have been having discussions with my colleagues and appropriate people and would like to see some progress there.

I have asked the department and the CEO to bring forward some options for government and I am keen to progress this matter. Have you had any discussions with Yilli Rreung yourself?

Mr WOOD: Yes, I have, and they have a model too. It worries me that things will get bogged down in committees and all sorts of things. The famous English writer G. K. Chesterton said: 'I have visited many towns over many years and I have never seen a statue of a committee'. That is why we need strong leadership to get things done otherwise those places will deteriorate instead of being vibrant as they should be. Anyway, I have made my speech for the day, Mr Chairman.

Mr CHAIRMAN: I do not believe that.

Mr WOOD: You have to be passionate on some things.

Ms SCRYMGOUR: Can I ask a question? I will not be leaving town, Gerry. Minister, there have been repeated statements in the media that this government ...

Mr CHAIRMAN: Member for Arafura you are ...

Ms SCRYMGOUR: We are on public housing.

Mr CHAIRMAN: No, your microphone is not on.

Ms SCRYMGOUR: I thought my voice was loud enough to record it. You are going to miss me, Gerry, but I will make your life a misery after I leave.

There have been repeated statements, minister, in the media, that this government has disposed of more than 2000 public housing dwellings since 2001. Can you confirm if these statements are true?

Dr BURNS: There is no doubt, member for Arafura, that statements have been made starting in October 2009 and even recently - last week – that since we came to government in 2001 we have disposed of 2000 public houses. I can understand how those assertions have been made. On a flat earth basis, you could understand that calculation.

To quote the member for Sanderson in October 2009: 'There are figures here, and if the government does not have them I am quite happy to provide them, which show between June 2001 and at the end of the financial year 2007 this government sold over 2117 Territory Housing properties'.

The documents tabled by the member for Sanderson were annual reports and ROGS data which showed exactly what he said; the difference between the two tables between June 2001 and the financial year 2007 was a difference of 2117, and these are the documents that were tabled. This was 2000-01 data which had 7469 as the stock numbers, and this was the 2006-07 document which was tabled showing 5352 and a difference, as the member for Sanderson said, of 2152, I believe it was.

However, what the member for Sanderson failed to see - I am not having a go at the member for Sanderson - was the footnote on the second one - the 2006-07 data - which says it excludes government employee housing. The 2000-01 figure included government employee housing, and the Territory Housing Annual Report 2006-07 figured about 1555 dwellings. The numbers up to about when the member for Sanderson said at the end of the 2007 year - we had sold approximately 500 dwellings not 2000 dwellings.

I wanted to set the public record straight about that because it keeps being trotted out. I understand how the member for Sanderson reached this conclusion. I believe I pointed out the error of his calculation. If people persist with this in their advertising in the lead-up to an election, they will be dishonest because I have shown here - I am more than happy to table all these documents - exactly what the situation is.

I also have tables here, and I am more than happy to table them, which show the sell-off of public housing assets between 1995-96 and 2000-01 by the CLP, by region and how they have been sold, as being 2000. That was a good thing because 2000 Territorians gained equity in their houses. That is a really positive thing and I am not ...

Mr Mills: What were the waiting times?

Dr BURNS: In relation to numbers - being a bit redundant there – at that time it was fairly similar to the numbers. Really, it is not so much the sale of the asset, it was the money was not returned for the replenishment of stock.

I welcome this question and I will finish on this: one of my achievements as minister for Housing this year was an agreement by Treasury that proceeds of any sale of public housing stock do not go into consolidated revenue, they go into the Housing department for the replenishment of stock. That is a policy I have set in place to grow the public housing stock with no nett loss.

As you know, the moratorium on the sale of public housing has been lifted. There has not been a flood; we are selling strategically. There might have been about five sales since it has been lifted. There are other reasons why we sell stock - if they are past their use-by date structurally, or if they are in a region of high concentration of public housing there is rationale to try to break that up a bit. However, the bottom line is, unlike past policies, we are returning that money to the replenishment of stock. I will leave it at that.

Mr CHAIRMAN: We will have those papers tabled, minister. The member for Braitling has the call.

Mr GILES: Minister, are any of the houses listed in Budget Paper No 3, page 117, either public housing dwellings or industry housing dwellings, head-leased? If they are, how many?

Dr BURNS: What page was it?

Mr GILES: Page 117. The numbers for public housing or industry housing stock – are any of those houses head-leased from the private sector?

Dr BURNS: A very small proportion of industry housing is leased to private enterprise, particularly in those areas where there is no housing market. I cannot give you the exact figures, but I will defer to the department. There have been some head-leasing agreements with other agencies, but I will ask Ken Davies, CEO, to elaborate further.

Mr DAVIES: Ken Davies, Chief Executive Officer. Member for Braitling, I might need to get some more detail here, but my view on this is the answer is no, we are not head-leasing any of these industry housing dwellings from the private market.

Dr BURNS: Did he not say to the private market?

Mr GILES: No, from.

Mr DAVIES: However, that does not mean - we have several national partnership agreements in place with NGOs - an organisation like Anglicare is one example of where they have gone to the private market and head-leased a house and then used that to run the program they are implementing. They would not be counted in these numbers, though.

Mr GILES: What about public housing as opposed to industry housing?

Mr DAVIES: Do you mean us renting a house and then using it for public housing?

Mr GILES: Yes.

Mr DAVIES: No. The answer is no.

Mr DAVIES: In GEH, where we are using government employee housing, we are out there in the market head-leasing there, definitely.

Mr GILES: No worries. I have some electorate-specific questions, just to be selfish. Do you have on hand - if not I do not need it - how many vacant houses there are in Braitling?

Dr BURNS: I do not believe I have that specific in my brief.

Mr GILES: That is all right, if you do not have it.

Mr DAVIES: We can certainly get that for you, member for Braitling, if that comes to us as a question on notice.

Mr GILES: Yes, I will put it on notice. How many vacant houses as at 14 June, inclusive of units, are vacant, and how long they have been vacant, including the ones on Grant Road?

Dr BURNS: Hang on, is this not redundant, because did not the Leader of the Opposition ask a question for a list of vacant public housing properties by address? Would that not include ...

Mr GILES: I am asking by electorate.

Mr CHAIRMAN: This is more specific.

Mr DAVIES: It does go the point, through the Chair if I could - if we made that specific to a date it would be better than trying to ...

Mr GILES: There are a number of dwellings in my electorate that have been vacant for well over 45 days. It has been raised, I have had meetings with the department, and they are still sitting vacant.

Dr BURNS: Forty-five days is the average.

Mr GILES: They do not need major construction.

Dr BURNS: I should qualify, if you read the paper 45 days is an average - in BP3.

Mr GILES: I also know in the 2009-10 Budget paper ...

Mr CHAIRMAN: Before we move on, we have a question on notice. I want to clarify what that question is.

Question on Notice No 4.16

Mr GILES: Could you please identify the number of vacant public housing dwellings in the electorate of Brainting as at 14 June 2012, and how long they have been vacant?

Mr CHAIRMAN: That is question No 4.16.

Mr GILES: In the 2009-10 budget there was an estimate of 45 days as the average number of days to occupy vacant stock, with an estimate of 21 days. That was three years ago and it still has not been met.

Minister, the seniors complex on Albrecht Drive, Larapinta - I understand that has been completed for some time. I am sure there has been a problem with the bitumen, but I am happy to be corrected. I am wondering why it has not opened, and when you expect it to open.

Dr BURNS: I believe you are right; there has been a problem with those works. I am not sure who we are calling to the table. Unfortunately, those works have had to be remediated. I am not sure if you want to answer it, Ken.

Mr DAVIES: Member for Blain, I might ask the Executive Director from Alice Springs, Len Griffiths, to explain where we are up to with that.

Mr GRIFFITHS: May I have the question again, please?

Mr GILES: Good to meet you, Len. I hear good things about you all the time. The new seniors complex on Albrecht Drive, Larapinta, when was that completed to a point where it appeared to be structurally sound, but there were, obviously, some defects? When does it look like opening and being tenanted? What were the defects? Was it just the road base?

Mr GRIFFITHS: I am unable to answer exactly when it is going to be ready. The situation is, I am acting in this role for a short time and am not completely across it. I am well aware of the hold-ups there have been with the complex. I am not completely across the defects either.

Mr CHAIRMAN: Perhaps we can do it on notice?

Mr DAVIES: That would be the best way to deal with it.

Mr GILES: I might add a bit extra to the question.

Mr DAVIES: Through the Chair, sorry about this.

Mr CHAIRMAN: That is all right.

Mr DAVIES: Noelene might be best placed to deal with this one, given she looks after the infrastructure issues. Thank you, Len. Noelene, can you answer this rather than take it on notice? Thank you.

Ms SWANSON: Noelene Swanson, Executive Director responsible for housing infrastructure. Larapinta Drive seniors village has been handed over and is ready for occupancy. The defects which resulted in a delay in the handover included the ring road and the defect to the bitumen, which meant we could not occupy the houses at the time because it would have meant completely ripping up the road and making it unusable. The tenants would not have been able to get in or out of the complex. The other defects we asked to be rectified include glazing and concreting defects on footpaths and in driveways.

Mr GILES: Can I ask a question through the minister? Were there any variations to the contract or additional costs as originally set out?

Ms SWANSON: No, not from the original contract, just very slight normal ones you find in normal infrastructure and project builds.

Mr GILES: Can you tell me how much a very slight variation is on that?

Ms SWANSON: Not off the top of my head. I would have to take that one on notice.

Mr GILES: Do not worry; that is fine. As long as I know it is going to be occupied.

Ms SWANSON: Yes.

Mr GILES: Thank you very much.

Dr BURNS: We will try to ensure it is occupied as soon as possible. There will be an official opening next month, but we want the residents in there as soon as possible and settled in.

Mr GILES: Yes, thank you. My next question is around SIHIP in Tennant Creek.

Mr CHAIRMAN: Is that moving out of ...

Mr GILES: It is urban public housing in Tennant Creek, is that not urban?

Dr BURNS: I think it is. Anyway, we will take it. Keep going.

Mr GILES: Minister, if I make any mistakes in my question please correct them. I understand there is a \$36.5m SIHIP budget in Tennant Creek to redevelop town camps with infrastructure and refurbishments. Is that the total budget? Is \$36.5m the total budget? Have all the works been completed? Has the budget been fully expended? I would also like to know - I am assuming Mr Kirkman might answer this question, so I will ask a couple more. How much of that budget went on travel and T/A for workers undertaking that work? I understand it is more than 20%, but I would be happy to be corrected or informed of the figure. To your knowledge, have all the works been completed? I hope you do not mind me asking these questions, Mr Chairman. When will the fencing and landscaping be completed? Were there any additional payments to other organisations apart from the alliance contractor to do work? Is it true Kargaru town camp people were moved out of their properties, the work has not been completed, and they are living in the bush waiting for the works to be completed and the contract is finished? That is a broad bunch of questions, but it is all around the project at Tennant Creek.

Mr CHAIRMAN: Did you get all that, Mr Kirkman?

Dr BURNS: I will kick off; Mr Kirkman has the detail. As I understand it, in that packet of works there was money set aside for two new houses and 78 rebuilds. Is that correct, Mr Kirkman?

Mr KIRKMAN: That is correct, minister.

Dr BURNS: Of which 70 are complete and the remaining eight rebuilds and two new houses will be completed by Julalikari. That is part of the training and economic development issue. In relation to the wider issues, I will leave it to Mr Kirkman. With housing, whether it is in a centre like Tennant Creek or, particularly, remotely, often tradesmen have to come in and there is expense associated with that which includes travel etcetera. That was part and parcel of the whole project given the skills sets needed in remote, or relatively remote, regions of the Territory. I will hand over to Mr Kirkman.

Mr KIRKMAN: To follow-up from the minister's comment, New Future Alliance has finished work on 70 houses in the Tennant Creek living areas. We have an agreement with Julalikari Council Aboriginal Corporation to deliver the remaining eight, and to do the two new houses for those community living areas.

Your question went to the travel costs and accommodation for the Tennant Creek package over the duration. An amount of \$2.7m was spent on travel and accommodation for that package with New Future Alliance.

Mr GILES: That would be out of the \$36.5?

Mr KIRKMAN: The package for Tennant Creek was primarily focused on bringing up the infrastructure for those camps. The infrastructure was in quite a state of disrepair, and our commitment to both the council and those communities was to bring those up to an urban standard and we have done that. That will bring the total package of works to around \$60m. Of that, about \$16m was set aside for the actual housing work and the other funding was set aside to bring up that infrastructure. Major work has been done in that regard. That \$2.7m is part of \$60m-odd for the whole package.

Mr GILES: The \$60m does not include the extra money for Julalikari?

Mr KIRKMAN: It does.

Mr GILES: How much did Julalikari receive to do the eight plus two?

Mr KIRKMAN: I do not have that detail, but we have, effectively, agreed the average cost for those houses as per the parameters pretty much going forward for Julalikari.

Mr GILES: What is the average cost of building the two houses?

Mr KIRKMAN: In Tennant Creek it would be around the \$400 000 mark because it is close to an urban centre.

Mr GILES: How much for the eight refurbis? Are they refurbis, rebuilds, or fix and make safe?

Mr KIRKMAN: They are largely in a rebuild category. They were started before the review in 2009, so it is neither a refurbishment nor a rebuild as they are classified now; it is somewhere in between. I will have to get you those average prices in Tennant Creek.

Mr GILES: Can you please get the total funding provided to Julalikari as part of the contract they have?

Mr KIRKMAN: I can do that.

Mr GILES: Can I put that on notice?

Question on Notice No 4.17

Mr CHAIRMAN: Can you repeat the question for Hansard, please.

Mr GILES: Please provide the contract value figure for Julalikari to complete the eight rebuilds and construction of two new houses in Tennant Creek – it is Kargaru?

Mr KIRKMAN: For the new houses, at this stage it is likely to be Kargaru but we still need to finalise that with Julalikari.

Mr GILES: The package for Julalikari.

Mr CHAIRMAN: That is question No 4.17, minister.

Mr GILES: We were still on fencing and landscaping.

Mr KIRKMAN: In relation to the fencing and landscaping, we will be continuing to undertake that work with Julalikari. Julalikari is our agent for tenancy and property management in the community living areas. We will continue that fencing and landscaping work with them under that contract and have given them our commitment, and government now has a lease over those community living areas and those houses for 80 years. Our commitment is to bring those houses to an urban standard with fencing and appropriate landscaping.

Mr GILES: Thank you, Mr Kirkman. Through the minister, is there a contract in place for the fencing or landscaping to be done?

Mr KIRKMAN: The contract which will run is with the agency grant we have with them for the property management works.

Mr GILES: They have signed a contract for a specific value to do the work.

Mr KIRKMAN: I understand we will be signing that over the next few weeks.

Mr GILES: Until then, there will not be any fences done out of the \$60m package or landscaping done without the contract signed?

Mr KIRKMAN: No, we will certainly be continuing our property management work with Julalikari and working out the sequence for fencing.

Mr GILES: I would have thought that would be an important part. What rent do people pay for public houses in town camps in Tennant Creek?

Dr BURNS: It is on the public record, both for Tennant Creek and Alice Springs. My advice is they pay the same as public housing tenants in those centres. Mr Davies.

Mr DAVIES: Member for Braitling, currently the rates for a four-bedroom house in Tennant Creek and our new houses in remote - a four-bedroom house in Tennant Creek and new in remote is \$250 a week. It is the same in the town camps, and the same as Alice Springs.

Mr GILES: Thanks very much. On 6 June 2012, Alyssa Betts from the *NT News* wrote an article about the Commonwealth Ombudsman's report discussing the SIHIP program operating in urban and remote areas. She was talking about people paying rent to live in cars, and poll taxes and service fees. Can you provide some commentary on whether that is accurate or no? Has anyone been paying rent to live in cars or are people still paying service fees?

Dr BURNS: My advice is we do not ask people to pay rent if they are living in their car. That is my advice. I am unsure if Mr Davies wants to elaborate further, generally, about the Ombudsman's report. The Ombudsman made a number of suggestions - this is the Commonwealth Ombudsman's report - and no doubt you read that report. We responded constructively to that and there were some words of praise, as you no doubt would have noticed, within the Ombudsman's report for the SIHIP program overall. She recognised the scale and complexity of the project. The departmental comments in response to the Ombudsman's findings are published in the report, is that right?

Mr DAVIES: That is correct, minister, they are there and are referenced in the executive summary. In relation to improvised dwellings, member for Braitling, we do not charge anything for improvised dwellings.

Mr GILES: I am not going to put any evidence on the table today; I will go to another question. Budget 2012-13 shows that by the end of 2012-13 there will be 5107 remote dwellings down from 6924. Where did the extra dwellings go?

Mr CHAIRMAN: That is a remote dwelling question.

Mr GILES: Is that a remote dwelling question? I can ask that later if you want.

Dr BURNS: This is in BP3, what page?

Mr CHAIRMAN: I will allow the question because it has been asked.

Mr GILES: It is a remote question. I have slipped in a remote question, but I can keep going with it if you like.

Dr BURNS: I hope we can get to it, member for Braitling, because it might add to this particular file of all the things you have said and the miscalculations you have made over the years. I hope you will bless me another one on the last day.

Mr GILES: We can table all your failures if you want.

Mr CHAIRMAN: Minister, we have concluded output 3.1.

Output 3.2 – Remote Public Housing

Mr CHAIRMAN: We will move on to Output 3.2, Remote Public Housing. The member for Brailing is the shadow for remote public housing so he has first call.

Mr GILES: Budget 2011-12 had 6924 remote public housing dwellings - Budget Paper No 3, page 118. The estimate now is 4906. Given commentary more than 600 new houses have been built, I would have expected the number to go up rather than down?

Dr BURNS: Okay, are we answering this question? Over to Mr Kirkman.

Mr KIRKMAN: Last financial year's budget papers included outstation dwellings managed by resource centres and we have excluded those this year to focus purely on those houses that are being managed under the remote housing framework.

Mr GILES: How many did you exclude?

Mr KIRKMAN: There were 1328 excluded as a result of that.

Mr GILES: A total of 1328. I do not want to get bogged down on this, but you seemed to have dropped 2018, you have excluded 1028, so that is somewhere in the vicinity of 680 houses still missing.

Dr BURNS: I do not believe there are any missing houses.

Mr GILES: You have 6924 less the 1328 excluded, and you have in your budget a figure of 4906. I am wondering where those missing houses are. Is that another miscalculation of mistake in the budget papers, as we heard earlier today?

Dr BURNS: I am sure there is an explanation for it, member for Braitling.

Mr GILES: I am not trying to be smart; I am just wondering why we have lost 2000 houses.

Mr KIRKMAN: We certainly have not lost houses. We will have to check the number of outstation dwellings included in that figure. It may have been somewhat more. There have been a number of demolitions during the time.

Mr GILES: That is my next question.

Mr KIRKMAN: There was an expected 200-odd demolitions during that time.

Mr GILES: To follow-up on that, Mr Kirkman, we have identified you are going to get back to me without a question on notice ...

Dr BURNS: You could put it on notice if you want.

Mr GILES: Do you want it on notice?

Dr BURNS: Yes.

Question on Notice No 4.18

Mr GILES: Please explain where the missing 2018 remote public housing dwellings have gone. That is the end of the question, but I understand there are 1328 outstations or homelands ...

Mr CHAIRMAN: That was question No 4.18

Dr BURNS: Mr Kirkman said he was going to check that figure.

Mr GILES: Yes, it is a question on notice.

Mr DAVIES: Member for Braitling, I believe the error lies with those outstation figures. We will go back and check it, but there are well over 2000 houses in the outstation footprint so I would say that is where the error lies. We will need to confirm that.

Mr GILES: No worries.

Dr BURNS: It is not an error because it is annotated with a footnote saying the methodology had changed, if you notice.

Mr GILES: What does that mean?

Dr BURNS: Exactly what Mr Kirkman is saying.

Mr GILES: I know. I appreciate the efforts Mr Kirkman is going to. I appreciate it.

Dr BURNS: Footnotes are very important, as the member for Sanderson discovered.

Mr GILES: I will get you a magnifying glass to look for some houses if you like.

Answer to Question No 4.18

Mr KIRKMAN: I have taken note of those extra houses, member for Braitling. We did have 1300-odd managed by outstation resource centres. A further 689 outstation dwellings were managed by shires and were included as well. They are now not in those figures, so that is the 2000-odd.

Mr GILES: So, we have found the houses. I knew it would not take long.

Mr CHAIRMAN: Is this the answer to the question on notice?

Mr KIRKMAN: Yes, it is.

Dr BURNS: Is the member for Braitling satisfied with it?

Mr GILES: I will leave my question on notice, thanks.

Dr BURNS: All right. Okay.

Mr GILES: The houses taken out of the counting by the shires - what is the rationale behind that? Has there been a change in how those houses are funded for their management of maintenance?

Dr BURNS: As you are probably aware, member for Braitling, it comes down to the responsibility for outstation dwellings which, historically, has rested with the Commonwealth. As you are aware, the Northern Territory government is in negotiations with the Commonwealth trying to reach resolution on the whole issue of outstation housing. I will defer to either Mr Davies or Mr Kirkman.

Mr DAVIES: Member for Braitling, to give you the context, houses on outstations are not part of the remote public housing model so they are not treated as public houses in that sense. We do not visit them, we do not tenant them in the same sense, and we do not apply the same rules we would to a public housing house. The funding to maintain a public housing house is about \$7500 per house, on average. For outstations, we use National Affordable Housing Agreement money, and it is \$2400.

Mr GILES: For some outstation houses?

Mr DAVIES: Yes. The difference is outstation houses are funded differently to ...

Mr GILES: Would it be fair to say, Mr Davies, without cutting you off, by not counting them you have wiped your hands of outstation homelands houses?

Mr DAVIES: Definitely not. In fact, member for Braitling, we are working very closely with the Australian government around securing - we have secured \$20m a year funding for the next 10 years. At least, we have agreed to pay, from the Northern Territory government's perspective, for municipal and essential services in the Alice Springs and Tennant Creek town camps. We are certainly not ignoring those. At the moment we are trying to apply a public housing model to those ...

Mr GILES: Mr Davies, what is the book value of those 2000 houses?

Mr DAVIES: I do not have those figures with me. They would be better directed to ...

Dr BURNS: Historically, they have not been our responsibility. It is an Australian government responsibility.

Mr GILES: They have been counted in your budget papers before and now they have not. There seems to be a position where you have wiped your hands. You are still providing some services, but you have wiped your hands a bit because they do not fit the public housing model.

How many remote public houses in the Northern Territory do not meet Territory Housing standards?

Dr BURNS: There has been much debate and discussion about this. This whole thing is a long journey. We are moving towards having all those remote houses come up to that particular standard, but we have ensured the houses that are rented out, that are our responsibility, are safe and habitable housing.

Mr GILES: How many do not meet the standards? It is a simple question. If you do not know, I will put it on notice. How many do not meet the standards? There are standards set by Territory Housing, if they are not meeting them, tell me how many?

Dr BURNS: All the new houses that have been constructed would meet those – over 600 houses have been constructed.

Mr GILES: Yes, well, how many?

Dr BURNS: You can brush that off ...

Mr GILES: Answer the question.

Dr BURNS: ... but it is significant. It is significant for the people who have received a new house.

Mr GILES: Of course it is, but how many houses do not meet Territory Housing standards?

Dr BURNS: In the journey forward, there are decades of arrears and it is going to take a sustained effort to address this issue.

Mr GILES: Mr Chairman, I would ask you to call the minister to answer the question.

Mr CHAIRMAN: The minister is answering the question.

Mr GILES: He is not; he is going on about things that are irrelevant to answering the question correctly.

Mr CHAIRMAN: The member for Braitling has asked a question and the minister is answering it.

Dr BURNS: It is very relevant. You can pretend you have a magic wand every time you go to remote areas and you are going to fix everything ...

Mr GILES: I want to know how many do not meet the standard.

Dr BURNS: ... but really, substantial amounts of money are at stake here, and we are taking ...

Mr GILES: Well, let us move onto the next question if you refuse to answer the question.

Mr CHAIRMAN: The minister has the call.

Mr GILES: Well, he is not answering the question so we will move on.

Mr CHAIRMAN: Member for Braitling!

Dr BURNS: ... a step at a time, we are moving in the right direction ...

Mr CHAIRMAN: Minister, I need to have the call for a second.

Mr GILES: Well, call him to order.

Mr CHAIRMAN: I want to explain a very basic premise for the Estimates process. Once a question is asked, which the member for Braitling has the right to do, the minister has the right to answer it. The minister currently has the call and is answering the question. I ask members to give him the respect to answer the question.

Mr GILES: He is not answering it at all.

Dr BURNS: Well, I am ...

Mr GILES: Let us put it on notice.

Dr BURNS: Well, he is just running interference.

Mr CHAIRMAN: The minister has the call.

Dr BURNS: No, I have finished now.

Mr CHAIRMAN: Okay.

Mr GILES: We have not had an answer to the question. Mr Davies, do you want to answer it or would you like to put it on notice?

Dr BURNS: I have given you the answer. We are not putting it on notice.

Mr GILES: You have not given an answer.

Mr CHAIRMAN: Member for Braitling, you have the call.

Dr BURNS: I gave you the answer when I spoke about the new houses. I have given you the answer.

Mr GILES: Let us argue this one publicly: who certifies the new houses constructed in town camps in Alice Springs when they are being constructed?

Dr BURNS: There is a process with that involving both the alliance and the authorities, and I will let Mr Davies answer that question.

Mr DAVIES: I will ask Andrew to respond, thank you.

Mr KIRKMAN: There is a certification process that ...

A member interjecting.

Ms SCRYMGOUR: Can we have clarification of whether we are on output 3.1 or 3.2? I thought we had moved to 3.2.

Mr CHAIRMAN: We are on 3.2.

Ms SCRYMGOUR: That question from the member for Braitling related to 3.1 - Urban Housing, if it is town camps.

Mr CHAIRMAN: Was that a question to ...

Mr GILES: I will reword it. Who certifies the new houses constructed under SIHIP? Is it the government or is it the alliance contractor?

Mr KIRKMAN: There is an independent certification process which is carried out for all housing.

Mr GILES: Mr Kirkman, are they paid - whether by contractor, employer or otherwise - by the alliance contractor or by the NT government?

Mr KIRKMAN: They are paid through the Alliance contractor, just as ...

Mr GILES: Is there any point in time during construction when the NT government, whether it is Housing or otherwise, inspects those houses to ensure they meet certain milestones in the construction phase?

Mr KIRKMAN: Absolutely. We have quite a thorough quality assurance process. We have a number of quality assurance people embedded in my team, and part of their work is to ensure that quality assurance process is taking place.

Mr GILES: So, your staff, under your direction, inspect houses as they are being built with a checklist or otherwise to look at certain things - to ensure the reo is going into the concrete, to ensure the conduits are laid in the right place, to ensure walls in some of those Ritek buildings have the concrete put into the walls. Do you inspect that type of thing during the building phase?

Mr KIRKMAN: It is not dissimilar to any construction program, member for Braitling. The certifier will do those checkpoint certification checks ...

Mr GILES: Is that a certifier who is paid by the alliance contractor?

Mr KIRKMAN: That is correct.

Mr GILES: Are you aware of any houses constructed under SIHIP, particularly the Ritek model, that have problems about reo not being installed in them properly, conduits being put in the wrong place, or the walls not being fully filled?

Mr KIRKMAN: I am not aware of any structural issues in the Ritek. At times during the wall pour for the Ritek panelling, the concrete will not always go all through the wall. You can quite easily see that in the Ritek panel. The moisture comes through and you can see those sections that have not filled, for whatever reason. Those sections are, effectively, cut out and then backfilled to ensure all the walls are solid.

Mr GILES: For fear of me asking a question about the town camp in Alice Springs, I will go to Maningrida in your electorate, member for Arafura ...

Ms Scrymgour: Please do, member for Greatorex.

Mr GILES: In Alice Springs there are concerns about walls not being filled. Let me ask about Maningrida. Do you have any concerns about walls not being filled in Maningrida - the full way?

Mr KIRKMAN: I have no concerns whatsoever.

Mr GILES: Have you ever received any correspondence through the department - whether it is through the Chief Minister's Office or otherwise - that there are walls which have not been correctly filled and there is no reo in some of the walls?

Mr KIRKMAN: No, I have never had any ...

Mr GILES: No worries. Would you know because there - and this is through the minister - are no department officials inspecting these houses when they are built. It goes to a certifier through an external alliance contractor.

Mr KIRKMAN: We also have a number of asset managers across the Territory who work very closely with the program. They work directly to the regions. Part of their job is to inspect the housing - take the handovers for the housing at the end.

Ms Scrymgour: They are very happy in Maningrida.

Mr GILES: Well, they are standing up at the moment - wait until they fall over. The other question ...

Dr BURNS: Just on that, member for Braitling. These building certifiers are registered building professionals. I take your inference about who is employing them but, ultimately, they do have liability and they would have liability in this. I know building certifiers – I had a bit to do with them for a little while - are very careful about their liability and also about their professional registration. We expect them to be operating professionally. If you have evidence, I am very interested to hear more.

Mr GILES: I only have evidence from staff of your government who have told me the situation about some of the ...

Dr BURNS: All I have to do is go back to my minister's – here is a whole folder of things people have told you, and we have looked into them and, basically, they have been baseless.

Mr GILES: Minister I have a question for you. How much money is set aside in defects budget for SIHIP?

Dr BURNS: You reckon there was \$200m missing from the national partnership agreement. You said it had vanished, but it had not. You just had not read the agreement properly.

Mr GILES: Who lost 2000 houses?

Mr CHAIRMAN: The member for Braitling has a question.

Mr GILES: Can you explain to me the defects budget on alliance packages? I have mentioned per package rather than a global amount. You can explain that, probably, Mr Kirkman, I imagine. Can you show me in the budget where that money is allocated?

Dr BURNS: I will kick off. In essence, there is a six-month construction defects liability period, and a 12-month civil works defects liability period. There have been defects picked up with some of the SIHIP constructions, particularly in some of the sealants being used externally with the Ritek construction. I understand that has all been remedied, and not at the program's expense. We do have a defects period. I know the department is very focused on defects, and finding and unearthing defects.

If you have some particular information – some specific information - of course we will follow it up. However, regarding the budget, Mr Kirkman might elaborate further.

Mr KIRKMAN: The defects period and any costs relating to defect rectification is included within the original budgets we agree with the alliance. There is no specific percentage I can provide you.

Mr GILES: The money is not set aside in another bucket somewhere?

Mr KIRKMAN: Not separate to the alliance budgets we have, no.

Mr GILES: You do not keep that money on government account - defects money in case something goes wrong with an alliance and you can pay that later for the rectification work?

Mr KIRKMAN: Effectively, if there is rectification work the alliance has to meet that cost.

Mr WOOD: Can I ask some questions?

Mr GILES: They might be the same as mine. If I ask, let me know if they are the same.

Mr WOOD: They are not. You let me know if your questions are the ones I am going to ask.

Mr GILES: I will ask this one quickly. I would like to know the payout figure for terminating the Earth Connect contract. I would also like to know the average cost for a house to be constructed in the Territory.

Mr WOOD: You will not get an answer.

Dr BURNS: A house that particular alliance constructed?

Mr GILES: No, average cost of constructing a SIHIP house. The other part was about payout for the alliance.

Dr BURNS: I put on the public record previously, in relation to that particular alliance exiting the project, there was no payout. There was no recompense, as such, for its exit. There was a settling, on just terms, the amounts they were owed and an adjustment for materials etcetera. If they had completed work and it was acceptable, it was settled on that basis. If there were materials that we could take on as another alliance took over that particular work, it would be adjusted. There was no liability at all to the taxpayer in that particular issue.

What was the second part of your question?

Mr GILES: The average cost of newly constructed SIHIP house - a three-bedroom?

Dr BURNS: I do not have the ANAO report, but the ANAO report - this has been one of the most heavily scrutinised programs in history - said it was in the region of what had been set out before, which was about - we said \$450 000 on average, and the ANAO said it was \$454 000. The figure is already there from an independent umpire - a statutory officer - that it is \$454 000.

Mr WOOD: Has Alice Springs council taken over the infrastructure for SIHIP houses in the town camps? Will all refurbishments be handed over to either shires or building companies in communities?

Dr BURNS: I will latch on to the first part of that question. I have been advocating with the federal government that it should be breaking up some of the future packages, particularly in refurbishments and other works that might be done. We have agreement from the federal minister about that. You mentioned a couple of locations that can occur, and it probably is going to occur in at least one of those locations. I am very keen for that to occur.

In relation to the first part of your question, I will ask Mr Kirkman to finish.

Mr KIRKMAN: We are still working with the Alice Springs Town Council in regard to acceptance of infrastructure in the three town camps to bring it up to urban standard. When that work is complete we certainly envisage we will be able to hand it over.

Mr GILES: Is that what the \$2.5m is ...

Mr CHAIRMAN: We have reached 4 pm - gone past. Gerry had the last question. Thank you, minister, for your time.

Dr BURNS: In closing, I thank the committee for the opportunity to answer questions today. I was a bit crotchety at one stage, according to the member for Blain; however, I am sure he is going to forgive me for that and I will forgive him also - I am in a forgiving mood. I would like to thank the departments. This is the final Estimates for me and I have always enjoyed Estimates. It is a fantastic challenge. It is a learning opportunity for ministers as well as members opposite.

Mr CHAIRMAN: There is a life after it Estimates, Burnsie, and I am sure you will enjoy it.

Dr BURNS: You might see me here in future Estimates; I am such a tragic you see.

The committee suspended.

MINISTER M McCARTHY'S PORTFOLIOS

LOCAL GOVERNMENT and REGIONAL DEVELOPMENT

Madam DEPUTY CHAIR: We have a quorum. Minister McCarthy, on behalf of the committee, I welcome you to Estimates and invite you to introduce the officials who are accompanying you this afternoon and, if you wish, to make an opening statement on behalf of the Department of Housing, Local Government and Regional Services.

Ms McCARTHY: Thank you, Madam Deputy Chair. I would like to introduce staff from the Department of Housing, Local Government and Regional Services with me at the table: Ken Davies, Chief Executive Officer, Department of Housing, Local Government and Regional Services; Rob Kendrick, Senior Executive Director of Local Government, Regional and Community Services; John Tobin, Executive Director of Local Government; and Chris Brooke, the department's Chief Financial Officer. I will be joined by other departmental officers as appropriate, Madam Deputy Chair, and the Chief Executive of the Aboriginal Areas Protection Authority will be available to answer any questions relating to that output group.

You will be aware, minister Burns, my colleague, as senior minister for this department, has responsibility for questions of a corporate nature for the department as a whole. It is a great privilege being the minister responsible for Local Government. I, and departmental staff, are always very conscious of the importance of this sector, and the centrality of Local Government in providing local decision-making and providing services to Territorians in their home communities.

To emphasise, Madam Deputy Chair, our five municipal councils have a combined estimated expenditure of \$175m, the eight larger shire councils have a combined expenditure of \$277m. The local government sector is a substantial purchaser of private sector services. The shire councils are a very significant regional employer, with a workforce approaching 2500 people, of which over 70% are Indigenous people.

Some of our key actions to continue the development of our local government sector include a \$30m commitment over three years to support Indigenous employment in the delivery of core services in the shire councils. As of 1 March 2012, there have been 480 full- and part-time positions supported by this program, helping to build a strong local government workforce.

In partnership with LGANT and our shire councils, we have completed a comprehensive review of the long-term sustainability of the shires. Another key activity was, of course, the conduct of local government elections across the Northern Territory earlier this year. I thank all involved, including our councils, candidates, departmental staff and, of course, the Electoral Commission, for all their work to ensure the success of these elections.

Over the course of the 2011-12 financial year, following extensive consultation with the sector, the government introduced important amendments to the *Local Government Act* as well as subordinate legislation relating to council elections. To ensure councils have practical procurement rules, the Local Government (Accounting) Regulations were amended to provide for collective tender arrangements, access to contracts already entered into by other councils, and simpler public notification of successful tenders. I have also issued new investment guidelines which provide more substantial advice and information to councils on investment options.

The regional development branch of the department supports a range of important activities. In the current financial year, the department has run futures forums in Yirrkala and Ramingining, and will be hosting futures forums in Milingimbi and Galiwinku this month. That is just to name a few.

The department has also undertaken a strategic review of our Economic Development Committees with a view to making them more relevant to their members and more effective. This includes increased collaboration with the Commonwealth's regional development programs. This financial year, the department has also committed over \$500 000 in grants from the Regional Economic Development Fund, and our Indigenous Economic Development staff continue to provide support to Indigenous businesses. There is an increasing interest from members of our Indigenous community in running their own business, and this is an important trend supported by our overarching work in developing our growth towns and building strong regional economies.

Our regional development people also have carriage of municipal and essential services support for the residents of outstations and homelands. The work of the department's outstation team benefits over 10 000

Territorians living on over 530 outstations and homelands through grant support to 31 outstation service organisations.

The Aboriginal Interpreter Service provides a highly valued service which continues to grow in stature and usage. The AIS currently has 436 interpreters registered on the AIS database, of which 288 were actively working in 2011-12, and the AIS now has offices right across the Northern Territory.

Madam Deputy Chair, I am conscious of the time and that was my introductory statement, sticking to five minutes as has been requested.

Madam DEPUTY CHAIR: Thank you, minister. Are there any questions on the minister's statement?

The committee will now further consider the estimates of the proposed expenditure contained in the Appropriation Bill as they relate to the Department of Housing, Local Government and Regional Services.

Agency-Related Whole-of-Government Questions

Madam ACTING CHAIR: Are there any agency-related whole-of-government questions on budget and fiscal strategies? Member for Katherine.

Mr WESTRA van HOLTHE: Thank you, Madam Deputy Chair. Minister, can you advise the range of issues your agency may have experienced because of the failed implementation of the new Asset Management System?

Ms McCARTHY: Before I refer to the Chief Executive, member for Katherine, the assets register was one of our key objectives in going into the reform in 2008. Clearly, there was not a sufficient database across the Northern Territory. This was one of the very many strong focus areas for our government in the reform. I am very conscience we are looking at over \$360m in assets. I hand over to the Chief Executive Officer.

Mr DAVIES: Member for Katherine, with the AMS, are you referring specifically to the DCI auspiced asset management system the Northern Territory government utilises?

Mr WESTRA van HOLTHE: Yes.

Mr DAVIES: We have answered a series of questions from the members for Blain and Brainting previously, Mr Westra van Holthe. I will explain what we said there.

In a nutshell, we have been working very closely with DCI to manage our interface with the contractors. We paid out substantial money last year with the AIS to the tune of \$70m to \$80m. Since the AMS system has gone live, we have paid out \$7m in payments to contractors. That is pretty consistent monthly payments with what we would normally pay out.

The issue for contractors is when using the system at the moment they do not have portal access to see what work has been completed and what work allocations we are giving them through work orders. We have to work with them manually on that. We will, at the end of the day, have a better system because the AMS, despite its teething problems, is going to allow us to manage our assets end to end - that is, not only do maintenance which is what we currently do through AIS - or have been doing through AIS until the AMS was turned on - but it will enable us to model in forward works we need to do to check inspection rates. It will be a whole-of-life asset system.

We have challenges at the moment. We have 17 contractors we are working with. However, in a nutshell, our work-arounds are managing the situation and contractors are being paid. At the end of the day, we will reach a good outcome. We have some challenges at the moment, which are largely about the contractors not being able to see exactly the day they are being paid and for what. So, we are going back and doing manual work-arounds with them to ensure they can reconcile what works have been done and they can pay their subcontractors.

Mr WESTRA van HOLTHE: All right. There have been payments which have been impacted by this system?

Mr DAVIES: There were some payments that were impacted initially, and the ...

Mr WESTRA van HOLTHE: And the value of those?

Mr DAVIES: I will need to go to Mychelle Curran or Mike Chiodo for the exact detail of that. In a nutshell, we have paid out \$7m. For what has been impacted, I will go to one of those people for a current update, if I can.

Mr WESTRA van HOLTHE: Thank you, yes.

Mr DAVIES: Mike, would you like to step forward?

Mr CHIODO: Mike Chiodo, Deputy Chief Executive. In addition to what the Chief Executive and the minister have said, the total amount paid out to 31 March, member for Katherine, was \$77.399m. The total paid out through AMS for the four-week period it has been in progress has been \$7.119m.

Mr WESTRA van HOLTHE: Thank you. Were some of these delayed payments? Was that part of the problem you experienced? Were you required to make any penalty payments as a result of those late payments?

Mr CHIODO: All those payments were made within the 30-day time frame and, as a result, there were no penalties.

Mr WESTRA van HOLTHE: Were any payments duplicated and, if so, are any recovery actions being taken?

Mr CHIODO: It is our understanding there has been no duplication of payments.

Mr WESTRA van HOLTHE: Have any payments been misdirected, and what recovery actions have been taken?

Mr CHIODO: No, there has been no misdirection of payments.

Mr WESTRA van HOLTHE: That is all my questions on whole-of-government.

Madam DEPUTY CHAIR: That concludes consideration of the agency-related whole-of-government questions on the budget and fiscal strategies.

OUTPUT 1.0 - LOCAL GOVERNMENT, REGIONAL and COMMUNITY SERVICES

Output 1.1 - Local Government

Madam DEPUTY CHAIR: I call for questions on Output Group 1.0, Output 1.1, Local Government.

Mr WESTRA van HOLTHE: Minister, how many people were or are engaged with the department of Local Government in the last financial year, the current financial year, and financial year 2012-13, not including Regional Development, Interpreter Services and Water Safety? The numbers for each of those years, please?

Ms McCARTHY: Sorry, member for Katherine, I have to get used to turning my microphone on and off. Local Government staffing totals 33. There are 18 staff in regional offices providing support to the five municipal and 11 shire councils, including the 79 shire service delivery centres in regional and remote areas; 15 staff in the Territory office providing coordination services relating to executive and ministerial advice, capacity development and regulatory compliance of local government councils. The AIS and ITS NT are provided by almost 500 registered part-time interpreters in AIS, and 190 contracted interpreters for ITS NT. AIS employ, full-time, 30 community-based interpreters and 20 coordinators and development officers. Regional and Indigenous Economic Development Services are provided by a total of 19 staff in regional offices and in the Territory office. Water Safety and Animal Welfare comprise 19 staff - the director, five animal welfare inspectors, one position is vacant, seven pool safety advisors - there is also one vacant there - two community engagement and education officers, and four client support.

Mr WESTRA van HOLTHE: I might not have the answer in what you said. What I was chasing, minister, was the number of staff in the department of Local Government, not including Water Safety and Interpreter Services, for the last financial year, the current financial year, and the next financial year.

Ms McCARTHY: Bear with me, member for Katherine. I will refer you to the Chief Executive.

Mr DAVIES: Mr Westra van Holthe, I will ask Rob Kendrick to explain that. We might need to go back if you are asking for the 2010-11 and 2011-12. Is that what you are asking?

Mr WESTRA van HOLTHE: 2010-11, 2011-12 and 2012-13.

Mr DAVIES: We might have to take some of that on notice, but I will go to Rob.

Mr KENDRICK: Rob Kendrick. Member for Katherine, in respect to the last financial year's figures, we will have to take that on notice. In respect to the placement of local government staff for this financial year - regional staff - we have one in the Arnhem office, two in the Barkly, seven in the Central Australia office, eight in the Vic Rivers region, and 15 in the Territory office. As for staff for the upcoming financial year, we are not expecting any significant change.

Mr WESTRA van HOLTHE: Thank you. In Budget 2011-12, there was a budget allocation for local government of around \$85m which jumped to \$110m in the estimate for that same year - that is outlined in Budget 2012-13. The budget for local government for the next financial year goes back to around the \$85m mark. This is explained by a variation relating to Commonwealth funding of CDEP. I remember asking you questions around CDEP last year at Estimates, and I recall you said the NT government would be funding CDEP after you failed to secure Commonwealth commitment to fund that. Can you please explain how the \$22m from the Commonwealth appeared in the current financial year?

Ms McCARTHY: Member for Katherine, yes, I will refer to Ken Davies; however, I need to make it clear regarding CDEP. We had much discussion at the table this time last year and a particular focus we had in the funding was the concern around the jobs package and the fact we had worked towards a significant amount of money with the Commonwealth. In regard to CDEP, we are always very conscious CDEP was going to be very much a part of an employment option across the regions. I will refer to Ken Davies, Chief Executive.

Mr DAVIES: Member for Katherine, there has been a \$20m decrease in the forward estimates from 2011-12 to 2012-13. In 2011-12, we received a one-off Commonwealth CDEP funding allocation for fencing for remote housing. That was to be used specifically by shires to fence the public housing stock in remote as an added initiative to provide employment and to fence all the public housing we are renovating.

In addition, an initial \$2.774m came in as Commonwealth funding for the Northern Territory jobs package the minister negotiated last year. It is a \$10m recurrent package and the Australian government's share of that package is \$2.7m per annum to help us ensure we have mentors and are supporting those jobs the jobs package is creating. That is the answer.

Mr WESTRA van HOLTHE: Please correct me if I am wrong, but I am sure the Commonwealth said - I am pretty sure I heard Warren Snowdon say the Commonwealth was not going to continue with CDEP funding in this current financial year. We are talking 12 months ago when we had that discussion.

Mr DAVIES: The decision has altered somewhat, member for Katherine, but I will ...

Ms McCARTHY: What you may recollect, member for Katherine, we were always conscious the funding was going to run out in June this year. That was why we went to the Commonwealth to pursue the 500 jobs so that would not be the case and we would have consistent funding not for another 12 months, consistent funding over the next three years, which is what the \$33m jobs package is all about.

Mr WESTRA van HOLTHE: Essentially, you were able to convince the Commonwealth to increase the money - the \$22m - for the current financial year?

Ms McCARTHY: No, what I was able to convince the Commonwealth to do was not walk away from us with employment for the shires across the regions. What it was able to contribute was a small portion of that. The Northern Territory government is a larger contributor in the jobs package, but I will hand over to John Tobin who has carriage of this particular line of questioning.

Mr TOBIN: John Tobin, Acting Director, Local Government and Regional Services. Member for Katherine, we are mixing up two programs here. There was the Northern Territory government contribution to Indigenous job development in shire councils delivering core services, and this program here is a fencing program related to the housing program. It is an addition, but the jobs in core services, as the minister outlined, were funded by the Territory government for three years starting last year.

Mr WESTRA van HOLTHE: Yes, I remember the announcement. It was Alice Springs, minister, where you made the announcement, from memory.

So, that was for fencing. Was that anything to do with SIHIP?

Ms McCARTHY: I will hand over to Ken.

Mr DAVIES: Member for Katherine, definitely it is related to the national partnership agreement we have on remote Indigenous housing, of which SIHIP is a component, and it is definitely about fencing and improving the amenity of all of our public housing stock in remote by fencing the properties. Part of a public housing model is we want people to be able to manage their house and, in doing that, they need a yard and a perimeter which we can also work with them around managing. It is also something people are constantly ask us for to manage visitors, also animals, particularly dogs - giving people the right amenity around their house. This program is going to enable us to employ local Aboriginal people on the ground to fence these public housing houses, so it is definitely remote housing.

Mr WESTRA van HOLTHE: It is a part of SIHIP?

Mr DAVIES: Yes.

Mr WESTRA van HOLTHE: The \$22m I am referring to is not in this budget.

Mr DAVIES: No.

Mr WESTRA van HOLTHE: How many people did that \$22m employ in the past 12 months?

Mr DAVIES: What happened, member for Katherine, is the funds have come into the Northern Territory and are being allocated to shires. I will go to John around that process, but it is going out and the shires will be required to use the money to employ local people. The funding has come this year and it may well mean the shires will need to work with our housing people to gear up and some of that money is spent this year. It has come into the Territory this year and will go out this year to the shires on a proper agreement basis which ensures they deliver a set of outcomes.

Mr WESTRA van HOLTHE: That is the \$22m?

Mr DAVIES: That is the \$20m, and also the \$2.77m will be used in the jobs packages, is that correct, John?

Mr TOBIN: My understanding is it will be delivered fully with local labour. That is part of the conditions. It is being administered through the remote housing team; it is not sitting with us for local government administration, but monies – many of the housing programs and maintenance and tenancy services are delivered by shire councils.

Mr WESTRA van HOLTHE: Okay, if it is not with your agency, why is it in the budget under local government?

Mr DAVIES: Because it is being appropriated to local government. It is going to shires, member for Katherine, so it has come in that way. It has come from the Commonwealth government. It is purely a process where it is held in the budget and then is being allocated out to shires. Given the agency as a whole-of-agency - Department of Housing, Local Government and Regional Services - it has come in on that side of the budget.

Mr WESTRA van HOLTHE: Okay.

Mr DAVIES: And it is a specific employment program. Fencing is the outcome, but at the end of the day it is about an employment program.

Mr WESTRA van HOLTHE: If I am hearing you right, this money has not yet been spent – this \$22.7m?

Mr DAVIES: The \$20m will not have been all spent, no. It has just come in recently as an appropriation from the Australian government before the end of this financial year, which is why it is in the 2011-12 budget.

Mr WESTRA van HOLTHE: When did we receive that?

Mr DAVIES: I would need to check that and get back to you, Mr Westra van Holthe. Chris, do we have an answer for that? Sorry, through you, minister?

Mr BROOKE: No, we have not. I can check that and find the date it was received.

Madam DEPUTY CHAIR: We can take that on notice, member for Katherine.

Question on Notice No 5.01

Mr WESTRA van HOLTHE: Could you please advise what date the \$22.7m from the Commonwealth for the employment program was received into the Northern Territory government?

Madam DEPUTY CHAIR: For the benefit of Hansard, that is question No 5.01.

Mr WESTRA van HOLTHE: That money will, if it has not already been, or partly is, distributed to the shires. On what basis will those allocations be made?

Mr DAVIES: Member for Katherine, I will ask Mr Chiodo to come to the table and explain where we are up to with that process, thank you.

Mr CHIODO: Member for Katherine, it was a late allocation of funding we were informed would come to us this financial year. Two processes have been running concurrently. The first process is we have been establishing a memorandum of understanding between the federal government and ourselves. At the same time, we have written to all local governments or shires and informed them of the requirements for the allocation of this funding to be in place by the end of June, and for works to have been commenced for the expending of the funding before the end of June.

We anticipate the money will come into the budget within the next week or so once the MOU has been signed. It will be directly allocated to the shires so they can get on with the work. In response to your earlier question, it is directly related to local employment, which is part of the requirement and the agreements that will be in place with all local government shires.

Mr WESTRA van HOLTHE: If I heard that answer right, we have not received the money yet? It will be here within the next week, is that correct?

Mr CHIODO: As soon as the MOU is signed the funding will be transferred to our department and will virtually go straight out to all the shires.

Mr WESTRA van HOLTHE: On that basis, I probably do not need an answer to that question on notice I put before. That answers it, thank you. The MOU you will be signing with the Commonwealth government, does it contain outcomes of the number of people this money will employ?

Mr CHIODO: I am sorry, could you repeat the question?

Mr WESTRA van HOLTHE: In relation to the MOU between the Commonwealth and yourselves with this money, are part of the conditions related to the number of people who will need to be employed with that funding?

Mr CHIODO: The MOU is built around how the funding will be distributed, whom the funding will be distributed to - this is all from memory, having seen the MOU for the first time this morning. There is a percentage component drafted within the MOU for the employment of Indigenous, but it does not specify any figures in relation to total number of individuals required to deliver.

Mr WESTRA van HOLTHE: So, the shires are to do that?

Mr CHIODO: Correct, they are oversighted by us.

Mr WESTRA van HOLTHE: Part of the discussion we had last year, minister, around CDEP was the program to transition people from CDEP, which is what this money is, to real jobs. How is that program proceeding?

Ms McCARTHY: Member for Katherine, I am asking for a change at the table, seeing as we probably need Mike a little more. I will refer to John Tobin with the jobs package, member for Katherine. Member for Katherine, we are just working this out. We certainly have a great team working on the employment area, and we may ask Bridget to come to the table.

Mr Elferink: Musical chairs, John.

Ms McCARTHY: Employment is a very important area for us, and we have a great team working right across the Territory.

Ms BELLENGER: Bridgette Bellenger, Department of Housing, Local Government and Regional Services. Are you asking for an update on the ...?

Mr WESTRA van HOLTHE: Well, the discussions last year around CDEP related to the transition program - how CDEP jobs will be transitioned into real jobs in the communities. How is that going?

Ms BELLENGER: That is probably a separate question to the shires local jobs package. The Department of Business and Employment takes the lead for the remote employment and the negotiations with the Commonwealth around some of that work. In this portfolio, we administer the shires matching grant program and I am happy to talk to that.

Basically, as we touched on previously, this is the funding announcement you referred to of \$8.4m per year to support Indigenous employment and shires. As at 30 March 2012, \$5.52m of Indigenous jobs development grants has been released to support shire council core services jobs, and as of 1 March 2012, there were 480 positions in the shire councils. Those positions are supported by mentors. Currently, we have 20 mentors spread throughout all shires, with the exception of West Arnhem and Tiwi. We are actually replacing mentors at the moment.

This package supports core municipal services. Was there anything specific you wanted? I can give you a breakdown.

Ms McCARTHY: Member for Katherine, can I step in here? I am conscience you want specific figures and we can provide that. There seems to be some difficulty relaying that to you now. Can I take that question on notice regarding the number of transitioning CDEP workers to full-time jobs? That is what you are after?

Mr WESTRA van HOLTHE: Yes, I am happy to put that on notice.

Question on Notice No 5.02

Madam DEPUTY CHAIR: Can you repeat the question, please.

Mr WESTRA van HOLTHE: Could you please provide me with details around the job numbers in the transitional program from CDEP to real jobs?

Madam DEPUTY CHAIR: Thank you. For the benefit of Hansard, that is question No 5.02.

Mr WESTRA van HOLTHE: Minister, to change tack a little. How many new houses have been delivered to the shires - now fall under the shire responsibility - under SIHIP?

Ms McCARTHY: Thank you, member for Katherine, I will refer to the Chief Executive.

Mr DAVIES: Member for Katherine, over 600 new houses have been constructed. When you say they have been delivered - how many of those new houses has the shires been engaged to look after in property and tenancy management? It will be the majority of those houses.

In Alice Springs, in an urban context, we have the Central Australian Affordable Housing Company which works with us and Territory Housing directly to manage those assets. In Tennant Creek, we work directly with Julalikari. For property and tenancy management in all other locations across the Territory where new housing is built, the shires are looking after those specifically. I can come back to you with the exact number, but that is where we are up to.

I need to say, though, for instance, in the Central Desert Shire and the Tiwi Islands Shire, tenancy management is being undertaken directly by the department because the Central Desert Shire and Tiwi Islands Shire did not take on the direct management of tenants. The department is doing that directly. They are just doing the property maintenance for us.

Mr WESTRA van HOLTHE: Why did those two shires decide not to take on that responsibility?

Mr DAVIES: Member for Katherine, we had discussions with them. The issue is, at the end of the day, around capacity and what the shires want to deliver. Clearly, if you are dealing with tenants and are having to deal with issues where there might be tenancy responsibility, there might be damage, in some instances a shire may opt not to undertake tenancy management specifically with us in partnership.

There were decisions made by those two shires, specifically, not to do tenancy management. That does not mean in the future they will not come on board but, at the moment, they have chosen to do the property management for us.

Mr WESTRA van HOLTHE: Specifically, is that the reason they did not take it on?

Mr DAVIES: The specifics are it was a decision made by the shire. I need to check the specifics of it, but, in a nutshell, their preference was, initially, to do property maintenance and see how the footprint went. I want to flag this with you: the Tiwi Islands is where the new housing is. In the Central Desert Shire, at the moment, no new houses have been constructed yet. They are helping us maintain the existing housing footprint.

Mr WESTRA van HOLTHE: Minister, 600-odd houses will, basically, fall under the responsibility, to one degree or another, of the shires. What will be the financial impost on each shire as a result of having this additional housing?

Ms McCARTHY: Member for Katherine, I will refer to the Chief Executive.

Mr DAVIES: Member for Katherine, we have an agreement where we fund the shires to support us to deliver the work. I want to emphasise the public housing framework is managed by the department, the tenancy framework and the rent collection processes are managed by the department in partnership with the Australian government. The shires are delivering a set of services to us for property maintenance and tenancy support. In regard to direct management of tenants who get into trouble, we work with the housing reference groups on the ground and, at the end of the day, the responsible persons are the executive directors of housing in each of the regions.

Mr WESTRA van HOLTHE: That talks about funding for them to do specific work on behalf of the department, essentially. What about other cost imposts? For every new house there is going to be a new rubbish collection, those types of costs. What additional impost is on the shires in relation to that?

Mr DAVIES: In relation to the shires, member for Katherine, they will be rating the department. The department has these assets so the department is the leaseholder of the land where the assets sit. Those assets have been taken on a peppercorn basis but, clearly, the department is responsible for paying rates to the shires to ensure that rubbish collection is undertaken. That is in addition to the property and tenancy maintenance work we would contract them to do for us.

Mr WESTRA van HOLTHE: While we are talking about rates, to what quantum are you in arrears to any of the shires with respect to rates payment to the end of May?

Mr DAVIES: In relation to rate payments, I do not believe we would be in arrears at all because we are getting towards the end of the financial year. Whether we would have paid next financial year's rates - I do not believe we have, member for Katherine, but I would defer to the CFO. Is that correct?

Mr BROOKE: Yes, that is right. We are current with rate payments.

Mr WESTRA van HOLTHE: What about other payments to the shires, are you in arrears? I remember East Arnhem Shire Council had a hellish time getting money from the department.

Mr DAVIES: Member for Katherine, I would need to check that. We work very closely with them to try to avoid that because we are very conscious cash flow is important. If I could just check for a second please. Unfortunately, Andrew Kirkman and Monica Baumgartner are not here. Do you want me to take it on notice to find out what is outstanding?

Question on Notice No 5.03

Mr WESTRA van HOLTHE: For Hansard, How much do you owe the shires? How much are you in arrears at the end of 31 May.

Mr DAVIES: At 31 May, thank you.

Madam DEPUTY CHAIR: Happy to take that question, minister? That is question No 5.03.

Mr WESTRA van HOLTHE: Thank you. Change of tack again. Minister, how many refuse tips are administered and operated by all councils - municipal and shire - in the Territory?

Ms McCARTHY: Member for Katherine, I will refer to the Chief Executive.

Mr DAVIES: Member for Katherine, we might have to take that on notice as well. I will go to Rob to check that.

Mr KENDRICK: Yes, we will have to take that one on notice in respect to the amount of tips and waste facilities.

Question on Notice No 5.04

Mr WESTRA van HOLTHE: Right, for Hansard.

Ms McCARTHY: I am happy to take that on notice, Madam Acting Chair.

Mr WESTRA van HOLTHE: Minister, across the Northern Territory, how many refuse tips are administered and operated by all councils, both municipal and shire?

Madam DEPUTY CHAIR: That is question No 5.04.

Question on Notice No 5.05

Mr WESTRA van HOLTHE: Could I put another question on notice, as I know you will not be able to answer it, can you break those down on a council by council basis - the number of dumps, not necessarily the locations?

Ms McCARTHY: I am happy to take that on notice.

Madam DEPUTY CHAIR: That is question No 5.05.

Question on Notice No 5.06

Mr WESTRA van HOLTHE: This may be another one on notice. How many of those dumps are accredited under NRETAS guidelines?

Ms McCARTHY: Yes, Madam Chair.

Madam DEPUTY CHAIR: Question No 5.06.

Question on Notice No 5.07

Mr WESTRA van HOLTHE: On a council-by-council basis, what are the cost estimates to bring the tips not accredited up to accreditation standard?

Ms McCARTHY: We will take that, Madam Deputy Chair.

Madam DEPUTY CHAIR: Another question on notice. That is question No 5.07.

Mr WESTRA van HOLTHE: I have to admit, I am a little surprised we cannot answer any questions about one of the most significant core services councils provide.

Ms McCARTHY: Yes, they are very important questions. I am happy to go to John Tobin, member for Katherine.

Mr TOBIN: Member for Katherine, I can give you a little background information - I was wondering where the questions were going. In general, every shire service centre will have a refuse facility of some sort. For our municipals, there are a number of transfer stations, etcetera. Wanting to know what would be in and what would be out, I would have to check the specifics of that. In the past, NRETAS guidelines applied where there were populations in excess of 1000 as an estimate of what sort of waste needed to be managed. I believe there was a process they were going through.

For some of those questions about the numbers and what stage they have reached, we would probably have to talk to NRETAS to check where they are up to. I am sure we can obtain that information for you, but that is some of the general background to it.

As you know, past practice with many of those facilities was unregulated and there were various practices. Shire councils have been conscious of addressing those because of liability and environmental requirements. It has taken things into a new dimension in regard to the professional management of those facilities.

Mr WESTRA van HOLTHE: I understand, and what the questions are leading to is how much this will cost the shires. We are talking about shires, many of which have a very small rate base so they do not have a great deal of discretionary funding. How will they fund the improvements needed to bring their refuse tips up to standard? The shires worry about it a great deal.

Do you have a forward plan to assist the councils meet the accreditation standard for their dumps? Do you have something in tow now to assist councils, either financially or administratively, to bring them to where they need to be with their tips?

Ms McCARTHY: Member for Katherine, general planning for each of the shires, whether it is around rubbish or other core services, is something the department has to be doing by working with each of the shires through their regional management plans. We have had a very strong review of the financial sustainability of the shires, which is why it is critical we work with each of them. I take on board your disappointment with the questions around rubbish, but we have information and I will provide that to you. I will refer to Ken Davies for information on planning and the question you have just asked.

Mr DAVIES: Thank you, member for Katherine. Each community has a rubbish disposal site and, given the number of communities – there are in excess of 70. One which springs to mind is Belyuen, where there have been issues with flooding of the site during the Wet Season and what happens to refuse there.

We have on our radar as part of the shire sustainability work we need to do, to work with NRETAS around licensing and what sort of conditionality the shires will have to deal with to run and maintain these sites. The costing work we will do around the types of sustainability support for the shires will be picking up the maintenance of rubbish dumps to a standard. The issue is the standard, and that is something we are working on with NRETAS.

Mr WESTRA van HOLTHE: From what you have said, minister, and Mr Davies, this is work you are going to do. Has any work been done in the last four years since the shires have been around and, if not, why not?

Mr DAVIES: There has been substantial work done with shires in them managing their assets and managing the footprint they have to deal with, including their roads. The rubbish tip is clearly part of that. There are issues around cemeteries and whether or not there is a role for shires in that space, member for Katherine. There are many questions which need answering as we go forward. It is about who is going to be ultimately responsible for the aerodrome, who is going to be responsible for the barge landing. They are all things that are part of leasing arrangements and broader discussions.

The minister has gone many times to this issue. This is a start, we are three years in, we clearly have things to do, and these will be part of giving the shires the support to ensure they have the right funding and the right strategies in place to manage their assets, including their rubbish dumps, going forward.

We have done some formal work on specific dumps and had some interaction around Belyuen specifically. We funded some specific work in Utopia to ensure when there was a clean-up done that work could be done to excavate a new site. Obviously with the NTER overlay, there was a big clean-up process that went on when the NTER was first activated where there was a great deal of rubbish and that type of thing cleaned up. Mixed up in this is the management of asbestos, and SIHIP and the alliances have been dealing with the specific asbestos issues, and we are ensuring asbestos is not being dumped into these smaller sites without proper containment.

Ms McCARTHY: Member for Katherine, for the benefit of the committee, while we may not have been able to give you specifics right now on each and every dump across the Northern Territory, I am incredibly aware from the times I have travelled around the regions, most recently in Ngukurr, going to the rubbish dump with their shire manager and talking through some of the issues about waste - where they are locating the waste, the fact that in this situation there was massive concern about SIHIP and the fact that buildings needed to be demolished and where were those buildings going. We were having a discussion about the relocation of old tin; all of those things that have never been part of the rubbish dump at Ngukurr.

When you ask what has been happening, one of the things I would ask the committee to keep in mind is we have a tremendous number of things which still need to be focused on with the shires. The CE has mentioned the cemeteries. I am very aware of the extra work we have to do in regard to all cemeteries across the Northern Territory and the issues raised regarding the Ombudsman and morgues.

Over the last few years we have had to really work through the leasing issues - the fact most of the land the shires occupy are under the intervention which expires in August. We have had to do a tremendous amount of work on those levels.

The other level, of course, is the governance issue of each and every council, and the concern particular communities have of their voices being heard and the need to have local boards.

When you are embarking on a massive reform, which this has been and is about, many things have to be done, member for Katherine. I appreciate the vigilance that comes with the questions about the rubbish, and we will ensure we have those answers for you.

Mr WESTRA van HOLTHE: Thank you for your input. I do not take a great deal of comfort from the answers though. It sounds as though not much has been done, and I guess if I ...

Ms McCARTHY: Excuse me, member for Katherine. I have just been informed Rob Kendrick has some guidelines he can refer to which might better help answer your questions.

Mr KENDRICK: In respect to the regional management plans which were touched on before, the regional management plans are required under the *Local Government Act* for each region, in consultation with the department and the Local Government Association of the Northern Territory. Part of those regional management plans is to include a strategy on waste management, including litter reduction. LGANT has best practice guidelines in respect to tips or dumps for areas with populations under 1000 people, because those populations are not covered within the NRETAS guidelines - they are all captured within the regional management plans.

Mr WOOD: Can I ask a question on that please, member for Katherine? Why would you need a regional waste management plan? You are covering two or three councils about the size of Tasmania or Victoria. Tips are very local and I have always had trouble with regional management plans for these huge councils. Surely the plans are very focused on the growth town or the outstation and do not really - unless you set up, like we are trying to do in the rural area, a regional waste facility - they have a local focus not a

regional one. Why would we be considering that unless we are building a large regional waste facility somewhere for all that rubbish to go to?

Mr KENDRICK: The regional management plans encompass many issues not just waste management. It is for the delivery of core services across the regions. One of the critical things with the plans is they are done at a regional level not a shire footprint level. There are three regions across the Northern Territory, so it is very much about working forward and how regions can pool resources, work together, and try to get some economies of scale. It is very much about working in the region.

Mr WOOD: Thank you. Minister, I am trying to look the practical, down to earth issue that the tips are not, to me, regional. You take your rubbish to the hole in the ground, as they do at Wagait, and put it in there. I am unsure whether a regional focus on that would make much difference.

Ms McCARTHY: Member for Nelson, to clarify Mr Kendrick's comments, those regional management plans incorporate many things. Rubbish is very much a local issue and, if anything, we will certainly be looking at this very closely in the coming months.

Mr WOOD: Do not get me wrong here, there are some regional issues which could apply, and one could be recycling but, from a rubbish tip point of view, it is a local thing not a regional thing.

Ms McCARTHY: I do not disagree with you.

Mr WOOD: Sorry, member for Katherine.

Mr WESTRA van HOLTHE: No, that is quite all right. We are still tips for a minute. The NRETAS guidelines only kick in with communities over a 1000 people, is that correct?

Mr KENDRICK: Yes, that is my understanding.

Mr WESTRA van HOLTHE: How many communities in the Northern Territory would have a population of more than 1000 people?

Ms McCARTHY: Member for Katherine, we can look at our growth towns. We have certainly focused on our growth towns and the population of each area. Straight off the bat, you can say close to 20, and I will hand over to the Chief Executive.

Mr DAVIES: Member for Katherine, in a nutshell, the big communities under the Remote Service Delivery National Partnership Agreement we are focusing on are the Wadeyes and Maningridas. They are the places with in excess of 1000 people. I do not have the breakdown with me. At least eight communities fit into the category of over 1000 people. The biggest Aboriginal town in Australia is Wadeye, so it works down from there. The number over 1000: Galiwinku, Maningrida, Wurrumiyanga, Ngukurr and, Wadeye. We then have the close-to numbers such as Angurugu. Angurugu, if you threw in Umbakumba, well and truly exceeds that. Numbulwar is another place with well over 700 people. There are eight communities which clearly fit into that space: Wadeye, Ngukurr, Wurrumiyanga, Milingimbi, Maningrida, Gunbalanya, Gapuwiyak, and Galiwinku - and Angurugu and Borroloola are very close to 1000.

Mr WESTRA van HOLTHE: Let us say there are eight or nine. That is only eight or nine communities where compliance with NRETAS standards for their tips will apply. I am wondering why no one has done any work on those eight or nine communities to get them to where they need them to be for NRETAS accreditation?

Ms McCARTHY: Member for Katherine, I will hand over to John Tobin.

Mr TOBIN: Most of that relationship is between NRETAS and the council. Similarly, the development of the guidelines for communities below 1000 is between LGANT and NRETAS. I am unsure of the funding arrangements between them. Going back to how councils address these things, you would be aware of work being done on the Barkly where they combine training initiatives with installation of tips that were compliant. There is the amount of work in whether the site is over an aquifer, exclusion of animals, and separation of wet waste, etcetera. As I said, like many of the standards, the relationship is not between the local government and the council although in a regional area our staff would talk to those people, but the element of regulation is between NRETAS and whoever the dumper is.

Mr WESTRA van HOLTHE: Thank you, Mr Tobin, I get that. The issue is that shire councils receive funding from the Northern Territory government through the department of Local Government. Of course, there will be a cost to them for getting their dumps accredited. It is going to take money to get them up to that standard. I would hope the department of Local Government would be working with shire councils on this program bearing in mind that, ultimately, the department of Local Government will have to be putting its hands in its pocket to help fund it.

Ms McCARTHY: Member for Katherine, there is a huge amount of work going on. I appreciate you are focusing on the specifics of funding. However, let me point out to the committee the work we are doing with local implementation plans across the Northern Territory. Of the RSD sites, 13 local implementation plans have been done. This is part of not only the vision for each of these areas, but it is a great deal of work going into the planning of the areas. We recognise it always comes down to funding, but we also recognise we have to work with the people in these regions to determine how these places are going to grow.

Mr WESTRA van HOLTHE: I am just curious as to how much work we have been doing with the people?

Ms McCARTHY: We can provide you with copies of the local implementation plans, member for Katherine, if that assists your understanding.

Mr WESTRA van HOLTHE: It would not hurt to have those. I probably have them in my office somewhere.

Ms McCARTHY: We can provide them for you.

Mr WESTRA van HOLTHE: Thank you, much appreciated.

The CEO, Mr Davies, mentioned asbestos issues, particularly in communities where houses are being demolished. What plans have you in place to deal with asbestos issues in those communities?

Ms McCARTHY: I will refer to the Chief Executive, member for Katherine.

Mr DAVIES: Member for Katherine, in the Remote Indigenous Housing National Partnership Agreement, clearly, to all our contractors, a set of standards is being applied. We have been storing and disposing of asbestos under all the appropriate guidelines. We are not putting it into local dumps where asbestos is identified. I might ask Mike Chiodo to comment in relation to this issue from the Remote Infrastructure Program Office perspective.

Mr CHIODO: Member for Katherine, there have been two very specific programs, one is part of the national partnership agreement funded by the federal government in conjunction with the Northern Territory government for the removal of asbestos from all identified locations as part of the strategic housing infrastructure program. There has been additional funding identified and it will be available and yet to be completed as part of the Stronger Futures program which will allow us to continue with the removal of asbestos from each of those communities.

What I have also been charged with since my arrival is to look at an asbestos management program for remote locations. We are entering into discussions with a number of different groups, including the shires in Alice Springs, for the placement of asbestos. One program has now been completed, there is a new program as part of Stronger Futures, and there is an overall management plan being put in place by my office to ensure the ongoing removal and safe disposal of asbestos in all our communities.

Mr WESTRA van HOLTHE: Minister, how many shires have animal management plans in place?

Ms McCARTHY: We have several shires, member for Katherine, working on that. Before I hand over to Rob Kendrick, I commend the Vic/Daly Shire. It has done a terrific amount of work in consultation right across its communities to develop its animal welfare management plan. We have been very focused on this area across the Territory, even with the vet program. We have a very good program with the East Arnhem Shire in many of the communities. I will hand over to Rob Kendrick to give you the correct details.

Mr KENDRICK: In respect to the animal management plans for the shires, with the amalgamation some of the shires inherited, for want of the better word, some existing by-laws within certain communities. An example of that is the Vic/Daly Shire Council. When that was formed the Pine Creek dog control by-laws

existed. There are some specific pockets where there were existing by-laws in place and they remain current for small communities.

Another example is the Borroloola community, which has by-laws. The Mataranka community, both under the Roper Gulf Shire Council and the Tennant Creek control of dog by-laws with the Barkly Shire Council, and Timber Creek in the Vic/Daly shire. Jabiru town development has control of dog by-laws. Nhulunbuy Corporation has the Nhulunbuy animal control by-laws and Coomalie has dog management by-laws.

In respect to shire programs, a number of shires are approaching animal management differently on a case by case basis. A quick overview of the shires: the West Arnhem Shire Council has developed an animal management strategic framework in conjunction with AMRRIC, an organisation for animal management in rural and remote Indigenous communities, and various veterinarians carry out work such as desexing procedures, dog health checks and euthanasia. The MacDonnell Shire Council, as an example, has a long-term animal management plan, again in consultation with AMRRIC, which is very similar to the West Arnhem Shire plan.

East Arnhem Shire Council is quite active in respect to its animal management. It has created an animal welfare and control committee to deal with matters pertaining to animal welfare and control. It has also engaged a veterinarian exclusive to the shire to provide services to the community as part of the animal welfare control policy. It has also established Indigenous community workers in some communities to assist the veterinarian on visits, which is good for the pre-planning and bringing the community on board.

The Barkly Shire Council already has the by-laws in place in Tennant Creek. It is also planning by-laws for other communities within its boundaries. Again, it works closely with AMRRIC. It has employed a veterinarian to deliver animal control and veterinary services throughout the region. It also has a scheme where local Indigenous workers assist the veterinarians in the communities.

Roper Gulf, as mentioned, has by-laws for the town of Borroloola and it currently provides two veterinarian visits per year for the communities within the shire area. It deals with similar issues - desexing, dog health and euthanasia. The council intends to develop an overarching animal welfare policy. Roper Gulf will engage the services of a business based in Katherine to provide the veterinary services. It has reported substantial progress in animal management, particularly in the 11 targeted communities.

Central Desert has a companion animal program which includes regular visits by veterinarians. It has also adopted a two dog per household policy. Tiwi Islands also has a two dog per household policy, a policy for dealing with cheeky or dangerous dogs, and the euthanasia of those dogs. It does not have any by-laws, but the council does have registration for dogs for which it charges a fee, and regular veterinarian visits are conducted.

Victoria Daly Shire Council has a dog control program in place, as well as the previously mentioned by-laws in Pine Creek and Timber Creek. It has recently consulted with a number of communities about reaching an agreement and an understanding about what is an acceptable number of dogs per household for a way forward into the future.

The department supplies funding to shire councils for dog controls and funding to AMRRIC for it to function throughout the Northern Territory.

Mr WESTRA van HOLTHE: Thank you. What quantum of funding has been provided to shires by the Northern Territory government for animal management?

Ms McCARTHY: Member for Katherine, in 2010-11 we provided AMRRIC with a special purpose grant of \$125 000. We have also established an animal welfare fund which is an annual pool of funding totalling \$200 000. One of the purposes of the grant is to assist in progressing good animal management practice, particularly in our remote areas. Organisations can apply for a grant up to the value of \$75 000. This year's grant applications will be progressed this month.

Mr WESTRA van HOLTHE: Do you have anyone within the department specifically working on helping the shires establish by-laws, animal management programs and the like - working with the shires on animal management issues?

Ms McCARTHY: Member for Katherine, we most certainly do. When we sat before you this time last year we had significant areas in animal welfare and management. For major reasons, we looked into

staffing in this whole area. We looked into not just what was happening at Mataranka at the time, which was a specific focus for our department, I ensured in my discussions, not only on the floor of parliament and before the CTC, that work was being done right across our shires in regard to local issues with animals. I will hand over to John Tobin who has carriage of that.

Mr TOBIN: Member for Katherine, we have people in our animal welfare branch who are working directly with councils and shire service managers looking at the approach. The department and each council, as other speakers have said, have an individual approach as to how they wish to go with it. Various councils have requested specific purpose payments for assistance with preparation of by-laws and to provide animal health clinics etcetera. There are applications for about \$280 000 in the current year.

As mentioned, AMRRIC has been funded for a number of years by the government through the Animal Welfare Fund program to about \$0.25m over the last three years, and there is a current grant application in for about another \$128 000. Not all councils wish to work with AMRRIC and there are other grant programs for those who wish to take another path. Various councils are working on by-laws themselves. The Vic/Daly and Roper Gulf are both developing draft guidelines at the moment for dogs, as you would know. Our animal welfare people are talking to council service managers wishing to incorporate into some of the duties of council staff employed in core services funded under the \$8.4m assistance program. Some of those duties are around assisting veterinary clinics, between visit health programs, and facilitating the community engagement around animal welfare and animal health.

In a nutshell, yes it is. It is an important focus of ours. It is a new area, but an area that has been geared up and resourced and we are able to start doing something.

Mr WESTRA van HOLTHE: Thank you. I apologise, I did not intend to, but we might have strayed into a different output group by talking about the Animal Welfare Unit. I will put myself back into line.

Minister, will you guarantee the proposal to hand over 8000 km of road to the shires in 2013 will be scrapped.

Ms MCARTHY: Member for Katherine, this week I released the independent report of the financial sustainability review into the shires and also the three smaller places, Coomalie, Wagait and Belyuen. In the next fortnight I will be looking at a number of alternative ways forward and that will be about establishing a task force to deal with the 32 recommendations in that.

In relation to the roads, I will be making a very strong recommendation that no roads of the Northern Territory government go to any of the shires until we have brought those roads up to standard.

Mr WESTRA van HOLTHE: I am sure the shires will be very grateful to hear that.

Ms MCCARTHY: I have already told the shires, member for Katherine, and each and every mayor or president I spoke to were very pleased. I give my commitment, and that of bush members of our government, that we have argued very strongly that there is enough pressure on shires. We must ensure there is a whole-of-government strategy for the road network right across the Northern Territory. The roads minister and the Treasurer have expressed it is closer to around \$1.7bn if we look at the need to improve all the road networks across the Territory. I have made it very clear the shires have enough to do at the moment; they do not need this on top of it.

Mr WESTRA van HOLTHE: Agreed. Thank you, minister, as I said, I am sure the shires would be very pleased to hear you are advocating on their behalf.

Mr WOOD: Member for Katherine, could I ask a question? The other part of the equation, besides bringing the roads up to standard, is will there be guaranteed money or finance to maintain those roads? After reading this book, the councils do not have the wherewithal the look after those roads.

Ms McCARTHY: The fact we need to get those roads up to some type of standard, member for Nelson – it will take a considerable amount of time for the Northern Territory government to do that. It will be some way off before we could even have the discussion about councils taking on any of the roads.

Mr WOOD: Okay, thanks.

Mr WESTRA van HOLTHE: This might be an opinion and you may not be able to answer it; however, the Minister for Lands and Planning has written to LGANT in the past saying those roads would be handed

over. That is a firm commitment by the minister. How do you think you are going to convince him to reverse his decision?

Ms McCARTHY: The release of this independent review gives a very strong factual position. It is a blueprint for the direction we should be progressing in supporting the shires and local government across the regions. I am very confident we will be able to do the right thing by the shires.

Mr WESTRA van HOLTHE: Minister, you have been told by the shires and by LGANT, in the years leading up to where we are now, that these roads should not be handed over to the shires in the condition they are in. Why have you ignored those calls up until now then, all of a sudden, we have a 462-page report which says what we have been telling you for years and you have changed your mind?. Why has it taken this report, why have you not listened to LGANT? Are they not the peak body representing local government to provide strategic information to government?

Ms McCARTHY: Member for Katherine, I listen to everyone, and it is important to take on board the concerns and comments of all people, including my own colleagues who have carriage of these areas, and you mentioned my colleague, the Minister for Transport and roads. One of the things I do is make very clear decisions based on facts. These facts in a very comprehensive review by Deloitte are facts enabling us, as a government, to clearly reassess some decisions, including roads, and focus on the road map forward and the issues which need to be dealt with to ensure support for the shires and their financial sustainability into the future.

It is important to note this is quite a serious area when we are looking at the massive reforms undertaken with the shires. A tremendous amount of work still needs to be done. As I said earlier, the empowerment issues and the concerns facing individual smaller communities and their voices being heard is a strong priority of mine as minister. Also, that the local boards are strengthened, people have a voice, and not only a voice, but are listened to and acted upon. When we embarked on this comprehensive financial sustainability review - when we had the facts and figures articulated the way they have been, giving very descriptive positions of each of the shires in those pages, that is our blueprint and road map forward for a visionary approach to local government across the Northern Territory.

Mr WESTRA van HOLTHE: Are you saying LGANT, and/or the shires, have not been giving you the facts? These facts have been available in a different form for quite some time. Are they not giving you the facts, or do they just not carry the weight a report does?

Ms McCARTHY: No, that is not correct, I listen to everyone. This report does not only focus on roads, member for Katherine. This report identifies numerous areas other than roads - policing, the rates, the issue of revenue, the fact that almost 80% of the revenue is grant funding, the identification of programs that have not been paid for by other agencies of the Commonwealth. We can now collate these. It is important to make these decisions based on thorough facts of all the circumstances, not just roads alone. I am, and always have been, very conscious of the concerns around the roads, but we cannot take that in isolation to the concerns of other areas.

Mr WESTRA VAN HOLTHE: Thank you, minister. How many kilometres of roads are currently under the control of shires?

Ms McCARTHY: Member for Katherine, I will hand over to Mr Rob Kendrick.

Mr KENDRICK: We have the numbers but not the specifics in relation to shires. The grants commission works out the funding, which is the funding for the shires, on 6500 km to 7000 km worth of roads.

Mr WOOD: May I ask a question there? Is there a breakdown of public roads and Aboriginal roads?

Ms McCARTHY: Member for Nelson, can we take that question on notice?

Question on Notice No 5.08

Madam DEPUTY CHAIR: Could you repeat that, please.

Mr WOOD: Could I have a breakdown of roads which are the responsibility of local government, and could that be divided into public roads and roads on Aboriginal land?

Madam DEPUTY CHAIR: For Hansard, that is question No 5.08.

Mr WESTRA VAN HOLTHE: Minister, would you regard the road network within the Northern Territory as infrastructure?

Ms McCARTHY: I am wondering where this question may be going.

Mr WESTRA VAN HOLTHE: You do not need to worry about where it is going, minister. Is it infrastructure?

Ms McCARTHY: We need our roads, member for Katherine. If defining it as infrastructure helps get the money we need, let us say it is. I am unsure where you want to go with this; however, for argument's sake, I will say yes.

Mr WESTRA VAN HOLTHE: Good on you. Thank you. That makes it a little easier. Minister, your Treasurer is renowned for attributing the Territory's deficit budgets and its ever-spiralling debt levels to investment in infrastructure. Given your own acknowledgement - you said recently \$1.7bn needs to be spent on roads in the Territory, how do you expect the shires to fund that spending? A large portion of that is within the shires.

Ms McCARTHY: Member for Katherine, let me make it clear: it is \$1.7bn across the Northern Territory not just the shires or the regional areas. This is the cost from Darwin and surrounds. We are conscious we needed to have an estimate of the costs across the Northern Territory. It is important for the Estimates Committee to keep in mind, if we go back to even 2005, member for Katherine, we knew we needed housing ...

Mr Westra van Holthe: I am listening.

Ms Scrymgeour: He is not interested in the answer. He asked the question, but is not interested ...

Ms McCARTHY: We knew we needed housing so we were able to negotiate \$700m for the Northern Territory for housing, which we have now progressed further into a 10-year partnership between the Commonwealth and the Northern Territory.

We have to have an estimate of the costs. When we go to the Commonwealth to engage in long-term funding, we have to have a figure which reflects the work we have done and the research around the roads network.

I am sure my colleague will go into further detail when he sits before you in relation to the roads and planning portfolio. When we go to the Commonwealth that is the figure we need to begin with. You asked me a question last year in relation to roads regarding the Australian Infrastructure Fund grants and their application. We had to make a fairly strong submission for the Northern Territory as a whole about our roads network. We are on the record about the overall figure required, just like our housing program. We needed a figure which reflected the research done on housing needs across the Northern Territory, the same with roads.

Mr WOOD: Member for Katherine, could I just ...

Mr WESTRA van HOLTHE: Go for your life.

Mr WOOD: Minister, in the CTC final report under Progress on Delivering Local Government Reform Benefits, one of the catchcries to start this whole amalgamation process was 'better roads and infrastructure'. The promises were: roads, money spent on roads, development of regional facilities, more roads funds, and integrated local roads strategy. The CTC said there was no increase in roads funding.

Does that not say the promises the government gave shires in the beginning have not eventuated? There were discussions about getting money similar to the Pitjantjatjara land proposal in northern South Australia of \$20m per year, I believe. It was promised, but none of this has occurred.

Do you believe the government's promises have not come to fruition and councils have been let down in what was expected when they were asked to amalgamate?

Ms McCARTHY: Member for Nelson, we are still in government. As far as I am concerned, we are still working on that promise to the people of the Northern Territory.

Mr WESTRA van HOLTHE: Minister, outside a 50 km radius of the growth towns, how many kilometres of road are currently under the control of shires? Take that 6500 to 7000 Mr Kendrick mentioned before - take out of that whatever is contained within 50 km of the growth towns, what is left?

Mr WOOD: Do you not have it? It is in this document - your own report.

Ms McCARTHY: The shire's report, which we are still going through, member for Nelson. In fact, if you have got the page there, you might want to refer the member for Katherine to it, save me answering.

Mr WOOD: Each council has a section on the number of roads, but I was surprised the answer was not 'yes'.

Mr WESTRA van HOLTHE: You are right, member for Nelson. The report outlines some figures about road networks, but it really only specifically refers to the number of kilometres within. I could work that out in my head. The sustainability report, minister, released this week - page 99 says a \$1.73bn investment is required for the 50 km radius around the growth towns. Not quite \$1.8bn as I thought it was, but close enough. I have added all those figures up from the shires and it comes to that figure.

If we are going to need \$1.73bn to fix up the roads within a 50 km radius of the growth towns, how much more is needed to be spent fixing the other roads within the shire boundaries that fall outside the 50 km boundaries? I ask this because this has been severely under-estimated and a significantly larger sum of money will be required to upgrade our entire Territory road network.

Ms McCARTHY: Let us look at page 98 if we are looking at the report, member for Katherine. You are correct. An estimated reconstruction cost of \$3.7 bn is the estimate in the Deloitte report for the whole of the Northern Territory.

Mr Giles: What are you going to do about it, minister? Can I ask the question?

Mr WESTRA van HOLTHE: I will ask it? What are you going to do about it?

Ms McCARTHY: Member for Katherine, I have spoken with the council mayors and presidents of the Northern Territory shires who are named in this report, and with LGANT. We are working together on the establishment of a task force with the role of engaging immediately with the Commonwealth. You will have an opportunity to discuss with the minister for roads the 10-year vision being put together by his department for roads across the Northern Territory.

Mr WESTRA van HOLTHE: Is that to counteract the 10 years of lack of vision? Sorry, I could not help myself.

Minister, you intend to spend \$57.3 m on grants to local government in the coming year. That is in Budget Paper No 3. What percentage of that goes to the shires?

Ms McCARTHY: I was just putting that report away.

Mr WESTRA van HOLTHE: Page 119 of Budget Paper 3.

Ms McCARTHY: The local government grants of \$57.3 m?

Mr WESTRA van HOLTHE: Yes.

Ms McCARTHY: We have the special purpose grants and the *Closing the Gap* grants, which are currently before me.

Mr WESTRA van HOLTHE: Is that included in the \$57.3m?

Ms McCARTHY: Did you want a percentage or a total cost?

Mr WESTRA van HOLTHE: Out of that \$57.3 m - you can give it to me as a percentage or a dollar amount - how much would typically be going to shires?

Ms McCARTHY: We have \$20 m for the *Closing the Gap* grants. One minute, member for Katherine, we will find the figures for you.

Madam DEPUTY CHAIR: Minister, it has been suggested by the member for Katherine that we take a short break.

Mr WESTRA van HOLTHE: Can we take a five-minute break, minister, and give you a chance to find the information?

Madam DEPUTY CHAIR: We would normally be taking a break around this time and the dinner break is at 7 pm.

Ms McCARTHY: Yes, we will welcome that, member for Katherine.

Madam DEPUTY CHAIR: Please be back within five minutes.

The committee suspended.

Mr CHAIRMAN: We are with the minister.

Ms McCARTHY: The reason for the delay, member for Katherine, was the need to separate the municipalities from the \$57.3m. We can provide you with the shire breakdown of \$20m, NT operational grants of \$10m, also for general purpose grants, and \$8m for roads, member for Katherine.

Mr WESTRA van HOLTHE: So, \$38m out of the \$57m, and \$8m for roads. Minister, the Deloitte report also indicates \$34m per year is required for the annual maintenance of crossroads within that 50 km radius of growth towns. I am unsure if they have written that into the report, but I have certainly added those figures up, based on the figures provided in each of the shire breakdowns. That is \$34m a year just for annual maintenance, never mind upgrades and everything else. You are providing \$8m funding for roads. How do you expect the shires to fund this ongoing commitment for road maintenance?

Ms McCARTHY: Member for Katherine, I have given a response to the committee about the taking on of any extra roads as something we will be working on to lift the infrastructure of those roads. In planning for the future with the concerns facing the shires at the moment, beyond the \$8m we provide, I will hand over to the Chief Executive because we recognise this is of concern for all shires.

Mr DAVIES: Member for Katherine, the grants commission allocates \$15.5m of Commonwealth untied roads funding each year, and the \$8m figure the minister has given - \$15.5m is allocated, and that will be inclusive of funds to the municipals as well. John, do you want to explain that to the member for Katherine, please?

Mr TOBIN: Going through the grants, a Commonwealth entitlement comes in two packages, notionally, to local government throughout Australia. There is a general purpose entitlement and another entitlement that is untied but called a roads entitlement. It is a Commonwealth contribution to local roads maintenance. Under the general purpose entitlement, last year we had \$15.3m distributed to municipal and shire councils, of which the shire council share was about \$10.4m and the Commonwealth contribution - it is an untied roads entitlement package going to municipal and shire councils - \$15.4m, of which about \$7.6m went to the shire councils.

In addition, there is the untied Northern Territory operational subsidy, which is \$20.5m and only goes to shire councils, funded by the Northern Territory government. The first two are Commonwealth payments to local government.

Mr WESTRA van HOLTHE: How much from the NT, sorry?

Mr TOBIN: \$20.469m.

Mr WESTRA van HOLTHE: \$20.5m.

Mr DAVIES: That is untied funding, member for Katherine. The shires would need to make a decision to allocate that to roads.

Mr WESTRA van HOLTHE: Yes. Where does the \$8m you mentioned before sit in those figures? Is that additional to the \$20.5m or contained within?

Mr TOBIN: I might have missed something. I am unsure what \$8m you are talking about, unless it was a round-up of the roads entitlement which I have quickly calculated as being \$7.6m.

Mr WESTRA van HOLTHE: That is that one there, thank you.

Minister, last year at this time you reported three shires were in deficit at the end of the previous financial year, which was financial year 2009-10. How many of the shires were running a deficit at the end of 2010-11?

Ms McCARTHY: Member for Katherine, clearly, we know there are cash issues for shires across the Northern Territory, more so than this time last year. I will refer to Ken Davies to provide that response for you.

Mr DAVIES: Member for Katherine, in the current position, as per an audit of 2010-11 financial statements of the shires, we have a fairly comprehensive brief I will ask our CFO to talk to regarding the financial statements and interpreting them. I will ask Chris to go to those for what the information told us about the status of each of those shires and their annual financial statements for the 2010-11 financial year.

Mr WESTRA van HOLTHE: I do not need too much detail, just which ones are in deficit at the end of that period.

Mr BROOKE: The operating surplus - depreciation was excluded from the numbers, so it is a cash deficit. East Arnhem is in negative, Victoria Daly and West Arnhem.

Mr WESTRA van HOLTHE: Three?

Mr BROOKE: Three on that basis.

Mr DAVIES: Do you want to explain why, Chris, please? Could you go to why? It is over the page.

Mr BROOKE: East Arnhem grant expenditure from the previous year was \$6m. There was an asset loss of \$800 000. Victoria Daly was using cash reserves of \$800 000, and West Arnhem is grant expenditure from the previous year of \$1.3m and cash reserves of \$400 000 causing those deficits.

Mr WOOD: Member for Katherine, could I ask a related question?

Mr WESTRA van HOLTHE: Sure.

Mr WOOD: When you go through this Deloitte book, it has, for instance, in relation to the – it is a bit hard to find the name of this council because they do not put on top of the pages. The councils show core services - East Arnhem Shire Council - and then there is a table. The chart says: 'Number of core service programs with operating surplus and deficit'. Then, for 2011 it says: 'Five programs with surpluses, 31 with deficits' ...

Ms McCARTHY: What page are you on?

Mr WOOD: Page 133. I want to clarify if you were referring just to the core functions of the council? According to this, they are \$3.385m in deficit. Obviously, their non-core functions must contribute to bringing them up to a surplus. If I am reading it right, that chart shows nearly all their core functions are operating in deficit. Therefore, if you took the council as it operates without all the other government agencies it looks after it is running at a loss. If you took that one table and applied it to all the other councils - and I have already looked through two – are all the council operating at a deficit when it comes to relating to the core services it has to supply?

Ms McCARTHY: Member for Nelson, before I ask Chris Brooke to answer the final part of your question, it is important to note with West Arnhem Shire ...

Mr WOOD: That was East Arnhem.

Ms McCARTHY: East Arnhem, sorry.

Mr WOOD: MacDonnell is the same, as is Vic/Daly.

Ms McCARTHY: What is also important to note - and is good reading these reports - is on page 118 of the report, in relation to giving some definition for East Arnhem Shire, it says:

From review of the tables ...

We know this is a consistent issue raised throughout the report:

... EASC staff there have been improvements in the budgeting process over the period ...

We are conscious these are some of the process issues to be worked through in each of the shires on what they are doing and the kind of scrutiny we need to take on board with this report.

I will hand over to Chris Brooke for the second part of your question.

Mr BROOKE: Member for Nelson, can you reiterate which ...

Mr WOOD: I am asking because this table says: 'Surplus or deficit by program for core service activities' and it shows the number of programs, in the case of East Arnhem, has gone from 24 deficits last year to 31 this year. Does that mean these councils, when it comes to operating their core services, are operating in deficit? That might be a simplistic way of looking at it, but that is what it is. If they did not have all the other bits to help them, are they ...

Ms McCARTHY: All the extra curricula activities?

Mr WOOD: Yes, can they operate?

Ms McCARTHY: I will hand over to John Tobin, member for Nelson.

Mr TOBIN: There is also an issue within the accounts as to how people are allocating costs and the consistency between them all. It is one of the things identified in it. Yes, it is correct, where a council is undertaking an activity we would like to see them making something out of that - a contribution to assist with the delivery of core services. One of the central themes through this is the rate basis is so low, but council's undertake to deliver services for other levels of governments. One of the issues the review also identifies is some of those services have been delivered by government without an appropriate recovery of overhead. In some places it refers to it as a margin as if it was an activity that could be delivered by a private sector enterprise.

Yes, you are correct, but keep in mind, in a general sense, the operating deficit also includes non cash costs. For instance, if you look at our municipalities last year they also generated operating deficits but were classed as viable, as are the councils if they are able to meet their outstanding debts. It is a question of long-term planning.

One of the other issues the CFO was referring to, and it is also picked up in the report, is the timing of bringing on liabilities and assets in relation to grant funding. In some accounts, one of the councils has \$6m worth of grant that shows up as revenue and the next year it shows \$6m of expenditure against nil revenue. That is straightaway a \$6m drop off the bottom line. There is a question about consistency because for us to assist the whole sector we are going to have to do further work in uniform reporting and engaging the local government sector to get to comparable and consistent outcomes.

Mr WOOD: Sorry, member for Katherine.

Mr WESTRA van HOLTHE: Are you along the same line?

Mr WOOD: No, it is okay. I do not want to take too much of your area.

Mr WESTRA van HOLTHE: While we are on the same line ...

Mr CHAIRMAN: I would like to clarify that point procedurally. When there is much questioning you have discretion to jump in to continue it. That was fine.

Mr WESTRA VAN HOLTHE: Yes, we have been doing that and it is not a problem. While we are on that line, if you turn to page 136 of the Deloitte report what concerns me more than what I see on page 133, is the number of agency services programs with operating deficits within the East Arnhem Shire. That is repeated in some of the other shires. I presume these are tied grant programs, so the shires are given a bucket of money to use towards a particular program such as running a Centrelink agency or an aged care or childcare facility. In 2011, for East Arnhem Shire, more than half of those programs ran at a deficit. That means operational funding from the shires has to be pumped into those programs to keep them alive. What are you going to do about that?

Ms McCARTHY: That is precisely why I am establishing a task force to engage directly with the Commonwealth. While there are Northern Territory agencies, we have a large number of Commonwealth agencies which are relying on the shires and, at the Commonwealth level, we have not had direct engagement in that space. When we began the reforms in local government in 2008, the Commonwealth was not in that space. This has been a critical issue for the Northern Territory, and these reforms, from the start.

One of the directions I have given the department, and a strong emphasis I have placed with LGANT, is we have to move very quickly on these recommendations and show the Commonwealth this is very serious. We can articulate for all the shires exactly where the falling down has been in financial support with these programs. I will hand over to Ken Davies to provide some more information.

Mr DAVIES: This is a question for the shire, but if you look at the 2010 figures and then at the expenditure in 2011 - this is on page 137 - where those deficits are arising, in the children's services area there was a \$102 000 surplus in 2010 and a \$1m decline in 2011. The question I have for the shire is - and I have not asked this question or unpacked that - 'Did you lock yourself into expenditure you did not have? Did you start a service that was not sustainable? What conversations did you have with the Australian government to ensure you had the right funding to deliver the services required?'

The fact this service has gone from \$102 000 surplus to a \$1m deficit in 2011 may raise questions about when the money was spent, who was employed, and what program was funded. In going to the issue of budgets for 2009, 2010 and 2011, we cannot have shires delivering programs where there is not sufficient budget to do it. At what point do you stop to renegotiate? These are largely Commonwealth government programs. The CFO of the shire would be asking some hard questions and there would be questions. I understand East Arnhem Shire has had discussions with the Australian government authorities about whether or not they will be able to continue to deliver the service if deficits arise.

Mr WOOD: I am quoting from the final report of the CTC which assessed the original benefits the government said local governments would have if they amalgamated:

There will be minimum service delivery standards for core level government services in every community

It goes on to say:

Non-core services properly funded.

The CTC's response was:

Insufficient funding for non-core services.

The government made that promise three years ago but it is still happening. Why was the department of Local Government not ensuring the promises it had given these amalgamated councils happened - that there would be enough funding? If there were problems, as Ken said, why was the department not ensuring it was not happening and they were being properly funded?' That was the promise and, like the roads, it has not happened.

Mr CHAIRMAN: Before you answer, minister, I need to clarify how the call works. I assign it and we do not do bounce back. The shadow has the current line of questioning. At the end of that line of questioning and before we leave the output you are welcome to come in, but we do not go back and forth. It is the shadow's call. I am going to allow that question because I will not get you to repeat it later, but you are welcome to jump in at the end of the shadow's line of questioning with your questions rather than wait until the end of the output. That is how it is meant to work, but I will allow that question.

Ms McCARTHY: Member for Nelson, I am looking at the page of your CTC progress on delivering local government reform benefits. I will respond with the same answer I gave in regard to roads. There was no time frame on reform. We are still in government and we are actively working on all the issues facing the shires across the Northern Territory.

Mr WOOD: Can I make it clear? I am not trying to be super-negative about the councils in the sense I know there are many hardworking people out there, but there were many promises made as to why they should amalgamate. We now have the Deloitte book on what is wrong with the councils, and many of these things seem to have come back to bite the government, unfortunately.

Ms McCARTHY: To answer that, Mr Chairman, we are constantly in this process, member for Nelson. I cannot see if there was a particular date we said these promises would be completed. As Local Government minister, I am continuing to fight for the things we require.

A member: It is getting worse. You cannot drive on a task force. The roads are worse.

Mr CHAIRMAN: The member for Katherine has the call.

Mr WESTRA van HOLTHE: How often are the council's, including shires, financials reported? That might be as simple as annually?

Ms McCARTHY: When we spoke about this with you last year we would have quarterly reports for the department. It was one way of identifying issues much sooner without them having to hit the wall and us being unaware. One example I gave in Estimates last year was the Barkly Shire Council and the fact those quarterly reports alerted us to some possible issues down the track for the Barkly Shire Council. In fact, at the time I cautioned some members of the Opposition - it could have been the Independent member at the time, the member for Macdonnell - to be very careful about throwing figures out there when none of those figures were accurate. In fact, they were completely inaccurate. We needed to first ensure a responsible approach to dealing with the facts of their problems and having quarterly reports was beneficial to doing that.

Mr WESTRA van HOLTHE: Minister, if you have been receiving quarterly reports you would have been aware of the financial position of all the shires on a quarterly basis for the past nearly four years. Why are things getting worse for the shires? If I look at the tables on page 136 or 133, 2011 is worse than 2010, and generally worse than 2009. Why are things getting worse under your stewardship if you are, as you say, receiving quarterly reports on the shires' financials?

Ms McCARTHY: There are probably a number of answers to your question. First, having complete non-support for any reform across the Northern Territory does not help the shires or the employees of the shires when they feel constantly under siege for whatever it is they are supposed to be doing. That does have a very profound impact on the work morale and a profound impact on people's ability to engage with other sectors of the community. Those things have an impact in some way.

Let us acknowledge that right across the Northern Territory in local government - if we look at the last 100 years of local government across Australia, there have been significant issues for different councils along the way, even with the smaller councils in the Northern Territory prior to reform. What we know, after the financial sustainability review, is there are other states - and I identify Western Australia - where over 50% of their shires have the same issue. Look at New South Wales and South Australia. This is not unique to the Northern Territory. What we have had in the Northern Territory that is unique is nearly 50% of the land mass is Aboriginal land, and therefore the biggest issue we are faced with is other options of revenue other than government. And, of course, what we are doing is trying to reform the local government sector across the Northern Territory recognising we are doing it on Aboriginal land.

Mr Giles: This is your model and it is worse now than before. The roads are worse.

Ms McCARTHY: Do you want to hear the answer to the question?

Mr CHAIRMAN: The call is with the member for Katherine. I ask other members not to interrupt.

Mr WESTRA van HOLTHE: I am sitting here listening, minister.

Ms McCARTHY: The challenge is identifying other ways to provide revenue when 80% of the revenue that goes to our shires is through grant funding from the Territory and Commonwealth. We have enormous

reforms occurring across the Northern Territory, and we know these reforms are incredibly challenging. We also know having this report done, as I have said consistently to the committee this evening, we have factual data we can articulate and argue quite strenuously with the Commonwealth as to its role and responsibility here where it has been vacant in that space.

Mr Giles: It is your local government model. It is your model, you designed it.

Mr CHAIRMAN: The call is with the member for Katherine. I ask other members not to sledge, essentially.

Mr Giles: I am not sledging, just providing feedback. It is a Labor model of shire ...

Mr CHAIRMAN: It is breaching standing orders. The call is with the member for Katherine.

Mr Giles: ... and there are dysfunctional councils out there. It is your model, take responsibility.

Mr WESTRA van HOLTHE: Minister, you have had quarterly reports on the financials of the shires for the past nearly four years. Given last year you identified three shires in the red, did that ring any alarm bells with you? We are now 12 months on. What have you done to address that in the last four years given you have been in receipt of shire financial positions every quarter? Have you allocated resourcing, staffing, to work specifically with the shires on their financial management practices? If not, why not? If you have, why are the shires becoming financially worse?

Ms McCARTHY: We most certainly have been working with each of the shires. That is part of the process of the quarterly report and the department, and officers within the department responsible for working with particular shires, are doing exactly that. I also need to remind the committee this is about a third tier of government where there are councillors elected into the shire councils who also have a very strong responsibility of governance and determining the direction and the decisions made by each of these shire councils. As we all know, you can make a decision to spend money on something that is very efficient and works for your constituents, or you could make a decision to spend money on something that is totally useless. If I refer to this report - and the West Arnhem Shire is mentioned as one of them on page 153 - the current management of the West Arnhem Shire believes its spending over three years has been excessive. That is something they have said to the independent review by Deloitte.

We have to be very careful here. The department's role is to monitor and support, through these financial checks on a quarterly basis, what is going on. There is also a role and responsibility for elected members across the Northern Territory within each of these shires.

Mr WESTRA van HOLTHE: Are you blaming the elected members?

Ms McCARTHY: It is important for you to recognise there are many elements to ensuring a shire is working. The role of the department and officers in working with them is a critical one, but also ensuring the empowerment of people across the regions to be able to make decisions which best reflect the growth of their areas.

Mr WESTRA van HOLTHE: I take it you are suggesting there is a shared responsibility for financial management of the shires, and that vests in both the elected members, no doubt the executive staff of the shires, and also there is a role for the department.

I asked you whether you had put staff in place and resources to assist the shires, and I believe the answer you gave was yes. Why then are the shires performing worse now than they did last year and the year before?

Ms McCARTHY: I refer you to the Chief Executive. There is certainly monitoring of each of the shires through the financial quarterly reports that come through. I will hand over to the Chief Executive.

Mr DAVIES: Can I ask Chris Brooke to explain the ratios we are working with for the shires in their solvency? The advice we have says - and the report clearly says it - that some have short-term sustainability issues. West Arnhem Shire is one. Others are medium and others are longer term. Let us talk about where they are right now. Chris, if you could explain to the member for Katherine just where they sit in their 2010-11 audited financial statements, please.

Mr BROOKE: There is a summary of the ratio analysis Deloitte did on page 20 of the report. The one you need be directed to is the current ratio which is, essentially, the solvency test Ken has just referred to.

Mr DAVIES: Where is that, Chris?

Mr BROOKE: Page 20 of the Deloitte report. Deloitte explain how they have done that calculation on page 18, which is the current ratio calculation. Essentially, anything above one means it is a dollar-for-dollar calculation. For every dollar of current asset, they have a dollar of current liability. So, anything above that means - in the case of Barkly, for example, their ratio is 2.7. It has \$2.70 for every \$1 of current liability at that point in time. In regard to solvency, the ratio would indicate they are fairly solvent in their current obligations for liabilities. Deloitte has summarised that on page 24 for all the shires they looked at.

Mr WESTRA van HOLTHE: Thank you, Mr Brooke.

Mr DAVIES: In the work we are doing in monitoring and working with shires with our compliance team and the budget work we have been doing, I will go to Rob Kendrick who can let you know what our staff have been doing in that regard.

Mr KENDRICK: In respect to supporting the shires, our compliance team has a rolling program working with the shires. When we identify a shire may need some extra assistance, there are examples such as providing on-the-ground support to Barkly Shire Council with our members getting in there on the ground and working with them to identify issues and processes. Another aspect would be special audits we conduct. A recent case in question was with the West Arnhem Shire Council where we provided a grant for a financial expert to work with the shire to provide some support.

Mr WOOD: Member for Katherine, could I ask a question on that line?

Mr CHAIRMAN: Have you finished that line, member for Katherine?

Mr WOOD: It is about the role of the council executive, but if you keep going I will come back.

Mr WESTRA van HOLTHE: I will have one and then you can jump in, Gerry. You have employed a financial expert to work with which shire?

Mr KENDRICK: We have provided a grant to the West Arnhem Shire to employ a financial expert to help it understand and work through its financial issues. It is all about providing better governance and a way forward.

Mr WESTRA van HOLTHE: Can I suggest you are saying, overtly or not, they do not have the expertise and skill within their own executive to do that?

Mr KENDRICK: No. In respect to the West Arnhem Shire Council, again with our compliance people working with them, there was a belief and understanding which resulted in a request to provide a higher level of expertise for them. The best way to do that was to bring in an outside person. We provided a grant to the shire for that to occur.

Mr WESTRA van HOLTHE: Have there been any other forms of cash injections or grants provided to the shires to ameliorate their situation?

Ms McCARTHY: I will refer to the Chief Executive.

Mr DAVIES: There has not been any direct cash injection into the shires to assist them at this point in time. We have been trying to understand how they draw up their budgets, what they have been spending, and what their non-core service delivery has been costing. We have this documented now. This review gives us a very clear line of sight to what the issues are, but we have not had a direct request where we have needed to respond to reinstate additional cash to preserve solvency.

Chris has just explained that, at the moment, all the shires can still pay their bills. Clearly, West Arnhem Shire is at risk, but all the others are in a space where we have some time to work with them to ensure their budget - they are not spending more than they get - and also to work on this issue of sustainability going forward.

Mr WESTRA van HOLTHE: Probably one last question on this line. Is there anything in this report, factually, that you have not had access to prior to this report being published?

Mr DAVIES: Are you asking me or ...

Mr WESTRA van HOLTHE: Whoever?

Ms McCARTHY: The in-depth reporting has not been there. In relation to your earlier questions about the figures, the shires, and the worsening situation, part of the reform was also about the asset register across the shires - the fact there was an inability to locate and identify what assets there were, the accumulation of those assets and the costs of those assets. I said earlier, we know through this reporting there are assets worth over \$360m. Depreciation of those assets needs to be taken into consideration in these figures. The fact the figures have dropped dramatically is an issue with the accrual accounting system that has to now be directly addressed across the shires and the issue around depreciation of assets. That has made a quite profound impact on the bottom line.

Mr WESTRA van HOLTHE: I might wind up that line of questioning and pass to the member for Nelson.

Mr WOOD: In relation to the role of CEOs, when the councils were first mooted there were some advertisements down south which were no run here trying to employ southern CEOs at very high salaries to be part of the development of the shires. The councils did not have any say in that.

There are still a number of CEOs on big salaries - page 88 of the Deloitte report says there are at least eight CEOs who receive between \$160 000 and \$220 000 as a base salary. I am not bemoaning that. I am not picking on anyone in particular, but CEOs have a role under the act. They are well paid and I would hope questions are asked by the department of the CEO, or the CEO of the department, on a regular basis notifying you, or you notifying him or her, about financial issues. After all, that is the job of the CEO. There is a responsibility for the CEO to ensure a council is financially managed as the act specifies? What is the role of a CEO if these councils are not financial?

Ms McCARTHY: Member for Nelson, you are right about the discussions with the CEOs. What we have had in place, along with the quarterly reports, is consistent discussion with the department and the CEOs of the shires. As minister, I have consistent discussions with the mayors and presidents of the shires. I will hand over to Ken Davies who can go further into those conversations with the CEOs.

Mr DAVIES: Member for Nelson, this adds more weight to what you have been saying. Regulation 18(1)(2) of the Local Government (Accounting) Regulations sets out what financial reports a CEO must table at shire meetings. They must report on the income expenditure of the council for the period from the commencement of the financial year to the end of the previous month. They must forecast income and expenditure for the financial year. They must detail all cash and investments held by the council, a statement on the debts owed to the council, including aggregated amounts owed under each category with a general indication of the age of the debts, and other information required by the council. This department has been conducting very regular shire CEO forums.

When I came on board, minister McCarthy made it very clear that those shire forums had been running for a while. She also made it very clear that she wanted the shire mayors there so they could be part of those discussions and understand the critical issues facing shires. We have had regular meetings with them and at the local regional level, and the central office level, we have had dozens of conversations with shire CEOs ensuring they are fulfilling the requirements under the act.

Mr WOOD: What concerns me - and I will stand corrected - is councils set up large administration bodies. There is a facility just down the road for West Arnhem or one of the shires. They employ a fairly large number of people in administration. I thought that was a result of changes to the *Local Government Act*, which requires much more reporting so you had to have more people. You have to have the five-year plan, the regional plan, and the something else plan. The Deloitte report says what needs to happen quickly. The list is on page 52 and there is a sheet on the other side. Under accounting related issues it says:

Templates for annual financial reporting should be established ...

Financial reporting should be more transparent in relation to related party transactions.

The accounting and treatment of property, plant and equipment should be improved and consistently applied.

The accounting treatment for unexpended grants should be consistently applied.

The accounting treatment of liabilities for annual and long service leave should be consistently applied.

What is worrying is why Deloitte has to tell a council with a CEO which spends much money on administration that that is required. The government picked the CEOs at the beginning of this amalgamation. Is it not an indictment of the system - either from the department's point of view or the council administration point of view - that Deloitte had to tell them to do this? Perhaps I am wrong, but it seems we have put many things and much effort to ensure councils are not dysfunctional, as Jack Ah Kit once said. When you see that - I am not saying they are dysfunctional, but you would ask, if they are returning to poor accounting practices, if Deloitte is saying some things are not in line. It is a long question.

Ms McCARTHY: No, it is a fair point because you are looking at what Deloitte identified on pages 52, 53 and 54 as the prioritised implementation. We have accepted this completely. Let us not forget - I keep saying this - this is about three years of data we have had put together for us on what we can do to move forward. We recognise, when you look at the points you have highlighted - 4.7.3, 4.7.4 and 4.7.5 - that the processes within the system of each of the shires needs to be addressed, and this shows us where we have to do that.

I also point out, member for Nelson, that each of the shires is incredibly unique in the circumstances and difficulties they have had. For example, the work we have had to do with the MacDonnell Shire and the issues surrounding Mutitjulu this time last year, and the fact Mutitjulu pulled out of the shire - we had to deal with that issue in the MacDonnell Shire. We then had issues with the Central Desert Shire in relation to the appointing of overseas communications for them. We have some other areas - our call centre. In the north, there are other issues surrounding the employment and advertising of positions. Each of these shires has different issues they are faced with. That, coupled with the fact there are process issues. As I mentioned earlier, the assets register alone has taken a significant amount of work on top of the reform itself.

I take it on board; it is a fair comment, but I do not see this report as negative. I see this report as an important blueprint for everyone. That is from the shire CEOs to the shire management, employees, councillors, to the departmental staff in the Northern Territory government, to agencies at the Commonwealth level, that we all have to pull together - the three levels of government - to ensure these reforms are successful in the long run.

Mr WOOD: I have met many of the councils and they work very hard under very difficult conditions, considering the size of the councils you are dealing with. Barkly is one-and-a-half times bigger than Tasmania, I understand that. However, when much money is spent to start the councils off with people with expertise, you would hope that is the reason you paid that money.

For people listening, it is my job as a member of the Public Accounts Committee to ask those questions. I am not trying to pick on any one personally, but they have to be asked because you have already said three councils are in the red. I am asking, as is the member for Katherine, when you put money into council administrations and have a whole department of people who have a role to play in checking, why do we have, at this stage, three councils in the red? That is my concern.

Mr WESTRA van HOLTHE: Minister, what effect will the carbon tax have on the shires bottom line?

Ms McCARTHY: I knew you were going to ask this question, member for Katherine.

Mr WESTRA van HOLTHE: Did you?

Ms McCARTHY: Just let me find my papers.

Mr WOOD: Wagait shire will be listening to this.

Ms McCARTHY: I asked my department to have this ready for you, member for Katherine, so just bear with us.

Mr WESTRA van HOLTHE: I am glad I asked it, otherwise you would have been disappointed, minister.

Ms McCARTHY: Very disappointed. Member for Katherine, I will refer to Rob Kendrick.

Mr KENDRICK: With respect to the carbon tax, there are issues with waste management and the carbon tax associated with that. In respect to the shires, no specific modelling has been done for the Northern Territory shires. The main issue with the carbon tax will be indirect costs, such as fuel for vehicles and the increases in that, and electricity generation.

In New South Wales, some of the modelling done there in respect to councils worked out at about 0.6%. The weighting in New South Wales was mainly on the indirect costs associated with electricity generation, less so with fuel costs. In the Northern Territory, we would probably expect a turnaround, so there would be less weighting on electricity generation and a greater weighting on the fuel costs for the councils.

For the shires, the primary issue is the indirect costs, and no figures have been attached for the Northern Territory in the Shire Financial Sustainability Review. Carbon tax was one of the issues raised for consideration for the future of the shires and is something government will have to be mindful of.

Mr WESTRA van HOLTHE: Do you have anything on carbon tax?

Mr WOOD: Just a small thing.

Mr WESTRA van HOLTHE: Go on.

Mr WOOD: Every council building is air-conditioned, I would imagine, except the workshops. I was talking to an air-conditioning engineer or technician the other day, and the cost of the gas used in air-conditioning is going - off the top of my head - about \$18 per whatever to about \$36, or even higher. It may not sound much, but maintenance is required on air-conditioners and the gas needs to be refilled. There will not be any compensation, the council will have to pay more, and that would apply everywhere in the Territory. I was told by the engineer recently. I do not know how they would cover that, but it is an indirect cost they will have to pay.

Mr WESTRA van HOLTHE: Minister, what effect will leasing payments have on the shires' bottom line?

Ms McCARTHY: I will refer to Mike Chiodo.

Mr CHIODO: Could you repeat the question for me, sorry?

Mr WESTRA van HOLTHE: Minister, what effect will leasing payments have on the shires' bottom line?

Mr CHIODO: The impact of the leasing payments - and we are talking about infrastructure leasing payments here - is yet to be established. We have been working with LGANT and the shires through the RIPO and the Land Tenure Unit to assist them in establishing which assets they intend to maintain on leases.

In the interim, they have been conducting their own negotiations with the NLC and the CLC, as well as the TLC and the ALC, to establish their own formula for leasing. At this point, we cannot give a substantive figure, but that is the process they are going down.

Mr WESTRA van HOLTHE: Have you done any modelling that might suggest a ballpark figure based on the arrangements between the NT government and land councils?

Mr CHIODO: Through you, minister, the exercise we have conducted is based on the percentages we are using for our own costings. We have provided those to LGANT as part of their ongoing exercise. However, I do not have those figures with me at the moment. I could take that on notice, minister.

Ms McCARTHY: I am happy to take on notice, member for Katherine.

Question on Notice No 5.9

Mr CHAIRMAN: Can you repeat the question, please?

Mr WESTRA van HOLTHE: Could you provide the estimated cost of leasing payments by the shires based on the arrangements the NT government has with land councils, and the costs associated?

Mr CHAIRMAN: That is question No 5.9, minister.

Mr WESTRA van HOLTHE: Minister, are there any plans by your federal colleagues or the Northern Territory government to compensate the shires for the additional costs associated with carbon tax or leasing payments, or will the shires have to fund it out of their existing allocations?

Ms McCARTHY: Establishing this task force is going to be a very strong part of the discussions with the Commonwealth. As soon as I have a response, I will let you know.

Mr WESTRA van HOLTHE: A non-answer, but thank you, nonetheless, minister. What are the time frames you have to set the task force up and implement the 32 recommendations from the Deloitte report?

Ms McCARTHY: In my discussions with the shire mayors and presidents and LGANT, I have asked for this time frame to be within the fortnight - that we establish the terms of reference and the makeup of the task force.

This year is about pushing forward the road map, not only of the recommendations from the review, but also about looking into the next five years of support for the shires and the longevity of the work required. We have, as I said in one of my earlier answers, some very strong challenges. Of course, not least of all is the issue over other forms of revenue for the shires on lands across the Northern Territory. In the next fortnight, member for Katherine, to answer your question.

Mr WESTRA van HOLTHE: That is to set up the task force. What about the implementation of the - there are 32 recommendations, 20 of those are listed as high priority ...

Ms McCARTHY: Absolutely.

Mr WESTRA van HOLTHE: ... and within that 20, seven are the responsibility of the department. How long before the high priority recommendations are implemented?

Ms McCARTHY: Regarding the high priorities, we are working on those as soon as we get out of Estimates, really. It is something we have been working on since I released the report and the discussions that I had with the shire mayors and presidents. It is quite critical for us to be moving on this very quickly, member for Katherine.

Mr WESTRA van HOLTHE: I have concerns, minister, especially around a question asked by the member for Nelson before, and answers you have given about promises relating to the implementation of the shires. Here we are, four years on, and your government still has not lived up to all the promises. Can we expect this process of implementation to take another four years - a term of government longer?

Ms McCARTHY: In my response to the member for Nelson I said we are still in government and are working on the reform. There was no time frame given for the final delivery of everything. A massive reform has taken place across the Northern Territory. It is important to highlight the significant steps each of the shires have made. We are here to examine the budget and to look at the issues raised around the shires. I want to put on the record to those shire councillors and staff listening across the Northern Territory - in MacDonnell, Indigenous employment and strong commitment to provide accredited training and a wide range of skill sets, street naming, signage, traffic works to improve safety; the Santa Teresa pool is up and running. The Central Desert Shire - the use of CDEP for local employment, bushfire management and control, and the school nutrition programs are fantastic things. In Barkly, a highly successful animal management program with visits to each community at least every four months, small council category winner in the National Local Government Awards this year improving services to remote communities for animal health program, upgrades. For Roper Gulf, community development and strong engagement with youth. In April, they were commended in the National Local Government Awards 2012 in the Engaging and Strengthening Indigenous Communities category for youth services. Vic/Daly Shire Council - NT - RIBS and recreation ...

Mr Giles: Is this a ministerial statement?

Ms McCARTHY: No, this is important.

Mr CHAIRMAN: This is in response to a question from your colleague, member for Braitling.

Ms McCARTHY: It is a response and it needs to be put on the record. We have not had the opportunity to put on the record the good work taking place in the shires - the Vic/Daly, bronze status in the National Gender Equity Project 50:50 Vision. April 2012 - commended in the National Local Government Awards 2012 Engaging and Strengthening Indigenous Communities. West Arnhem Shire, well-managed sporting programs. In October last year, Territory Tidy Towns awards for Jabiru. It was named best large community.

Mr Giles: Did you get the Maningrida tip?

Mr CHAIRMAN: You are on a warning, member for Braitling.

Ms McCARTHY: Also, the council has recently won the Resource Recovery Award for Jabiru's innovative recycling program which aims to significantly reduce waste going into landfill in Kakadu. In East Arnhem, the Reconciliation Action Plan was launched last year. It has also been a small council category winner in the National Local Government awards 2012 promoting reconciliation. East Arnhem Shire Council sport and rec officer, Sebastian Pascoe, has been selected as one of 50 Indigenous leaders of the future to meet in Canberra next week. The Tiwi Shire, bronze status in the National Gender Equity Project 50:50 Vision commended in the National Local Government Awards Women in Local Government category.

Mr CHAIRMAN: Is it possible, minister, to have that tabled?

Mr WESTRA van HOLTHE: I want to acknowledge the good work of the shires and shire staff because they have had to operate for the past four years under extremely trying conditions visited upon them by the way this whole process was set up from day 1.

To change tack, unless the member for Nelson has anything particular on that? No, it does not look like it.

Minister, how is LGANT funded for its operations? What is the quantum of funding the Northern Territory government provides to LGANT?

Ms McCARTHY: Member for Katherine, I will go to John Tobin.

Mr TOBIN: The association is funded by member contributions. If it has a specific purpose it wishes to address it submits - from time to time it is funded for specific purposes by the Northern Territory government.

Mr WESTRA van HOLTHE: You do not provide operational funding?

Mr TOBIN: Not on an ongoing basis from our department.

Mr WOOD: Any more on LGANT?

Mr WESTRA van HOLTHE: Yes, probably one or two more. Minister, I refer you to page 119 of Budget Paper No 3 with respect to the key deliverables. There are 12 key stakeholder forums budgeted for the next financial year, which is the same as this year. In the current year, who provided these stakeholder forums, who attended them, what did they achieve?

Ms McCARTHY: I will hand over to the Chief Executive, Ken Davies.

Mr DAVIES: These stakeholder forums are made up of regional shire CEO and mayor forums I hold. They are also forums for the LGANT Accounting Advisory Committee. These are the types of forums we conduct. We have been holding them and we will stick to that process. That is why we are recommitting to that target in the budget for 2012-13.

Mr WESTRA van HOLTHE: What do those forums cost?

Mr DAVIES: I could find that information for you.

Ms McCARTHY: We will take that on notice.

Question on Notice No 5.10

Mr CHAIRMAN: Can you repeat it, member for Katherine?

Mr WESTRA van HOLTHE: Of the 12 local government key stakeholder forums during the current financial year, what was the cost of those forums?

Mr CHAIRMAN: That is question No 5.10.

Mr WESTRA van HOLTHE: I notice those forums say they work towards strengthening shire governance. I also refer you to page 53 of the Deloitte report regarding training in governance for councillors. This is one of the high priority recommendations at the top of the page.

Ms McCARTHY: Sorry, member for Katherine, which page are you referring to.

Mr WESTRA van HOLTHE: Page 53 of the Deloitte report. That is one of the high priority recommendations you will see at the top of the page. Who will be providing that training? Will it be LGANT or the department? There are no trick questions here. I am trying to establish whether there should be more of these forums, whether they should be in a different form, whether they are one and the same thing or a double up.

Ms McCARTHY: LGANT has been in this space of training in governance across the regions. I advise the committee of my insistence with the department that the governance training, not only for shire councillors but also for local board members, has to be a priority. When I came in as minister three years ago the focus on governance was a specific one, particularly for shire councillors, but we have also recognised it does need to expand to board members at the local level.

Mr CHAIRMAN: We will take a dinner break and return at 7.30 pm with the member for Nelson following that line of question on LGANT.

The committee suspended.

Mr CHAIRMAN: We will start again, minister. We are at output 1.1, Local Government, and we are with the member for Nelson on the line of questions around LGANT before we return to the member for Katherine.

Ms McCARTHY: Thank you, Mr Chairman.

Mr WOOD: Minister, I follow on from what the member for Katherine said. It surprises me that 4.3.5 in the Deloitte report says councils need to receive ...

Ms McCARTHY: Member for Nelson, are we talking about page 53?

Mr WOOD: Page 53, I beg your pardon. This remedial action surprised me - councillors need to receive appropriate training in governance and leadership. Probably 15 years ago at least, that was a core function of LGANT and it surprises me it has come up here. I have not spoken to LGANT, but I thought it would undertake leadership training on a continual basis. Do you know if LGANT has been doing that type of work, which they were paid to do at one stage? If not, why not? That issue alarmed me because I thought that was their job.

Ms McCARTHY: Member for Nelson, LGANT is definitely still in that space of working with councillors and governance training across the Northern Territory.

Mr WOOD: I do not know if anyone has been in touch with Deloitte. A heading on page 62 says:

Councillors need to receive appropriate training in governance and leadership.

It also says, under remedial action,

Roles and responsibilities of council should be clearly defined ...

Etcetera: Further on:

LGANT would be well positioned to take the lead in developing and communicating roles and responsibilities.

I thought that is what they did and I am wondering how that came to be?

Ms McCARTHY: I agree with you, member for Nelson, because LGANT is in that space. There would need to be clarity in what information LGANT provided to Deloitte regarding what they do. In my discussions with LGANT, that is what I have asked them to do as well as working with councils across the Northern Territory. I am going to also check with my CE.

Ken, are you able to provide any further information for the member for Nelson on it, because it is something we have been working with LGANT on?

Mr DAVIES: Member for Nelson, only to say that Tony and his team clearly are focused in this area. This report, where it puts the lead agency as LGANT, it is literally that. If there is going to be further training in governance and leadership, then the place to best lead that from is through the Local Government Association. It will be our job to get in behind the association and ensure this is delivered. We will certainly be talking to the Australian government about additional funding going in. LGANT have just run the big conference.

This lead role does not mean sole responsibility, but it puts LGANT in the lead. That is where they, appropriately, should be. It is a restating of the fact, but that is exactly what it is meant to do.

Mr WOOD: I should apologise to LGANT; I did not realise the conference was on. That is a bit slack.

Mr DAVIES: It was a fantastic conference.

Mr WOOD: I missed something and regret it. That is my question on that line.

Mr WESTRA VAN HOLTHE: Minister, in the past 12 months, have you or your department been asked to assist in any investigations into any impropriety or criminal allegations within any of the shires, or councils, for that matter?

Ms McCARTHY: Yes, member for Katherine, I will refer to the chief executive.

Mr DAVIES: I will check my updated brief of that. Regarding investigations and interventions, I will read off this. Of course, I will not go to the specifics around naming individuals. We have had financial interventions by compliance staff in the West Arnhem Shire Council. That has been, in particular, in relation to getting a special audit undertaken by BDO accountants, which found the council's financial management processes and practises were inadequate. So, we work with them. This goes to the earlier discussion that Rob Kendrick had in relation to generating a special purpose grant for the shire to procure financial expertise and address the recommendations of the BDO special audit report. They have engaged Merit Partners to give them a hand to do that. That is a specific capacity building, but also quite forensic process we want them to go through and is also about ensuring elected members know exactly what is going on, in keeping with the earlier comment from the member for Nelson.

The other investigation we did was in relation to the MacDonnell Shire Council and its business affairs. This followed a suspect of material irregularity in conducting the MSC business affairs. We did an investigation, a report was produced, and the MacDonnell Shire Council has progressed to address those matters raised from the investigation. That was part of the work done around understanding how the contract was let to the overseas company which was going to provide a core service. That was done at the direction of our minister who was concerned it, and there were clearly concerns raised in the public domain.

I can go to some disciplinary matters, but not too deeply. There have been a couple of complaints received from Palmerston City Council members about a member-to-member issue. This was dealt with in accordance with section 81(b) of the act. There was a complaint lodged by a staff member of the Barkly Shire against an elected member of the council which was dismissed as lacking in substance. They are the ones we have dealt with, member for Katherine.

Mr WESTRA van HOLTHE: Are they the only ones reported to you in the past 12 months?

Mr DAVIES: They are the ones reported to 30 March 2012. There has been at least one other reported, and we have referred that to the investigative committee.

Mr WESTRA van HOLTHE: Could you say which shire and the nature of that?

Mr DAVIES: I go to Rob Kendrick.

Mr KENDRICK: In respect to the recent ones, there is one matter for the Vic/Daly Shire with respect to a behavioural issue, and the Macdonnell Shire Council as well in respect to a behavioural issue.

Mr WESTRA van HOLTHE: So, there are several?

Mr DAVIES: Sorry, member for Katherine. There are two. I knew it was one or two, and they are both related to issues with elected members.

Mr WESTRA van HOLTHE: No complaints have been received in relation to any alleged criminal activities or behaviour by anyone within the shires or councils?

Mr DAVIES: Not that is referred to in these processes. There are separate issues we deal with through the whistleblower process, but we would not be at liberty to disclose those here.

Mr WESTRA van HOLTHE: In the interest of time, I would be done.

Mr CHAIRMAN: Output 1.1, member for Nelson.

Mr WOOD: Thank you, Mr Chairman. My question will turn to rating. It is mentioned in the Deloitte report that rateable properties may not be identified and rates not collected. It also mentions - I am trying to find the section. It might not be there. It says the type of rates - what do they call it now? Conditional rates would be finished.

It is also looking at other ways councils could increase their revenue. The CTC has said, for some time - and the member for Arafura has said for some time - in the CTC final report on page 146, Recommendation 12 says:

The NTG amend legislation to enable shires to increase their own revenue base, such as through service fees in remote Aboriginal communities where they provide services.

As there was, basically, a guarantee the government would look at the recommendations of the CTC, I am interested to know whether, in response to this report and the recommendation from the Council of Territory Cooperation, the government would give this serious consideration as an alternative to increasing funds for councils, considering Aboriginal Land Trust land cannot be rated, and an anomaly in shires where some people are paying rates and some people are not and those not paying are still receiving service? Will the government consider that recommendation from the Council of Territory Cooperation?

Ms McCARTHY: Member for Nelson, clearly, part of the strength of setting up the task force in the next fortnight is to look at the issue of other forms of revenue, specifically, the issue around rating. I say to the Estimates Committee it is very clear to me, and I will be instructing the task force, that the recommendations the CTC has made, as well as the Deloitte report, need to be fully considered.

Mr WOOD: All we can do is keep putting it forward as an option. There seems to be some inequality and lack of opportunity for councils to get an increase in revenue.

Minister, the other area is the task force itself. Is the task force going to be made up of people from the department and local government, or will they consultants? Can we do this within the department and local government itself to save some money?

Ms McCARTHY: Member for Nelson, given I released this report this week and we are working on this as soon as we have completed the Estimates process, I have asked the department to provide a number of options as to the makeup of the task force. I have also asked the shires and LGANT to provide their input

on the way we need to move forward. I want to ensure, whatever the makeup of this task force is, it has teeth to get into the issues we need addressed and achieve results.

There also has to be recognition of other players in this space. I am mindful the Cattlemen's Association has raised issues with regard to conditional rating. I am also mindful the land councils are very much in this space with regard to the leasing of land. In the next fortnight - and I would certainly value your contribution, member for Nelson, in the reference and makeup of the task force.

Mr WOOD: Thanks, minister. I am glad you mention the Cattlemen's Association because that is an area of concern if conditional rating is dropped. It would need to be putting a case forward.

The other area that needs some attention - you mentioned it in your media release, and it concerns me somewhat because I am probably getting more philosophical in debates here - under 1.4.5 on page 13 of the Deloitte report it says:

The extent of the duplication is not sufficient to present an argument to return the current Council structure to a series of small community Councils.

They were community councils, but they were more local councils than we have at the moment.

There is an argument that further amalgamation should be considered, particularly where Councils have head offices in the same towns or where smaller Councils are not achieving economies of scale.

It concerns me a company dealing mainly with finances makes that statement. It seems to base its reasoning purely on the words 'economies of scale'.

Before I go on, there is a move in Queensland to allow councils to de-amalgamate from the big councils they were forced into. However, my real concern is this might be a fine document and we might all be concerned about whether they are making money and the pot holes are fixed - that is a very important part of local government - but, if we do not give equal weight to the idea local councils should be about community it is a concern.

We talk about local boards and works done in places, but you do not need the act to tell you to get a group of people together. You could have the Daly River Butcher's Association for all I care. They can always put their point of view forward to the local council. What really concerns me, and every time I go back to Daly River I feel it, is there are people working for the Vic/Daly Shire but it has lost ownership. It has lost that feel, and with CDEP up and down and no new housing, it worries me that we are interested only in economies of scale. I worry that we are taking some of our basic fibre of community away from the people who really need it. The ownership of community is really important, especially in Aboriginal communities. That is the sad thing for me, because I do not call these local councils, I call them regional councils. We made a mistake calling them local councils. I do not have a problem if you want to make a regional council, but I have a problem calling this local council. Look at Bulman, Barunga, and Peppimenarti; they are communities of their own and do not relate to Katherine. Daly River people relate to Darwin and I do not know how they were hooked into the Katherine region. We only went to Katherine for the footy. You always go to Darwin.

When this task force is up and running, will there be an opportunity for some discussion about what effect these changes have had on community ownership? All this is numbers, but there is some people business which needs to be addressed.

Ms McCARTHY: I totally agree when you talk about the human element and the concerns for people on the ground. This is a facts and figures document about the financial side of things. If I am in this role this time next year, I want to see a very inclusive and thorough look at all the boundaries across the shires and see that discussion happen with all the shires and the people of those areas. There are views which need to be looked into, but that is not what this review was about. It was about the economics of it. I would like to look at a number of things, not only the direction of the shires, but also some of the other issues we have raised tonight.

For example, cemeteries. I am very conscious that is something we can look into further in regard to sorry business and the impact that has across the regions, and what role the shires have in this space. We have a great deal of work to do with this reform. There is no end date to the reform, it is a work in progress;

it is an evolving area. If the task force can take this document as a road map for the financial side of things, that is the first step.

Mr WOOD: I have some more questions. On a slightly different angle, because we have not dealt with some areas in local government which need to be looked at - what is happening with the unincorporated areas around Litchfield and Coomalie?

Ms McCARTHY: Before I hand over to the Chief Executive, we have been very clear on - especially the vocal opposition to the reforms in Top End region, I have made it very clear for Coomalie, Wagait and Belyuen there has to be consultation driven at the local level. With regard to the unincorporated areas, there have been steps taken in that direction. Even Darwin City Council has been included in that by exploring options and having discussions with Wagait, Belyuen and other areas.

There has been movement in this space. No decision has been made at this point, but I have encouraged constant discussion across those areas until people feel comfortable about the direction they wish to go in. I will hand over to Ken Davies, who will give more detail about the kind of funding support we have provided in this area.

Mr DAVIES: Member for Nelson, as the minister has said, the process of expansion of local government in the unincorporated areas is very much about a community-led approach. It is fair to acknowledge there is a spectrum of opinion amongst community as to whether or not they become part of a local council.

Regarding Coomalie-led proposals, in June 2010, the minister approved a \$150 000 grant to undertake the second stage of a local government boundary expenditure initiative, or at least an investigation around three possible options: merger of the CCGC with unincorporated areas, a merger of Litchfield/CCGC and unincorporated areas as a municipality, and the merger of Litchfield/CCGC and unincorporated areas as a shire. There was not a convincing buy into that process is probably the best way to say it. A decision was taken in October 2011 to put the whole project on hold, and the minister authorised Coomalie to utilise the remainder of the unspent special purpose grant to top up its operational subsidy in 2011-12. This was in recognition the uncertainty surrounding boundary expansion had impacted upon the council's budget and future planning processes. They used that to get planning back on track, and that was part of an agreement with Coomalie Community Government Council.

The Darwin-led council proposal - in 2010, the minister appropriated \$99 950 to Darwin City Council for an investigation into the feasibility of amalgamating Darwin, Belyuen and Wagait Councils. A report on the issue relating to a possible amalgamation was submitted to the department by Darwin City Council on 12 December 2011. The report contained no recommendations for specific actions on amalgamation. Instead, it proposed the three councils explore, initially, shared service arrangements, and a project control group has been formed between the three councils to explore the possibility of shared service arrangements. That is where it is at the moment.

As part of its electoral review, the Victoria Daly Shire Council recommended to our minister the council's boundaries be extended to take in some, but not all, of the unincorporated area. This was not approved by the minister.

Dundee Progress Association has also become involved, and is proposing and has been granted, some funds to investigate their future local government options to the Dundee Finnis Bay area as part of a community planning process. It is in the process of being given some funding to do that. It is not a substantial amount, but something to give it a hand.

That is what has been going on in the unincorporated areas at this stage. No firm decisions, still very much a community-led approach.

Mr WOOD: I will put my bets, about two years after this election, someone will make a decision. It cannot go on forever, so something needs to happen.

Mr DAVIES: Clearly, the financial sustainability report is going to drive some of that discussion, member for Nelson.

Mr WOOD: My last question is a technical one and I would like to take it back to the Litchfield Council. Litchfield Council does not really have a name. Litchfield Council does not mean anything, and I have kept saying that. You are a town, a shire, or a city. Litchfield took the name 'shire' because of the change to the

Local Government Act. I have asked whether I could ask the government to allow it to have that name, because shire does not mean, necessarily, what you have in the *Local Government Act* per se. It is usually a large area, generally rural. Could there be a clause in there where the word 'Litchfield Shire' was mentioned - it was regarded as a municipality, but it retained that name. You ask: 'What is Litchfield? I live in Litchfield what?' I do not live in Litchfield Council. That is a table where the locals sit around and make decisions, but the shire is the area. It has lost that name; it does not have a name. They say it is a municipality, but that is a grouping name of various types of councils. I do not know whether the government would consider, if the council agreed, for that name to be brought back with an exemption in the act which said, in the case of Litchfield Shire, it is presumed to be a municipality.

Ms McCARTHY: Member for Nelson, I would have to wait for a decision from the council for those steps. I have not received anything at this point, but I note the interest for you from your own history.

Mr WOOD: Well, it used to be a shire. When the act changed they lost the name.

Ms McCARTHY: It is up for discussion. If the council members and the new president feel very strongly, I am sure we could talk about it.

Mr WOOD: It is a different council, but not having three swimming pools. That is all the questions I have.

Output 1.2 - Regional Development

Mr CHAIRMAN: We will move on to Output 1.2, Regional Development.

Mr Giles: Lucky I did not ask any questions on local government.

Mr CHAIRMAN: Did you want to?

Mr GILES: No. We have been on this for four hours. We will go to Regional Development.

Minister, last year, you budgeted \$6.051m for Regional Development. That has now seen a budget estimate for next year of \$8.429m - the estimate for this current financial year. There has been a \$2.5m blowout. What was that additional \$2.5m for, as opposed to the budget last year?

Ms McCARTHY: Member for Braitling, you are looking at page 113, \$8.4m, and for 2011-12, is that ...

Mr GILES: I am referring to page 109 from last year's budget, and 113 from this year's budget. In last year's budget you budgeted \$6.051m, and now you are estimating to spend \$8.429m.

Ms McCARTHY: The increase of \$2.4m to the Regional Development output in 2011-12 is primarily due to the one-off carryover of funding from 2010-11 for regional Indigenous development grants of \$1.2m, one-off additional Commonwealth funding for Indigenous economic development officers of \$0.4m, and one-off \$0.5m from the Commonwealth for the Milingimbi Road upgrades under the improving the NT roads network program.

Mr GILES: They were additional to the \$7.1m as an estimate put out in last year's budget?

Ms McCARTHY: Yes. We had \$6m for 2011-12, and the estimate was \$8.4m. That is the explanation.

Mr GILES: Was the carryover out of the \$7.1m estimated to have been spent by the end of last financial year, or is this additional money?

Ms McCARTHY: It is carryover, member for Braitling. I thought I explained that.

Mr GILES: So, \$7.104m was not actually spent?

Ms McCARTHY: I will hand over to Chris Brooke.

Mr BROOKE: No, it is just carried over from the prior year into the current budget.

Mr GILES: How much was actually spent at the end of last year's budget – you have that carryover? It is estimated here there would be \$7.1m spent. How much was actually spent?

Mr BROOKE: I have an estimate of \$8.4m for 2011-12.

Mr DAVIES: Member for Braitling, we are not sure where you are reading the figures from.

Mr GILES: On Budget Paper No 3, page 109 of last year's budget.

Mr DAVIES: Of last year's budget?

Mr GILES: Yes. You have estimated that by 30 June last year you would have spent \$7.104m. Then you budgeted for \$6.051m for this current financial year that has just run through. You have told me there was a carryover of a certain amount of money from that \$7.104m. I am asking if \$7.104m was actually spent or, if it was not spent, what the carryover was? In your budget it is \$6.051m. Now it is at \$8.429m. Does that make sense?

Ms McCARTHY: Member for Braitling, we will take that on notice because, clearly, the figures are not what we have in front of us. We will take your question on notice.

Question on Notice No 5.11

Mr CHAIRMAN: Can you repeat the question, member for Braitling?

Mr GILES: They are in the budget paper which is online - I am reading online right now. Did you spend \$7.104m in the financial year 2010-11? What was carried over into budget 2011-12? What is now being carried over into budget 2012-13? What was that new additional money for, and what has not been spent?

Mr CHAIRMAN: Are we taking that on notice?

Mr GILES: Why do we not just leave it on notice? I have read it out.

Mr CHAIRMAN: That is question No 5.11. Minister, are we taking that on notice?

Ms McCARTHY: Sorry, Mr Chairman, yes.

Mr GILES: The regional Economic Development Committees, minister - are they still running or not? Which ones are running? How often have they met, and how much do they cost to facilitate? Are any people on those committees paid sitting fees or any other remuneration?

Ms McCARTHY: We have the regional Economic Development Committees across the Northern Territory. In recent months, I have instructed a consultancy of those committees because one of the areas I have been concerned about is the linkage in regard to economic development across the Northern Territory with the overall work we are doing with *A Working Future* and also with the Commonwealth in the regional development committee.

Mr GILES: How many committees are there, and how often have they met?

Mr McCARTHY: What we have in front of us is the Alice Springs EDC, the East Arnhem EDC, the Gulf EDC, Katherine EDC, Tennant Creek EDC, and West MacDonnell Shire EDC. The last meeting we had for West MacDonnell Shire, Victoria River Downs - Alice Springs was in June last year. In Anmatjere, East Arnhem ...

Mr GILES: Sorry. 2012 or 2011.

Ms McCARTHY: Sorry, 2010 was the last one in Alice Springs.

Mr GILES: Are they operational? Minister, if you have that on a briefing, would it be possible for you to table that briefing so I could read it?

Ms McCARTHY: I have these as my notes, member for Braitling.

Mr GILES: Okay. Would it be fair to say, minister, based on the June 2010 dates - you have not got to the other ones yet, which I understand you are looking at. Would it be fair to say they are not operational at the moment?

Ms McCARTHY: It would be very fair to say that.

Mr GILES: I know you have a consultancy. How much is a consultancy? Who has it gone to? When will it be reported on? Is it still policy for regional development committees to continue into the future?

Ms McCARTHY: This is an internal process where I have asked the department to look at the Economic Development Committees across the Northern Territory. I have been concerned, while we are trying to establish economic opportunities in our regions even with the Indigenous Economic Development Taskforce, the linkages are just not there. The department is working on the consultancy with the committees at the moment and DBE.

This is the other area, trying to coordinate with another agency where we have to have a much more efficient use of our committees across the Territory in regard to economic development, but also in linking them with the broader policies we have with *A Working Future* and the Commonwealth.

Mr GILES: What would you say, minister, has been the biggest problem in the Economic Development Committee's failures?

Ms McCARTHY: Sorry? What was that?

Mr GILES: What would be the biggest problems which led to the failure of the Economic Development Committees?

Ms McCARTHY: There have been a number of issues and concerns for the Economic Development Committees. The focus for my agency has been the development of the growth towns in *A Working Future* and, while we have embarked on that, we have also had to have direct discussions with the communities in the local implementation plans. The linkage of what is going on with those plans has to be far greater with the Economic Development Committees and that has not happened.

Mr GILES: Minister, you may not have heard my previous question, who won the contract for the consultancy, when was the contract awarded, when will it be reported on, and how much?

Ms McCARTHY: Member for Brainting, I apologise for that. PricewaterhouseCoopers had the consultancy and the cost is around \$30 000. That report will be with me quite soon.

Mr GILES: Is that PricewaterhouseCoopers, Darwin?

Ms McCARTHY: Yes.

Mr GILES: Minister, can you please provide me with a breakdown of what the budgeted \$6.287m will be spent on for regional development this financial year?

Ms McCARTHY: I will hand over to Chief Executive, Ken Davies, and possibly to Bridgette Bellenger, who is working in this area.

Ms BELLENGER: It is a combination of grant funding and direct funding across the regional Economic Development Fund and the Indigenous Business Development Fund attributes some of that funding. We also have the Regional Economic Facilitation Program for Maningrida and Ti Tree included in that break-up.

Mr GILES: Sorry, that is not in the budget. The Regional ...

Ms BELLENGER: Facilitation Program - Maningrida and Ti Tree. It was an election commitment.

Mr GILES: How much are they for? Was it Maningrida and Ti Tree? How much for each site?

Ms BELLENGER: It is a total bucket of about \$700 000 at this point.

Mr GILES: How much does it cost to administer that in department expense, and where does the \$700 000 go?

Ms BELLENGER: At the moment, we are still working on allocating those funds. We are working with DBE around a project at Maningrida putting in kiosks to assist people with business facilitation. In regard to Ti Tree, we have had local office report - they have been working with Ti Tree over the last few years. Given the downturn in numbers of travellers and the global financial crisis, it has been indicated that the development of a business facilitation model is premature for that community at this time.

Mr GILES: For Ti Tree?

Ms BELLENGER: For Ti Tree, yes, we are still working with them. We have a field officer who goes there regularly.

Mr GILES: When was that an election promise, minister?

Ms McCARTHY: It was the last election, member for Braitling.

Mr GILES: In 2008. This is the first I have heard of this, minister. Has this \$700 000 been in the budget for the last few financial years since the last election, minister.

Ms McCARTHY: I will refer to the Chief Executive, member for Braitling.

Mr DAVIES: Member for Braitling, this money has been there and it has accrued over that time. Yes, it has been, and that is why it is currently sitting at \$700 000. It is actually \$150 000 per year and included a carry forward from 2011-12 of \$550 000 from previous years. A consultant has been engaged to scope business development opportunities in Maningrida. That was done with assistance from DEEWR and IBA. The Northern Territory government has also supported this work through DBE, and the Maningrida program will support the development of a virtual business portal preliminary project which aims to develop smart solutions that can educate residents on starting a business, which includes examples of how to operate a business.

Mr GILES: Thank you, Mr Davies. When was the money first allocated? Was it in the budget straight after the last election?

Ms McCARTHY: The first allocation was for \$100 000 in 2008-09.

Mr GILES: If I am reading this right, we have not achieved an outcome in these two areas for three financial years and now we find out Ti Tree will not achieve any outcome.

Ms McCARTHY: We have established Indigenous businesses and organisations under the Indigenous Business Development Program. In relation to Ti Tree, yes, that is correct. We are assessing Ti Tree for what could possibly happen in that area.

Mr GILES: I appreciate that, minister, and you were running other programs and funding other things under the two funds you operate - the program and the fund, but this election promise for Maningrida has had money allocated to it for three years and has not been achieved. You might have run a consultation project with IBA, DEEWR and yourselves, but nothing has been achieved in three years.

Ms McCARTHY: You are incorrect in saying nothing has been achieved. The Chief Executive explained what happened with Maningrida and Ti Tree, member for Braitling.

Mr GILES: Yes, so I am right. That is what Mr Davies has said. Is that right, Mr Davies?

Mr DAVIES: I said there had been some joint work done with DEEWR. A consultancy was engaged and some IT portals had been developed in regard to growing local businesses and showing local people what running a business would be like. With the commitment in Ti Tree, the work to develop a plan there is being done and auspiced from Alice Springs, but the dollars have not been directly committed to a specific project in Ti Tree at this point.

Mr GILES: From the \$6.287m, \$700 000 goes to these two projects, one of which will not go ahead. Bridgette, would you go through the rest of the budget?

Ms BELLENGER: Yes. The purpose of the Regional Economic Development Fund is to assist with the development of business and industry capacity in all regions of the Northern Territory. We have an annual budget of \$595 000 and funding of up to \$25 000 is available per application in most instances, but that can

be varied on request, variations may be notified. Regional Economic Development Fund grants are subject to approval by the minister. I can give you an idea of some of the grant payments made this year.

Mr GILES: I will ask the minister about those grant payments in a moment. I am keen to go through the breakdown in the budget, because I want to know what adds up to \$6.287m. I have found that \$700 000, and I want to know what else is in there.

Ms BELLENGER: That was another \$600 000 in there.

Mr GILES: So, \$595 000 for the Regional Economic Development Fund. How much for the Indigenous Business Development Program?

Ms BELLENGER: The Indigenous Business Development Program has an operating budget of \$1.1m. Sorry, I cannot find that briefing.

Mr GILES: That is okay. Does the \$1.1m, or \$595 000, include any administration or staff costs?

Ms BELLENGER: Yes, it does go to some operational costs. Sorry, I do not have that figure in front of me.

Mr GILES: Would you please take that on notice, minister?

Ms McCARTHY: We can take that on notice.

Question on Notice No 5.12

Mr GILES: Of the Regional Economic Development Fund of \$595 000 and the Indigenous Business Development Fund of \$1.1m as budgeted for this coming financial year, how much is tied up in staff and administrative expenses and how much is set aside for grants?

Mr CHAIRMAN: That is question No 5.12.

Mr GILES: Minister, every other year in this portfolio you have been gracious enough to table a paper showing the grants and the successful applicants to the fund for the last financial year - who they were, where they were, how many Indigenous employees, which ones were Indigenous. Would you be kind enough to do that again?

Ms McCARTHY: Member for Braintree, I am happy to table them. We are looking for the document to table.

Mr GILES: I am happy to wait. I knew you would have it.

Mr CHAIRMAN: While you are looking for the documents we can continue with the question.

Mr GILES: Thank you, minister. From what you have told me so far, there is still \$3.892m remaining from the budget, taking from the \$6.287m a figure of \$700 595 - \$1.1m. What is still left to be funded?

Ms McCARTHY: One moment, member for Braintree, we are locating the figures for you.

Mr CHAIRMAN: Do you want to take that on notice, minister?

Ms McCARTHY: Sorry, member for Braintree, we will take that on notice for you.

Mr CHAIRMAN: The other document has been retrieved?

Ms McCARTHY: Yes, we will table that document.

Question on Notice No 5.13

Mr CHAIRMAN: We just need one question on notice, and that is the last question.

Mr GILES: I will ask the question, but I will say that at budget Estimates it is concerning that I cannot ask where the money is going for a small budget item in Regional Development - no one knows. People put a great deal of effort into Estimates preparation, but trying to find out what money is in the \$6.287m should not be too hard. Please provide a breakdown of the \$6.287m as budgeted in the current 2012-13 budget papers, particularly Budget Paper No 3, as listed on page 113?

Mr CHAIRMAN: That is question No 5.13.

Mr GILES: My next question is - I know these have been asked in written questions and I only have a couple of questions left. Can you please provide a staff breakdown for Regional Development? I do not want to know the salaries, I want to know the position level, as in the number, and where they are located. If possible, you could read that out for me.

Mr CHAIRMAN: That was not part of the written questions?

Mr GILES: No. I want to know if you have seven staff, for example, what are their levels and where they are located.

Ms McCARTHY: Sorry, member for Braitling, if I can refer back to your question on notice. I am not sure why we do not have these figures with us, but they include the staffing and administrative side as well. We will provide that information to you.

Mr GILES: I appreciate that, but can you tell me how many staff you have, where they are located and their level?

Ms McCARTHY: Was that the last question?

Mr GILES: Yes, that was the last one.

Ms BELLENGER: We have twelve staff in Darwin and one in Alice Springs who belongs to the Territory office. We have two field staff in Alice Springs in the central area, one in Tennant Creek, one in Nhulunbuy, and we expect to have a further one in Tennant Creek in the next week or so.

Mr GILES: Eighteen staff.

Ms BELLENGER: The majority of those staff are administering the Indigenous Business Development Program, getting out and working with business.

Mr GILES: That is a program which has reduced from a budget of 36 projects last year, with an estimated 27, and you anticipate it will only achieve 30. You have not said here how many work on the program, but for 18 staff to achieve 30 projects in one year, and 12 under the fund, the Ti Tree thing is not going ahead, the Maningrida one - we have a couple of portals but nothing is really happening.

Ms BELLENGER: There is actually the Regional Economic Development Fund as well as the Indigenous Business Development Fund. There is a variety of funding programs they work on. Currently, for example, we are working with 55 Indigenous businesses providing support and getting them up and running. We have given grants to 12 Indigenous new businesses this financial year, and we are moving to increase that. We are also working with a further 30 Indigenous businesses and organisations around additional support and linking them to other networks to grow their business.

Mr GILES: Minister, has the department developed any regional plans about growing economies in particular regions of the Territory? Does it get involved in that? We have had questions and jokes before about the Ord River system, which I am sure you are expecting me to ask you about.

Ms McCARTHY: I was waiting for that question, member for Braitling.

Mr GILES: Do you get into regional development or just give out grant funding?

Ms McCARTHY: Member for Braitling, our focus is on the regions with the growth towns and the surrounding areas. The local implementation plans and the futures forums we hold across these regions are very much part of the economic development. One of the big things we have had to deal with, and continually deal with, is the ability to have security of land tenure to establish any kind of businesses beyond

government-type facilities. That has been an important part of trying to move forward with economic development in the regions.

Mr GILES: Well, we are still waiting on that paper to be tabled.

Ms McCARTHY: Sorry, we have it here.

Mr GILES: Do you have copies there, or just one copy?

Mr CHAIRMAN: We will get them copied now.

Mr GILES: Perhaps someone, maybe Bridgette, might be able to explain ...

Ms McCARTHY: We have attachments A and B, for all ...

Mr GILES: How many of those successful program and fund applications have been in growth towns? The minister said that is where you are focusing, so I was wondering how many there are?

Ms BELLENGER: Well ...

Ms McCARTHY: Bridgette, can I clarify though, I did not say it has to be specifically for the growth towns. That is what we are doing in relation to the local implementation plans and the futures forums and is a significant part of the economic development. You asked me what we were doing in growing any economic opportunities in those areas, and it is through those ...

Mr GILES: Okay. Does the department of Regional Development look after local implementation plans?

Ms McCARTHY: This comes back to the linking of the work we are doing across the regions. I said at the outset my concern with the economic development committees is there are no linkages between the broader policy of what we are doing with *A Working Future* and the economic growth of the regions. The local implementation plans are a critical part, but not the only part.

Mr GILES: Regional development is about developing regions. You are doing a very important job in providing assistance to businesses and delivering programs, grants and funding and economic development fund etcetera. I have not seen the payment - I presume barely anything has happened off the Stuart Highway. I would be interested to see it; there are probably a couple of things here or there.

Your project at Maningrida does not appear to be moving forward. The Ti Tree one is not happening, and I am wondering whether this is a grant model that could be in any department, or if it is about developing the regions?

I asked you two years ago about the Ord River scheme; there was nothing, there was no project officer working on the Ord River scheme.

Ms McCARTHY: I responded then that is in the purview of the mining minister.

Mr GILES: I have not seen anything in the budget. I cannot get a breakdown of the budget. I do not hear anything from you about developing regions. We do not talk about the future of Ti Tree, Arafura Resources in that region, or what might happen in the Ord River Scheme, for example.

Developing regions is about developing regions. I cannot see anything in this department doing that. I know the importance of assisting those businesses - I appreciate that. I have worked in that field myself and know it is important. However, I cannot see anything here that is doing it - nothing. There is a rant and a statement, but it is highly disappointing. The grant is good, but there is no development of regions. I am happy to move on to the next output area.

Mr WOOD: Do not move on straightaway.

Minister, in relation to local government, what work is your department doing to increase the capability of shires to successfully tender for civil works contracts with government. This was raised with me by the Roper Gulf Shire when I visited there last year.

Ms McCARTHY: Member for Nelson, I will refer you to the Chief Executive.

Mr DAVIES: Member for Nelson, the Roper Gulf Shire is going to be on foot. Clearly, if the shires are going to be tendering for new packages of works on a smaller scale outside of what has been delivered through the alliances, that is, additional new housing, additional refurbishments and repair work, then we are going to be working with them to ensure they have the capacity to tender for those contracts through DCI.

Mr WOOD: That is good. What they were getting at was in relation to roads. There are many government road contracts going right through the shire and they are now building up their equipment - the graders, water tankers and rollers - and there are opportunities for them to train people in those areas. They were asking how the shires can have a better opportunity to get those contracts.

Mr DAVIES: It is a good point, member for Nelson. We have been working with DCI and the chief executive to guarantee some long-term funding for the shires to do repairs and so on. That is part of that process, but I will ask Mr Chiodo to respond.

Mr CHIODO: Member for Nelson, you may be aware - and I cannot respond for DCI, of course - but part of their program ...

Mr WOOD: You might remember them.

Mr CHIODO: I have not forgotten them. There is a program in place within DCI. They are running some panel contracts soon that will cover some of those areas. Within the remote infrastructure program office, a new office within this department, we are working closely not only with shires but with local businesses in the majority of the communities in an attempt to support them in upskilling of staff and support them in the knowledge base they need to submit successful tenders. Roper Shire is one of those.

Mr WOOD: One of the problems they had is tenders were coming out and they were not notified of that. In other words, they felt they were missing out because of a timeliness factor.

Mr CHIODO: Member for Nelson, the normal tender process is there are future tender opportunities that are run as part of DCI and other websites. I will personally address that issue with Roper Shire and show them how they can identify all the tenders that are upcoming, whether they are infrastructure construction or civil infrastructure construction, which will give them the required notice to prepare the tender documents.

Mr WOOD: They are not the only shire. That was the one we visited and it was raised.

Minister, with accrual accounting there is always meant to be an outcome. In your annual report on page 284 onwards, there are a couple of businesses you have given money to. It is in the appendices, Part 7, page 284. There were ...

Ms McCARTHY: Sorry, member for Nelson, 2010-11?

Mr WOOD: Page 284 of your annual report. It deals with Regional Economic Development funding and Indigenous Business Development Program funding. Did some of these organisations get up and running after you gave them some money? The YBE (2) Gove public bus service trial was \$34 800. There is also the Thamarrurr Development Corporation, which ran a public bus service business plan of \$25 000. Do we have a public bus service in Gove now and a public bus service in Thamarrurr?

Ms McCARTHY: Member for Nelson, I have been informed by the member for Nhulunbuy that things were going well with the bus trials there. It is good to see these are well and truly off the Stuart Highway, member for Nelson. I will hand over to Bridgette Bellenger.

Mr DAVIES: Member for Nelson, before Bridgette responds, given these are both transport issues, we need some funding in to get projects going, but the sustainability of the Thamarrurr project would be best raised with DLP.

Mr WOOD: Do you take an interest, after giving them a reasonable sum of money, to find out whether it was worth giving that money - an outcome?

Mr DAVIES: We definitely take an interest in that, member for Nelson. I do not have the specifics of the Thamarrurr transport process, but in relation to Nhulunbuy, that is active and working well.

Mr WOOD: On page 284 is the Tennant Creek Foundation. It says commercial websites \$31 850, but if you go to page 287, the Tennant Creek Foundation has been given \$289 850. Why are they getting two takes of the grants?

Ms McCARTHY: Member for Nelson, I will refer to Bridgette.

Ms BELLENGER: Thank you for the question. The Tennant Creek Foundation has been awarded \$350 000 this financial year. That is for assistance with the cost of operating the Nyinkka Nyunyu Aboriginal Art and Cultural Centre and the Battery Hill Mining Centre.

Mr WOOD: Is that ongoing funding each year?

Ms BELLENGER: It is ongoing for a further year then to be revalued. We have recently had a consultant look at the organisation to find the best way forward. We have one of our local regional executive directors also newly appointed to the board in Tennant Creek and we work very closely with them. Part of the grant funding is to look at a business model and get a consultant in to look at the costs and how they could do it better.

Mr WOOD: The Laynhapuy Homelands Association wanted business development money - a consultancy for the mud brick enterprise of \$11 537 - and Baker's Gold wanted to establish in the Barkly - I do not know where that was in the Barkly - to purchase equipment to establish a bakery business. Again, I just picked those out as an opportunity to see if the department has followed up to see whether we have a mud brick enterprise yet and a bakery. Was the money useful in getting these businesses established?

Ms BELLENGER: Yes, we can provide further information to you. All acquitted grants come back to us with the purpose of the grant, that the money was spent correctly, and we have regular contact with staff in the regions to ensure there is progress.

Mr WOOD: Is it possible to ask you a question and perhaps you could get back to us?

Mr CHAIRMAN: A question on notice.

Mr WOOD: A question on notice. Minister, could you give the Estimates Committee information regarding the Laynhapuy Homelands Association business development consultancy mud brick enterprise request for funds in relation to whether they have developed a mud brick enterprise? The same with Baker's Gold Barkly, which received funds to buy equipment to establish a bakery business - have they established a bakery?

Ms McCARTHY: We will take that on notice.

Question on Notice No 5.14.

Mr WOOD: Minister, could you give the Estimates Committee information regarding the Laynhapuy Homelands Association business development consultancy mud brick enterprise request for funds in relation to whether they have developed a mud brick enterprise? The same with Baker's Gold Barkly, who received funds to buy equipment to establish a bakery business - have they established a bakery?

Mr CHAIRMAN: That is question No 5.14, minister.

Mr WOOD: That is all my questions. I want to be sure before we go off there.

Mr CHAIRMAN: We are going to return to the member for Brainting. He has some questions to the tabled paper which he did not get until it went to - member for Nelson.

Mr WOOD: I am making sure ...

Mr CHAIRMAN: We are not leaving the output yet, member for Nelson.

Mr WOOD: Are we still on Regional Development? That is fine.

Mr GILES: Minister, I have just read the paper tabled regarding the funding provided between 1 July 2011 and 31 March 2012. I understand there three months are missing from that financial year. The grand total is \$255 000 just for the Indigenous Business Development Program. What is the total of the grants allocated to the fund? Does that make sense?

Ms McCARTHY: Yes, I will refer to Bridgette Bellenger.

Ms BELLENGER: Member for Braitling, the grand total is \$255 000 at this point. It is not unusual for many of the grants to be expended in the last part of the year. Looking at the business breakdown, you will see we have done significant work off the Stuart Highway. We have a number of businesses that take significantly more effort, particularly in remote areas, to get up and running, and we look forward to those coming to conclusion. We are currently working with 55 organisations across the Northern Territory. At this point, I cannot comment on how many of those will reach the point where they are established enough to lodge a full grant application.

Mr GILES: Was the budget for the Regional Economic Development Fund \$595 000 last financial year?

Ms BELLENGER: That is correct.

Mr GILES: How much of that was spent?

Ms BELLENGER: There was a rollover of funds from last financial year.

Mr GILES: So, we did not spend \$595 000?

Ms BELLENGER: No.

Mr GILES: Shall we say less than \$400 000, roughly?

Ms BELLENGER: I would have to take that on notice.

Ms McCARTHY: We will take that on notice.

Mr CHAIRMAN: Can you repeat the question, member for Braitling?

Mr GILES: No, I do not need to ask the question exactly. Of the Indigenous Business Development Program with a budget of \$1.1m, was it \$1.1m last year?

Ms BELLENGER: No, it was not. It was much less last year. We had a rollover from last year's budget, which added to this year's budget, and we also had additional funding from ABA.

Mr GILES: How much was spent last year on the Indigenous Business Development Program?

Ms BELLENGER: I will have to take that on notice for last financial year.

Mr GILES: Was it more than \$0.5m?

Ms BELLENGER: I could not comment I am sorry, member for Braitling.

Ms McCARTHY: We will take that on notice.

Question on Notice No 5.15

Mr CHAIRMAN: Can you repeat the question, Member for Braitling?

Mr GILES: What was the budget for the Regional Economic Development Fund in 2011-12? How much was spent in that financial year? What was the budget for the Indigenous Business Development Program in 2011-12 and how much of that was spent in that year?

Mr CHAIRMAN: That is question No 5.15.

Mr GILES: Once again, I find it hard to believe we do not know, at Estimates, how much money was spent on those two programs last year. If it was as I am guessing - and I am only guessing because there are no figures in the budget estimate - if it was \$500 000 for both those programs, keeping in mind the Maningrida and Ti Tree things are not up, that would mean we have spent \$8.429m administering \$500 000 worth of grants.

How many cars does Regional Development own, lease, operate, have through Northern Territory Fleet for its 18 staff?

Ms McCARTHY: Member for Braitling, I will refer to the Chief Executive.

Mr DAVIES: We would have to look at that. Bridgette is a contracted officer and there would be a car there. There would be cars for our out-posted officers. We would need to come back to you on that. We have the high-level figures for the agency but not disaggregated by directorship. If I could take that on notice that would be appreciated.

Question on Notice No 5.16

Mr GILES: How many vehicles does the Regional Development section of the department own, operate, lease, utilise, borrow, beg, steal or otherwise?

Mr CHAIRMAN: That is question No 5.16, minister.

Mr CHAIRMAN: That concludes questions to Output 1.2.

Output 1.3 - Interpreter and Translator Services

Mr CHAIRMAN: We will move on to Output 1.3, Interpreter and Translator Services. Are you the shadow for that, member for Braitling?

Mr GILES: Of course I am. Interpreting and Translating Services were very happy last year to be asked some questions. They had not had questions for many years. I have questions again, minister. Can I ask the questions now?

Ms McCARTHY: I will get Colleen Rosas.

Mr GILES: Minister, the Interpreting and Translating Services do a fantastic job. Going through the budget papers - 4800 bookings attended, budgeted last year, estimated this year, budgeted again for the new financial year we are moving into, registered interpreters 400, accredited or recognised interpreters up by 50%, 104 languages covered, interpreter bookings attended budgeted last year at 5000, it went to 7000, and budgeted for 7500 next year. Translator assignments completed was 900 – 1000, up to 1500 budgeted. However, the budget is reducing from \$11.369m to \$7.26m. There is a 36% cut in the budget. How is Interpreter and Translator Services supposed to achieve the growing outcomes they are achieving with less money?

Ms McCARTHY: Member for Braitling, I have the variation here - variation 2. The output decrease in 2012-13 is predominantly due to a one-off carryover of \$2.5m in Commonwealth funding in 2011-12, and a one-off boost of \$1.3m to interpreter services in the Aboriginal Interpreter Service for 2011-12.

Mr GILES: Minister, can I ask that again? Can you repeat what you said? Was that a \$1.1m increase from the Commonwealth government?

Mr CHAIRMAN: It was \$2.5m initially was it not, minister?

Mr GILES: A \$2.5m rollover?

Ms McCARTHY: It is a carryover of \$2.5m in Commonwealth funding in 2011-12.

Mr GILES: What was that funding for originally?

Ms McCARTHY: And a one-off boost of \$1.3m to the interpreter services. I refer to Colleen Rosas from the Aboriginal Interpreter Service.

Ms ROSAS: Colleen Rosas, Director, Aboriginal Interpreter Service. Member for Braitling, the \$1.3m is a permanent appropriation from the Attorney-General's department. It is not actually in it, but we are ready to sign off on it shortly.

Mr GILES: That is not in the budget itself.

Ms ROSAS: It is next year.

Mr GILES: That will be an additional \$1.3m on top of the \$7.26.

Ms ROSAS: \$7.26.

Mr GILES: The \$2.5m extra Commonwealth grant, what was that for?

Ms ROSAS: That was a rollover. It was part of the NPA and it was about employment in the growth towns. We did not meet all our targets because we were not going to put people in there that were not ready to go to that stage. I explained to you last year how we have a career path for interpreters. We slowed down a bit because to get people into those permanent levels they had to reach a certain level.

Mr GILES: Was that \$2.5m sent back to federal government or was it spent?

Ms ROSAS: No. As far as I know it will not go back to the federal government.

Ms McCARTHY: Definitely not giving any money back.

Mr GILES: Not a mendicant government?

Ms McCARTHY: Absolutely not, member for Braitling. It is staying with us.

Mr GILES: I do not have any concerns with this, I am trying to understand. The \$2.5m was rolled over into last year's budget. This year we have a \$4m decrease although you have \$1.3m coming back.

Ms ROSAS: Yes, we have another ...

Mr GILES: Was the \$2.5m rollover for a project about Indigenous employment spent last year?

Ms ROSAS: Not all of it.

Mr GILES: Part of it is in this budget?

Ms ROSAS: It will be rolled over again.

Mr GILES: Okay, no worries. That is the only question I have. Thanks very much, Colleen.

Ms McCARTHY: Thank you, member for Braitling.

Mr CHAIRMAN: Member for Nelson, any questions to Interpreting and Translating Service?

Mr GILES: I have many more questions.

Mr CHAIRMAN: In that case, we conclude consideration of Output 1.3. Thank you, Colleen.

Output Group 1.4 - Water Safety and Animal Welfare

Mr CHAIRMAN: We move on to Output Group 1.4 - Water Safety and Animal Welfare.

Mr WESTRA van HOLTHE: I have a few questions, because I want to get to tourism as well tonight. Minister, Budget 2012-13 for Water Safety and Animal Welfare is \$2.07m. Could you break that down into how much goes into Water Safety and how much goes into Animal Welfare?

Ms McCARTHY: Yes, member for Katherine. I will refer to Chief Executive, Ken Davies.

Mr DAVIES: That would be inclusive of personnel operation grants and subsidies and finance expenditure. It is the same answer as the Regional Development area. We need to take that on notice and give you a breakdown of the staffing costs and so on.

Mr CHAIRMAN: Can you repeat the question?

Question on Notice No 5.17

Mr WESTRA van HOLTHE: Yes, I will repeat the question. The 2012-13 allocation for Water Safety and Animal Welfare is \$2.07m. Could you please break that down into how much goes to Water Safety and how much goes to Animal Welfare?

Mr CHAIRMAN: That is question No 5.17, minister.

Ms McCARTHY: Thank you, Mr Chairman.

Mr WESTRA van HOLTHE: I note in the key variations on page 119 of Budget Paper No 3, dot point:

The increase from 2011-12 for Water Safety and Animal Welfare output is due to the transfer of water safety officers from the Local Government output.

Am I correct in assuming that is a transfer of staff numbers, essentially, from Local Government to Water Safety officers?

Ms McCARTHY: I will refer to Chief Executive, Ken Davies.

Mr DAVIES: That is a reclassification of the staff. They shifted from the Local Government area into a stand-alone area so we can identify the costs.

Mr WESTRA van HOLTHE: All right. How many staff does that involve?

Mr DAVIES: I will go to John Tobin to give you the specifics of the staffing structure.

Mr TOBIN: The establishment we have for Animal Welfare is six, of which one position is in Alice Springs. Pool fencing safety advisors is six positions, one of which is in Alice Springs. There are two staff in Water Safety and Animal Welfare engagement and community education. Four staff handle bookings, predominantly for pool water safety, but also handle emergency phone lines and things for Animal Welfare when people are in the field. There are six direct field operators in Animal Welfare, and six direct field operators in pool fencing safety - two in community engagement, four support staff, and the director of the branch, which gives you 19.

Mr WESTRA van HOLTHE: Thank you. In relation to the reclassification of staff within Local Government to Water Safety, how many staff members were reclassified?

Mr TOBIN: It is really a reclassification of the output where the monies are assigned to within the appropriation and how we are measuring that output. The whole six staff previously for Water Safety would have been assigned under a Local Government output, and they are now assigned to the Water Safety and Animal Welfare output.

Mr WESTRA van HOLTHE: Have the staff numbers in Animal Welfare changed in the past two years?

Mr TOBIN: Yes, they most definitely have. Over the last 24 months, we would have taken that from about one-and-a-half full-time equivalents up to six full-time staff in Animal Welfare - the inspectors I mean.

Mr WESTRA van HOLTHE: Thank you. I have no further questions.

Mr CHAIRMAN: Do you have any questions for Output 1.4, member for Nelson?

Mr WOOD: Yes, thank you, Mr Chairman. In relation to Water Safety, one of the bigger changes in the Territory was the introduction of compulsory pool fencing, at least in the suburban areas. Do you have figures to show what effect that change had in relation to the number of drownings, or near drownings, which would have occurred in the Territory? Again, it is an outcome question. The government introduced legislation, said by introducing compulsory pool fencing it would make things safer for children, which is good, do we have figures to show that has actually happened?

Ms McCARTHY: I will refer to John Tobin, member for Nelson.

Mr TOBIN: I do not have the data pre the introduction of legislation, but, thankfully, we have had zero drowning incidents since the introduction of that legislation.

Mr WOOD: Any near drowning?

Mr TOBIN: There have been a number of immersions, yes, which were reported to the ambulance. I am unsure whether I have the numbers in front of me, but, going back before the introduction of the legislation, I do not have those numbers. If you like, we could chase them up, because I could certainly indicate a trend.

A member: Can you get a better result than zero?

Mr WOOD: I was going to say that. That is a great indication anyway, regardless.

Mr DAVIES: Member for Nelson, that is in areas where pool fences are in place under the legislation. There have been incidences - the young fellow who died at Leanyer water park, and there have been incidences of drownings in non-fenced areas. We were talking specifically about pools, and there have been none since the inception of the legislation.

Mr WOOD: Yes, I suppose I am also talking about backyard pools.

Mr DAVIES: Yes, that is it exactly

Mr WOOD: That is good. Considering all the issues around at the time, it was nice to look back and see what effect it had. That is good news.

Mr GILES: I will just ask a quick question, if I could. I do not have much information about this topic, just feedback I get from Alice Springs - this is an Alice Springs specific question. Who inspects pool fences when there is an exchange of contract for a house?

Ms McCARTHY: John Tobin, member for Braitling.

Mr KENDRICK: Rob Kendrick. In respect to an exchange of contracts, that is an administrative process so there is not necessarily an inspection. The pool inspection is about changing the registration name on the certificate. The pool inspections - the critical ones are the first inspections - when the certificate is first issued.

Mr GILES: Thanks, Rob. Does anybody from the department have to come out and inspect a pool to ensure the fence is still there and ensure it is functional when you sell a house?

Mr KENDRICK: No.

Mr WOOD: It cannot be sold without a fence.

Ms McCARTHY: You need a certificate. Member for Braitling, when you are selling a house with a pool you need to have the certificate as part of the sale.

Mr GILES: Yes. And no one has to come down to issue the certificate and check the fence is still on the property?

Mr KENDRICK: No, that is correct. It is probably similar - for example, cyclone certificates or getting your shed registered.

Mr GILES: I will look into it further, but a few conveyancers in Alice Springs have complained that people from Darwin have to come down and there is a wait time of four weeks for those approvals to be provided. I will look into it further.

Mr KENDRICK: We have an inspector in Alice Springs anyway.

Mr GILES: Yes, I will look into it further.

Mr CHAIRMAN: At that point, we will take a five-minute break.

The committee suspended.

Mr CHAIRMAN: Minister, we will recommence.

Do you more have questions on 1.4 - Water Safety, member for Braitling? I thought you were finished with that. We will move on to Output Group 2.

OUTPUT GROUP 2.0 - INDIGENOUS POLICY AND REMOTE SERVICES COORDINATION

Output 2.1 – Indigenous Policy

Mr GILES: Minister, would you please give me a brief overview of the Indigenous Policy output group and its role?

Ms McCARTHY: We have a whole-of-government approach with the Indigenous policies we have carriage of. My department has the two largest reforms of our government, being the *A Working Future* policy and local government reform. I will refer to the Chief Executive, Ken Davies.

Mr DAVIES: The Office of Indigenous Policy is a central function of my agency. The Indigenous Policy Unit has four staff and has the following key functions:

- ensuring Indigenous issues are considered across government through commenting and advising on policy, Cabinet submissions and proposals for legislative reform, and responding particularly to parliamentary inquiries and government consultations;
- building capacity across the Northern Territory public sector about awareness raising around Indigenous issues;
- working with agencies to target strategic development in key areas such as governance, housing, infrastructure, health, education and so on in developing policies which assist in that area; and
- working with the Indigenous Affairs Advisory Council and other networks, particularly land councils and so on, to respond to inquiries and link up programs with areas of need.

We also spend a fair amount of time monitoring progress of the Overcoming Indigenous Disadvantage work through the Closing the Gap Northern Territory National Partnership Agreement and the National Indigenous Reform Agreement.

The unit also helps me at the working group on Indigenous reform minister Macklin chairs.

Mr GILES: Is this the area responsible for the Indigenous Affairs Advisory Committee and for coordination of growth towns, or does growth towns come under Remote Service Delivery Coordination?

Mr DAVIES: This is a specific area about Indigenous policy working with the minister and supports the Indigenous Affairs Advisory Council. The Service Delivery Coordination Unit, the Remote Infrastructure Program office is dealing with *A Working Future*.

Mr GILES: Can I ask a growth town question, minister? You are not going to say it was in this area, when I ask it in the Remote Service Delivery Coordination area.

Ms McCARTHY: Member for Braitling, we should have a little latitude here. It is really important to recognise these are ...

Mr GILES: This is the first time we have broken it down into four areas, that is all.

Ms MCCARTHY: Yes, we know it is going to ...

Mr GILES: I will ask you, minister about the ...

Ms McCARTHY: Can I finish, if you are asking me a question? I am just going to say, we are going to cross back and forwards in this area with the different policies.

Mr GILES: I just accepted your answer as gospel. The Indigenous Affairs Advisory Committee - can you tell me what the budget for that committee is, how many times it has met, what the sitting fees are, how much the Chair is paid, and so forth?

Ms McCARTHY: Obviously, the role of the IAAC is to provide advice and make recommendations to me in regard to particular requests. One of the major areas it has been working on is the outstations and homelands area, also preparation for a response to the inquiry into Stronger Futures, and also languages across the Northern Territory. We have a number of members on that council. Initially, we had Mrs Bess Price, who was appointed in 2009 and, most recently, when Bess Price resigned, I appointed Pat Brahim as the chair in February this year. We have Mark Motlop, Priscilla Collins, Alan Dhamarrandji, Vanessa Harris, Ronald Lami Lami, Lisa Mumbin, Zania Little, Andrew Ross, Laurie Magaldagie, Tony Wurramarrba, Lindsay Bookie and Wali Wunungmurra on the council, as well as, formerly, Mr Robert Tipungwuti.

The other question was in relation to the total in the last 12 months for meetings - it has been \$75 256. There was another question ...

Mr GILES: I will ask you about that. Is that costs for travel?

Ms McCARTHY: It is accommodation, airfares, travel allowances, yes.

Mr GILES: Sitting fees?

Ms McCARTHY: Can I clarify that? The sitting fees, which also includes when Bess Price was chair, total \$37 791.

Mr GILES: Thanks, minister. Has anyone been paid a salary, a wage, a fee, for being chairperson or deputy chair?

Ms McCARTHY: The conditions around the chair - the IAAC members are paid in accordance with the Remuneration Tribunal. They come under C(1) of the Tribunal. The daily rate per member was \$660, and \$880 for the chair. These rates have increased since 1 March and are now \$917 for the chair and \$719 for members.

Mr GILES: There is no ongoing fee or salary for the chairperson in that position?

Ms McCARTHY: No, there is not.

Mr GILES: Do you have a homelands policy?

Ms McCARTHY: Sorry, what was the question?

Mr GILES: Does the government have a homelands policy or is it still under consideration?

Ms McCARTHY: We are in the process of finalising an additional response to the Commonwealth's 10-year plan to the homelands and outstations which we will be announcing in coming weeks.

Mr GILES: Where is the funding in the budget allocated to that?

Ms McCARTHY: For?

Mr GILES: The homelands policy.

Ms McCARTHY: You will not see it in the budget at this point. In relation to the announcement in coming weeks - is that what you are referring to?

Mr GILES: Yes. Will the government have to borrow more money to fund the new homelands outstation policy?

Ms McCARTHY: We will be working with the Treasurer over the next couple of weeks. I am happy to provide that information to you at the appropriate time.

Mr GILES: It looks like government will go into more debt to fund the homeland policy.

Ms McCARTHY: That is not what I said, member for Braintree.

Mr GILES: No further questions on this output area.

Mr CHAIRMAN: Member for Arafura. Member for Nelson.

Ms Scrymgeour: I am just remarking on how good it is the CLP likes outstations.

Mr GILES: Mate, do you know we are funding \$12.5m additional a year, \$11m more than the Labor government per annum? We have a very good policy, member for Arafura.

Ms McCARTHY: Where is that money coming from?

Mr CHAIRMAN: We are having our committee questions at the moment, minister. That will conclude consideration of Output 2.1 - Indigenous Policy.

Output 2.2 - Indigenous Essential Services

Mr CHAIRMAN: We move on to Output 2., Indigenous Essential Services. I note that questions relating to the coordination of funding of essential services to remote Indigenous communities serviced by Commonwealth programs will be answered by the Minister for Indigenous Development today. Questions relating to the coordination of funding of essential services to remote Indigenous communities not serviced by Commonwealth programs were answered by the Minister for Public and Affordable Housing earlier today. Are there any questions?

Mr DAVIES: Mr Chairman, we did not get direct questions around IES, but Mike Chiodo is here if there are any.

Mr CHAIRMAN: We ran out of time with the Minister for Public and Affordable Housing, but his advice was that he, if time was available, would have answered questions about remote Indigenous communities not serviced by the Commonwealth, but that minister McCarthy answers questions about Indigenous communities serviced by Commonwealth programs.

Mr GILES: My understanding was we skipped over Indigenous Essential Services and did not even get to it. We went straight to Indigenous Remote Housing - did not even touch on the output group.

Mr CHAIRMAN: No. We did not get to it. To skip it you have to get to it.

Mr GILES: It was before remote housing, and it was not brought up.

Mr CHAIRMAN: No, it was 4.1. Remote Housing is three point something.

Mr GILES: I have a question relating to Commonwealth-funded communities.

Mr CHAIRMAN: Which is where we are.

Mr WOOD: Where are we?

Mr GILES: That is right.

Mr CHAIRMAN: We are at Indigenous Essential Services where the funding is provided by Commonwealth programs.

Mr WOOD: Have we finished the other section?

Mr CHAIRMAN: Yes.

Mr WOOD: You did not talk long enough.

Mr GILES: You did not give me a heads up. I could have kept going.

The Treasurer indicates in Budget Paper No 2, chapter 4, \$15m has been allocated to provide municipal support and essential services to outstations; however, there does not appear to be any detail in the budget highlights to explain what this additional expenditure is for. Can you explain what the \$15m is for and who is funding this expenditure?

Ms McCARTHY: Just before I refer to Mike Chiodo, it is a one-off contribution from the Northern Territory government. Mike Chiodo.

Mr CHIODO: Mike Chiodo. Member for Braitling, the municipal essential services component is a specific one-off funding model, as the minister has said. It is not linked to the Indigenous Essential Services we are dealing with as part of this output, but I am happy to answer in relation to the other point as well. It is part of the MUNS program as opposed to this specific program we are talking about at the moment.

Mr GILES: I thought it was under the Indigenous Essential Services area.

Mr CHAIRMAN: If you are okay to answer it at this stage, we will keep going with the question and the answer, and then we will play it by ear as we go with the limited ...

Ms McCARTHY: Mr Chairman, I guess what we are saying is we are able to provide, with a bit of latitude, some better explanation, that is all, member for Braitling, while we have Mike with us.

Mr CHAIRMAN: That would be fantastic. Thank you, Mr Chiodo.

Mr CHIODO: It is a pleasure. Through you, minister, member for Braitling, the specific question in relation to the \$15m was?

Mr GILES: Can you explain what the \$15m is for and who is funding the expenditure?

Mr CHIODO: The funding is coming from the Commonwealth government, and I will go to this specific paper and give you the breakdown.

Mr GILES: Thank you.

Ms BELLENGER: Thank you for your question. Are you referring to the Northern Territory commitment to \$15m for municipal and essential services for next financial year as part of the Stronger Futures overall package, or would you like to talk through the MUNS budget for this financial year?

Mr GILES: Probably the first thing you asked. The preamble was: 'The Treasurer indicates in Budget Paper No 2, chapter 4, there has been a 15 ...'. Is that right? Do you want me to keep going?

Ms McCARTHY: No. We are trying to clarify what it was, specifically, you wanted.

Mr GILES: I will ask my question again so you know what I am saying.

Ms BELLENGER: Yes, sure.

Mr GILES: The Treasurer indicates in Budget Paper 2, chapter 4, there has been a \$15m allocation to provide municipal and essential services to outstations. However, there does not appear to be any detail in the budget highlights which explains what that money is for. Can you explain what it is for and who is funding it?

Mike has just said the feds are funding it and you are now going to say what it is for.

Ms BELLENGER: I would like to say something different if that is okay, with all the due respect to ...

Mr GILES: We had confusion before, we are happy to keep going.

Ms BELLENGER: We are negotiating with FaHCSIA around - you would have seen their announcement about the \$220m. Through Treasury, the Northern Territory government input \$15m of that amount. That is still being negotiated. It is part of the Stronger Futures package. The detail has not yet been released because the policy has not yet been finalised.

Mr GILES: Have they given you the money?

Ms BELLENGER: The money is there. They are saying the money will be there.

Mr GILES: So, the money is not there yet, but it will be there.

Ms BELLENGER: For next financial year, that is correct.

Mr GILES: This coming financial year for this coming budget. We do not know exactly what it is for?

Mr DAVIES: Member for Braitling, I will come in on this. The \$15m is a Northern Territory government contribution towards the \$220m funding package which has been agreed to by the Australian government to fund the initial essential services.

Mr GILES: That is the \$15m?

Mr DAVIES: That is right. The Northern Territory, next year, has agreed to put in \$15m of its own money and use \$5m to make up the first \$20m part of the package. After that, year by year, for the next nine years, the Australian government will be sending \$20m to us each year to assist us with homelands. It is specifically for homelands.

Mr GILES: Thank you very much. What is the role of Indigenous Essential Services?

Ms McCARTHY: I will refer to Mike Chiodo.

Mr CHIODO: Hopefully no confusion this time, member for Braitling.

Mr GILES: No, we are all on a learning curve with some of this stuff.

Mr CHIODO: There is a unit within the Department of Housing, Local Government and Regional Services which is a strategic planning and grant-funding arm to Indigenous Essential Services Pty Ltd, which is a wholly-owned subsidiary of Power and Water Corporation. The role of that organisation is to be the service deliverer of essential services in remote communities.

Mr GILES: They look after power and water in remote communities.

Mr CHIODO: They look after power, water and sewerage, that is correct.

Mr GILES: And sewerage.

Mr CHIODO: In remote communities, but they are known - I understand it causes confusion - as Essential Services Pty Ltd and are contract managed by the unit which now comes under my purview, which is the Indigenous Essential Services Management Unit.

Mr GILES: We will receive a briefing on this later, but I will ask a couple of questions. How do we get a look at the books of the Indigenous Essential Services Pty Ltd to see their balance sheet?

Mr CHAIRMAN: Your microphone is off again, member for Braitling.

Mr GILES: No, it is on. The red light is on.

Mr CHAIRMAN: Sorry. The question is with the minister. I want to say again, this goes between two ministers.

Mr CHIODO: They are a fully-owned subsidiary of Power and Water Corporation and release an annual report which includes their expenditure and income model.

Mr GILES: Through the minister, do they undertake borrowings?

Mr CHIODO: Through the minister, their income is dually-based. One is the grants we make available to them through this department, and they have an income component they earn on monies collected for services delivered. There are no other borrowings.

Mr GILES: Minister, what is the level of debt in Indigenous Essential Services Pty Ltd?

Ms McCARTHY: I refer to Mike Chiodo.

Mr CHIODO: My understanding, having perused the most recent documentation, is they are not in debt. They have a surplus which was a carryover from last financial year to this financial year. That is always dedicated to a prioritised list of projects in remote communities.

Mr GILES: We might follow-up on some more information through a briefing. Why was the \$17.8m for the Wadeye gas fired power station paid for in 2010-11 instead of 2011-12, as budgeted?

Ms McCARTHY: I will refer to Mike Chiodo, member for Braitling.

Mr CHIODO: It was budgeted in 2010-11. The process commenced in 2010-11 and, as you can imagine, a reasonably extensive design process was needed to go through. Therefore, it was carried over into the following financial year for delivery. It was budgeted for in 2010-11, therefore carried over into the current budget.

Mr GILES: When was it paid? When was the \$17.8 paid? I understand it was paid in 2010-11 but had been budgeted for in 2011-12, was not finished until 2011-12, but paid the financial year earlier. Is that correct?

Mr CHIODO: It was paid in 2010-11 and carried over into 2011-12. It was paid in the year it was budgeted.

Mr GILES: It was not finished in the year it was budgeted?

Mr CHIODO: That is correct.

Mr GILES: So I am clear, we paid for it before it was finished?

Mr CHIODO: No, your question, as far as I understood it, pertained directly to when it came into the budget. Until the project is completed the money will not be expended as per the contract. That has not occurred yet, therefore it has not been paid out. It was budgeted in 2010-11, carried over into 2011-12. The project is not, as yet, complete. It will be paid out this financial year.

Mr GILES: That is not my understanding. Where is it in the budget for this financial year? I am on page 121 of Budget Paper No 3. The original question was: why was the \$17.8 for the fire station paid in 2010-11 when it was not delivered until 2011-12?

Mr CHAIRMAN: As this goes across two ministers, the question the shadow is asking might not have any paperwork here.

Ms McCARTHY: That is right. Member for Braitling, while we are prepared to take on what we can, I am conscious minister Burns has complete coverage of that.

Mr CHIODO: It was my error. It was budgeted for 2011-12. It was brought forward in 2010-11 to commence the process earlier.

Mr GILES: That is what I thought. There was a \$20m injection into Indigenous Essential Services Pty Ltd in 2011-12. What was that for, minister?

Ms McCARTHY: Sorry, I beg your pardon, member for Braitling, could you repeat that?

Mr GILES: What was the \$20m equity injection in 2011-12 for into Indigenous Essential Services Pty Ltd?

Ms McCARTHY: Again, this is in the proprietary limited. I will have to take that on notice, member for Braitling.

Mr CHAIRMAN: It is not yours?

Ms McCARTHY: It is under minister Burns.

Mr CHAIRMAN: We are trying to be flexible. It is not Ms McCarthy's to take on notice.

Ms McCARTHY: Can I suggest that question be incorporated in the briefing you would like from minister Burns' office?

Mr GILES: I am happy to do it in the briefing. If you are prepared to let Mike give me a full briefing on this area I would be happy, but this is actually a budget question, which I understand ..

Mr CHAIRMAN: Which should have gone to the minister earlier today.

Ms McCARTHY: Exactly. When you are talking about the proprietary limited side of it, absolutely.

Mr GILES: We will do that on the budget. I will ask a couple of other questions on this area which might be a little easier for you. How many communities are currently reliant on drinking water being trucked in? Does that come under this area?

Ms McCARTHY: I will refer to Ken Davies, Chief Executive.

Mr DAVIES: Member for Braitling, for the minor communities - the 73 - none are relying on water being trucked in. I understand we had some work to do at Mt Allen. I assume that work has been completed. I cannot guarantee that is 100% the case in outstations. We have had some water system issues around Tara and Neutral Junction. We can check that, but there was substantial work due to be done at Mt Allen to ensure the water being driven in there was sourced through a proper water supply rather than through bottled water. I would need to take that on notice.

In regard to the IES and the way this works, so that it is very clear, we purchase a set of services through the IES and they provide them to agreed communities, so there is a large degree of accountability from the funds we direct to IES. We separately fund outstation resources for outstations and homelands. It is not done through IES, I want to make that really clear.

Mr GILES: Thanks for that, Ken. Do all community water supplies meet World Health Organisation standards, particularly in relation to uranium?

Mr DAVIES: We have a comprehensive report about that. There is some work being done jointly with the Health department. The water quality testing at homelands and outstations is something we have worked on with the Power and Water Corporation. The primary objective of the project - this was done in February 2009 - was to assess the physical, chemical and radiological quality of the water supply against Australian drinking water guidelines. A desktop exercise identified 150 homelands for assessment with a comprehensive analysis of the physical, chemical and radiological quality of the water supplies. That was conducted between September 2009 and February 2010. Forty-two homeland water supplies were identified as exceeding Australian drinking water guidelines in one or more parameters.

The Department of Health, previously Health and Families, undertook a health risk assessment of these water supplies with rankings which enabled us to identify needs and prioritise capital works. We then proceeded to a program to rectify that capital works. I do not have attachment A, which is the risk assessment, so the report is there. Of the 42 water supplies identified, a total of four homelands were identified as having non-potable water. Of the 42, once the work was done, a total of four were identified. Rainwater tanks have been installed and, where required, water is carted for use by residences in those homelands. One of those is Jemelkere, which is situated approximately 10 km south of Barrow Creek near Neutral. It required immediate attention and, in February 2011, residents were informed and directed not to drink the water from the bore and signage was placed at the bore advising residents not to drink. Extra rainwater tanks have been ordered and have been installed, or are in the process of being installed on this outstation.

We visited that community and ensured people were not drinking it. The remaining 38 water supplies were graded as intermediate health risk and categorised by service provider and region. We are working closely with those service providers in identifying which communities have or need rainwater tanks and which of those communities need water.

Mr GILES: Thank you, Mr Davies. I have no more questions in that area

Mr CHAIRMAN: Member for Nelson, do you have any more questions to Output 2.2 - Indigenous Essential Services, relating to Indigenous communities serviced by Commonwealth programs.

Mr WOOD: I do not know which communities are serviced by Commonwealth programs, so that will make it interesting. For clarification, essential services is power, water and sewerage, is that it? Does the Remote Infrastructure output group relate to roads? I need clarification. If it is to do with roads, who maintains the roads in non-remote Indigenous communities like the 15 Mile Knuckey Lagoon?

Mr GILES: When you were out we decided we were going to be flexible about the questions.

Mr WOOD: I know, but it might be too flexible.

Ms McCARTHY: Member for Nelson, we can take that in the remote infrastructure area.

Mr WOOD: I will deal with essential services then. This year you have a budget of \$68m to pay for the provision of essential services or purchase services for remote communities. Do any of those communities pay a fee for electricity? If so, does that money come back to you?

Ms McCARTHY: Member for Nelson, I refer to Mike Chiodo.

Mr CHIODO: Some of those communities do. As I said earlier, as part of the retail component of IES Pty Ltd, it is paid into there and then we help them prioritise how that money is spent in other communities.

Mr WOOD: So, you spend the money and they get the revenue.

Mr CHIODO: No, we provide the money to them; they spend the money for the delivery of the services in the communities where a fee can be charged. It comes back to them in their books; however, we then strategically prioritise with them where that money will be spent. It does come back through, but it comes into their books.

Mr WOOD: I thought it would be interesting to see whether there is a cost. It is probably a little harder with outstations but when will we look at metering of water? This could also apply to growth towns. I lived on Bathurst Island for quite a while and the amount of water wasted was enormous. We are going down a path of spending a great deal of money on infrastructure and, for some reason, we are not charging for water, which seems to be a backwards step.

Ms McCARTHY: Member for Nelson, I refer to Mike Chiodo.

A member interjecting.

Mr WOOD: I pay for my bore.

Ms Scrymgour interjecting.

Mr WOOD: No, we pay for our water, member for Arafura. You do not bill Darwin River Dam.

Ms Scrymgour: That is not the point.

Mr WOOD: Member for Arafura, calm down. You do not understand.

Members interjecting.

Mr GILES: Mr Chairman, there is bickering going on, Standing Order 52.

Members interjecting.

Mr CHAIRMAN: I the attention of the member for Arafura to Standing Order 51. The call is with the member for Nelson, and I ask other members of the committee to allow the member for Nelson to ask his question and the minister to answer them.

Ms Scrymgour: Hurry up!

Mr WOOD: Did you hear that, minister? The member for Arafura told me to hurry up.

Ms McCARTHY: Member for Nelson, I refer to Mike Chiodo.

Mr CHIODO: Member for Nelson, it is part of the strategic planning exercise we are currently undertaking with IES Pty Ltd to establish a water metering methodology. There are a number of issues we need to work through, so they are now conducting a risk analysis of that exercise.

Mr WOOD: Your budget is about \$12m less. What is the reason for that drop in the budget? It says \$80.5m was budgeted in 2011-12 and this year you are budgeting for \$68m. Have you turned the lights off somewhere?

Ms McCARTHY: Member for Nelson, this is the crossover with the portfolios. It is in reference to Wadeye. I will refer to Mike Chiodo.

Mr CHIODO: The figures I am looking at - it refers back to the Wadeye power station. It was brought forward and then carried over to Budget 2011-12.

Mr WOOD: I probably have to admit a conflict of interest, I suppose. My sisters-in-law live at Bulgul in a house which has probably been up for about 12 years built by ATSIC. Keep quiet, member for Arafura. That house, and other houses in that area, have solar power. It has now come to my attention that the batteries have had it. They only have power during the day, and enough to run a fridge and a couple of lights. They have been told by Yilli Rreung it could be anywhere up to \$40 000 to replace the batteries. I would be interested to know whether that is an area the Indigenous Essential Services has responsibility for - to replace the batteries.

The reason I raised this issue is, not just because my sisters-in-law live down there, but I am told Bushlight has been doing a program across the Territory for remote communities where they have been putting in systems which are solar powered and with battery back-up. The issue of batteries eventually having to be replaced at a fairly expensive charge - I wonder who is going to do that and who is going to pay for it. It is not only because of my sisters-in-law, but there will be many other outback communities on the same system with the same issue.

Ms McCARTHY: Member for Nelson, that would not come under Indigenous Essential Services. It is an outstation issue. However, it is under MUNS, so I can refer that to Bridgette Bellenger.

Ms BELLENGER: Thank you, member for Nelson. We are aware of the issue. We have had a quote come back for \$23 000. We are working with Yilli Rreung and they have committed to doing that work in the new financial year. More broadly talking to this issue, we are in close contact with Bushlight, and recently FaHCSIA has announced some additional funding, although is not clear to us yet what that funding might be. We met with senior officers yesterday to talk through this very issue of putting more renewable energy into homelands. It has to come with a repairs and maintenance package, and looking out at what is out there already and having a package available for them. It is an issue we are very aware of. We do not have a solution for you here today, but something we are working towards with the Commonwealth.

Mr WOOD: Have you also looked at - this is an issue at Bulgul - about ensuring there is a reasonable amount of rent paid because this is a bit of a dog chasing its tail. Residents do not pay the rent because they do not think anyone is maintaining the house, and then the people maintaining the house say there is not enough money to maintain it because there is no rent. Is there an approach to ensure there is some certainty in what is happening towards the future?

Ms BELLENGER: Yes, is the simple answer.

Mr WOOD: I am doing well here, the member for Arafura has left me alone for a little while.

Ms Scrymgour: I am writing it all down, Gerry.

Mr WOOD: These are your questions. The Indigenous ESO employment is 40%. Do you know how many people that is in actual fact?

Ms McCARTHY: I refer to Mike Chiodo.

Madam DEPUTY CHAIR: Are you happy to take that on notice, minister?

Ms McCARTHY: Yes, Madam Acting Chair, we will take that on notice.

Question on Notice No 5.18

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

Mr WOOD: The annual report states Indigenous ESO employment was 40%. How many people does that represent? Could I add a question in the same light? It also says there are ESOs with Certificate II or III - about 55%. Again, how many is that and how many are Aboriginal?

Madam DEPUTY CHAIR: For Hansard, that is question No 5.18.

Mr WOOD: That is all the questions I have on that area.

Mr GILES: I was going to ask another question. I believe Mr Gunner advised you I had two more quick questions.

Madam DEPUTY CHAIR: I will have to take your word on it. We do not normally go back.

Mr GILES: I told him I had two more quick questions. This relates to before you were in the chair. Which communities are serviced by the Commonwealth and which communities are serviced by the Northern Territory? Perhaps you could take that on notice and give me a list.

Ms McCARTHY: We can take that on notice, member for Braitling.

Mr DAVIES: Member for Braitling, are you asking in relation to housing services, education, policing?

Mr GILES: In relation to Indigenous Essential Services. Michael Gunner, the Chairman, said we can only ask questions about communities serviced by the Commonwealth. I want to know which ones they are as opposed to ones serviced by the NT.

Mr DAVIES: Indigenous Essential Services Pty Ltd services all the remote towns. Where they are not being serviced they will be smaller outstations and resource centres, and they are being serviced through this department. In service coverage, we might be using Commonwealth funding to service them and we bank it in and bank it out. That is perhaps where Chair Gunner went to; however, in servicing for power, water and electricity, the Northern Territory government is responsible for doing that service delivery.

Mr GILES: For every community?

Mr DAVIES: Yes. The Commonwealth does not have a specific community it owns. Member for Braitling, I have said this before in relation to the infrastructure overlay we have out there, when we secure our assets across the remote communities and in the growth towns we are securing about 1900 assets, the Australian government is securing 80. That includes their GBM quarters. The Northern Territory government is well and truly in all of these communities.

Mr GILES: What is the exposure for Indigenous Essential Services to the carbon tax?

Mr DAVIES: I would need to refer to the minister.

Ms McCARTHY: Member for Braitling, we have to do a fair bit of work on the carbon tax and the impact it is going to have across the Territory. In our response with local government we made reference to the overall areas with the carbon tax. We can provide more detail of the breakdown across the regions.

Mr GILES: It starts in 16 days, minister.

Ms McCARTHY: We can get that for you, member for Braitling.

Mr GILES: Have you done any modelling?

Ms McCARTHY: I will refer to my Chief Executive.

Mr WOOD: Can I ask a back up question, Madam Chair?

Madam DEPUTY CHAIR: Can we answer this question first?

Mr WOOD: Yes.

Madam DEPUTY CHAIR: You had finished your question. There was a question from the member for Braiting.

Ms McCARTHY: I refer to the Chief Executive for questions on modelling.

Mr DAVIES: Thank you, minister. I will ask Rob Kendrick, Senior Executive Director of Local Government and Regional Services to respond, please.

Mr KENDRICK: Thank you, Rob Kendrick. Similar to last time in respect to the carbon tax, there has been no modelling per se for this example. There are, obviously, issues with all the indirect costs where these communities rely on diesel generation for power - fuel costs.

There are programs under the federal government with respect to some initiatives to improve energy efficiency in households and businesses, and a component of that is the Community Energy Efficiency Program, the Low Income Energy Efficiency Program and the Home Energy Saver Scheme. In respect to the impact on communities, the modelling has not been done. There are avenues for some reimbursements under energy efficient programs but again, the indirect costs with fuel, with electricity, is where there will be some improvement.

Mr GILES: I will finish and you can jump on the back of mine.

Mr WOOD: No, no. I will get in trouble from the Chair.

Mr GILES: Minister, this is broader than this output group but it relates to your portfolio. Has the department, in relation to Indigenous policy and remote services coordination, done any modelling at all on the impact and effect of the carbon tax on Indigenous Territorians, particularly around the cost of goods and services, food and groceries, petrol and so forth? Also, in relation to the changes to the diesel fuel tax rebate and the implications on aviation - helicopters and planes? Have you done any modelling at all?

Ms McCARTHY: We have answered that question for you, member for Braiting. In relation to the whole of the Northern Territory, the Chief Minister and the Treasurer are looking at the effects and impacts of this right across. I have tourism up next, and I put on the record that we have some concerns in regard to aviation and fuel and the impact it could have in that regard, member for Braiting.

Mr GILES: Indigenous Territorians are going to be hit harder than anyone else in Australia, particularly around the cost of goods and services.

Mr WOOD: Anybody in the outback.

Mr GILES: I find it amazing there has been no modelling, no fight, there has been nothing. In relation to Indigenous Essential Services Pty Ltd, there will be a cost impact. I imagine that will not be passed on to the consumer.

Madam DEPUTY CHAIR: Is there a question coming here, member for Braiting?

Mr GILES: There is, Madam Deputy Chair.

Madam DEPUTY CHAIR: Thank you. You are not within the output, but the minister has generously answered.

Mr GILES: I am within the output.

Madam DEPUTY CHAIR: You are not, but ...

Mr GILES: The Chairman said we could be flexible.

Madam DEPUTY CHAIR: Yes, but I am chairing and you are outside this output. If you have a question, could you come to it, please?

Mr GILES: I would like you to do some modelling. You have 16 days before commencement of the carbon tax. Indigenous Territorians are going to be heavily affected across a whole range of areas, and I would like you to describe how you can have an Indigenous policy area without any policy in regard to the implications of the carbon tax

Ms McCARTHY: Madam Acting Chair, I have answered the question, with the department staff, in relation to modelling. That has been answered. I will take any further questions on notice. We have answered it to the best of our ability.

Mr GILES: You are not really standing up for ...

Madam DEPUTY CHAIR: That concludes consideration of Output 2.2.

Output 2.3 - Remote Service Delivery Coordination

Madam DEPUTY CHAIR: I will now call for questions on Output 2.3, Remote Service Delivery Coordination.

Mr GILES: No questions.

Mr WOOD: According to the budget, it is about coordinated and integrated planning and delivery of services in Territory growth towns, and we have also spoken about outstations. Where do we slot in Daly River, Barunga, Beswick, Bulman, Peppimenarti, Pirlangimpi and Milikapiti? Where do they fit into the ...

Ms McCARTHY: In regard to Indigenous Essential Services, member for Nelson?

Mr WOOD: Yes.

Ms McCARTHY: They are included in minor communities, yes.

Mr WOOD: Right.

Madam DEPUTY CHAIR: It is Remote Service Delivery Coordination?

Mr WOOD: I realise that, but most of the talk has been about homelands and outstations. I do not regard Nauiyu as a homeland or an outstation. They are regarded as part of what we are talking about?

Ms McCARTHY: In regard to Indigenous Essential Services, member for Nelson?

Mr WOOD: Yes.

Ms McCARTHY: I am trying to clarify how you are putting the question. Is it part of ...

Mr WOOD: This section says Remote Service Delivery Coordination, but when you read the requirements, it is about Territory growth towns. Who coordinates integrated planning and delivery of services at Bulman, Beswick or Nauiyu?

Ms McCARTHY: I apologise. I thought you were asking in regard to Indigenous Essential Services. The Remote Service Delivery Coordination Unit is a specific focus largely on the remote service delivery sites across the Northern Territory. The Commonwealth announced 29 sites across Australia. Fifteen of those are here, and we have added to those 15 to bring it to the growth towns. That is the focus of the Remote Service Delivery Coordination Unit.

Mr WOOD: Who looks after those middle-sized communities?

Ms McCARTHY: I will refer to the Chief Executive.

Mr DAVIES: Member for Nelson, those communities are treated as towns. In that context, a public housing model applies. In regard to the outstations and homelands issue of the funding of the houses and R&M for those houses, it is about \$2400. For a place like Milikapiti, it is \$7500. There is a remote housing

model that applies. The town has a stand-alone school; it is not an outstation school serviced from an outstation school centre. It has a police station, so it is clearly a town. We put it into the minor town category or a small town category, and the big growth towns are part of that hub and spoke service delivery model.

Mr WOOD: I have raised this before. I feel the small towns are not in the mix. We are giving a great deal of money to outstations and homelands - that is fine - and there are growth towns, and there is this grey area. For example, Nauiyu has only had one house in 10 years.

Mr DAVIES: We are in the process of negotiating a new funding package with the Australian government outside of the National Partnership Agreement on Remote Indigenous Housing. It will be in addition to. We will do some substantial refurbishments to bring houses to standard across the board in those minor, smaller communities. Where there are beyond economic repair houses, we will replace them.

Mr WOOD: In the case of Nauiyu, they have wonderful houses which do not need to be refurbished, they need houses. That area seems to be missing.

Mr DAVIES: Whilst they are largely targeted for replacement houses, if there is a core community where there is significant overcrowding and substantial need for new housing, providing we have service blocks and we can obtain a lease, we will do some work to build new houses. There will not be substantial additional new to the housing portfolio, but there will be a big replacement program. We will go to some of these communities where there is available land where we think it is necessary to add in a few new houses.

Mr WOOD: I would love to talk on this a little more, especially about people building their own houses, but we are not going to have time - it is a big ask. There is room for some discussion on those communities otherwise they are going to die.

Ms McCARTHY: Member for Nelson, we have Michelle from the Service Delivery Coordination Unit with us as well. The other data that is being collated around the Northern Territory is based on employment and the fact we have to move into that space outside of, not only the growth towns, but across the Territory. If you want further information on the smaller communities we are happy to provide that at a different time.

Madam DEPUTY CHAIR: That concludes consideration of Output 2.3.

Output 2.4 - Remote Infrastructure Coordination

Madam DEPUTY CHAIR: I will now call for questions on Output 2.4, Remote Infrastructure Coordination.

Mr GILES: Madam Deputy Chair, I have no more questions in this output group. I apologise to the people from ARPA, I have questions and have emailed you my ARPA questions which come under Tourism. Please pass them on to ARPA. I have no more questions.

Mr WOOD: Who is responsible for infrastructure in places like the 15 Mile and Knuckey Lagoon? The state of the roads in Knuckey Lagoon is woeful and, in the case of 15 Mile, they do not have a public access road to that community.

Ms McCARTHY: I will refer to the Chief Executive, member for Nelson.

Mr DAVIES: We have been working with Yilli around this, member for Nelson. We have some work to do with the Australian government. Right now we have what we have, which is the funding we put into those organisations to assist with municipal and essential services and, where necessary, they work on the roads if there is spare money available. In regard to having new work done and new work around the infrastructure, we have started on Alice Springs, we have moved through Tennant Creek, we are going to Borroloola, we have a job to do at Elliott, we have a job to do at Katherine, and we have some work to do in Darwin. We are going to need some substantial help from the Australian government to give us a hand.

Mr WOOD: The road at Knuckey Lagoon - I have never seen a pothole patched or a little bitumen put anywhere for years. Minister, I do not know if it is possible - at the 15 Mile community this year the road actually collapsed. It is not really a road, it is the power and water easement, and they could not get an ambulance through. I rang your department and, thankfully, they brought some gravel in. The road has just now been graded. It has not had any maintenance since then.

There is a contract out today for \$8.5m to duplicate the Howards Springs Road. There is an opportunity there, if there were some emergency funds available, to talk to the department building that road to see if we could put a public road off this new duplication. What people in that community will see is, 700 m from the community an \$8.5m project to widen the road, and they have nothing. From a government perspective, if you could find some emergency funds this is an opportune time to fix that problem.

Ms McCARTHY: We can take that on board, member for Nelson.

Mr WOOD: The person you have to speak to is the minister for - your namesake.

Ms McCARTHY: My brother!

Mr WOOD: There is an opportunity right now - the contract is being let today. If it could be fixed that would be great.

Madam DEPUTY CHAIR: Thank you, member for Nelson. That concludes consideration of Output 2.3. Are there any non-output specific budget related questions? That concludes consideration of all outputs relating to the Department of Housing, Local Government and Regional Services. On behalf of the committee, thank you, minister. Thank you to your officers for appearing today.

Gerry, do you want to do to Aboriginal Areas Protection Authority?

Mr WOOD: One day I would like to ask some questions but we need some tourism.

TOURISM

OUTPUT GROUP 4.0 - TOURISM NT

Madam DEPUTY CHAIR: Thank you. With less than half-an-hour to go, I welcome you back as our Minister for Tourism, and invite you to introduce the officials accompanying you this evening. Do you wish to make an opening statement on behalf of Tourism NT?

Ms McCARTHY: Yes, Madam Deputy Chair, I wish to make a brief opening. I would like to introduce officials from Tourism NT: my CE, Mr John Fitzgerald; Ms Noelene Biddell, Chief Financial Officer; Ms Angela Collard, Executive Director, Destination Planning and Management; and Ms Valerie Smith, Director of Strategy and Planning. Other officers will also be with us as we go along.

The challenges facing the Territory's tourism industry, as I mentioned in last Estimates, has continued over the past year. These are the high Australian dollar, which is encouraging our spirited travellers overseas in record levels, weak economic conditions in our traditional markets across Europe and in the US, and the current low exposure of the Territory to markets in the east, which are performing well for Australia overall.

In recognition of the continuing impact of the decline of tourism benefits to Alice Springs and Central Australia, including the recent announcement by Qantas to reduce flights into Yulara from both Cairns and Perth, I took a delegation, which included Alice Springs Mayor Damien Ryan, Tourism Central Australia's Peter Solly and Jim Parashos from NT Airports to meet with Tourism Australia's Chairman and CEO. I was joined also by my own CEO, John Fitzgerald.

We requested Tourism Australia do more to promote the region and its national and international campaigns, and to work closely with the industry in Alice Springs. This was a successful meeting, as Tourism Australia will visit Alice Springs in coming weeks to assist the local tourism industry, and I certainly encourage the people of Alice Springs to get involved in this process. I am also working closely with Tourism Central Australia and the Alice Springs Town Council to improve tourism into Alice and to encourage visitors to extend their stay one more day. It is important we do not knock down the tourism industry which directly provides jobs for around one in 10 Territorians.

The visitor economy is worth over \$1.6bn to the Territory, and the latest tourism figures released yesterday indicate a 5% decline in total overnight trips to the NT in the year ended March 2012. As average length of stay remained at eight nights, total visitor nights were down by 7%. We are seeing small signs of recovery in the industry after a few challenging years and, very importantly, yesterday's figures showed some great results. For the first three months of the year, domestic visitors up 15% for the March quarter,

domestic holiday visitors up 22%, and business visitors up 30%, domestic visitors to Alice Springs up 11% for the quarter, and member for Katherine, especially for you, domestic visitors to Katherine/Daly up 144%.

Mr WESTRA van HOLTHE: Great place to visit.

Ms McCARTHY: It is. Obviously, March is a slow quarter generally for tourism, but there are some good early results.

Over 2011-12, Tourism NT has increased its focus on conversion, and this approach is delivering results on the ground for local tourism operators. Our \$1.4m Red Centre campaign in February resulted in Qantas selling 5922 seats for the Centre, and SilkAir commenced flights from Singapore to Darwin in March.

I am very pleased there are now over 140 Indigenous tourism businesses in the NT. The Pacific Asia Indigenous Tourism Conference held in March attracted 191 delegates from 16 countries. Tourism NT has also been very creative in promoting a number of extra campaigns, including the introduction of Virgin Australia services from Sydney to Darwin. I have certainly received favourable feedback in relation to the NT Experience Room set up in the Sydney CBD lifts as part of this campaign.

Madam Deputy Chair, I welcome questions.

Mr WESTRA van HOLTHE: Minister, why has it taken you until now to take a delegation to Tourism Australia to convince it to support Central Australia, and the Northern Territory, further through its campaigns?

Ms McCARTHY: Member for Katherine, I had been working on it for a few months. Consideration was certainly given in light of the announcement by Qantas - it was quite fortuitous in one sense that we were already preparing that delegation. We had begun, also, some consistent work in Central Australia in the lead-up to that delegation. It was very clear to me that we had to do a number of things, and that was working specifically with businesses in Central Australia with the long-term view of going interstate.

Mr WESTRA van HOLTHE: In your view, how long has Alice Springs had this tourism crisis?

Ms McCARTHY: It is really important to reflect on some serious issues here. The first one is we had Oprah come to the Rock in December of the previous year and it went to air in January last year. A month or two later, after terrific coverage of her visit, many businesses in Alice Springs chose to do a commercial which went completely against the businesses in Central Australia, and it did have quite a profound and very disastrous impact on the reputation of Alice Springs.

Unfortunately, those businesses have since realised that was not the appropriate way to go, and for an opportunity which was quite magnificent in the January coverage last year of Alice Springs, to have it, a month later, completely turned around - we were suffering for quite some time in Central Australia simply as a result of that. Naturally, from there we had to continue working with the businesses there. There have been other issues outside our control, which I have said on many occasions, and I know there will be commentary about that, but they are very real issues, such as the Australian dollar and the global financial crisis. The withdrawal of Tiger added to an already difficult situation for residents and businesses in Alice Springs, and these are things I have certainly been monitoring and working closely on with many of the groups in Alice Springs. In particular, Tourism NT has very much been in that space to work with groups there despite these other enormous challenges.

Mr WESTRA van HOLTHE: Given your acknowledgement that Alice Springs has been in difficulties for some time, I am surprised you have not sought a delegation, or a meeting with Tourism Australia to discuss these specific issues until the 11th hour. It seems like crisis management to me.

Ms McCARTHY: You will have your opinion, member for Katherine, but we are in constant discussions at the national level, whether it is with Tourism Australia or the federal minister, and other ministers, as part of the ministerial councils we hold in tourism. I hosted one in Darwin last year with all the Tourism ministers, and in my role as minister and the CE, we certainly raise it at those levels. This was an opportunity for the Alice Springs mayor and the head of Tourism Central Australia to join us, given there had to be a united approach to this. Let us not forget the politics of some of these circumstances that were taking place in Alice Springs, the division amongst different groups for different reasons, and it was not the time to try to pull people together at that national level, so we were doing that as part of my purview, and John Fitzgerald as the CE, to consistently do that and raise that. You will have your opinion, member for Katherine, I totally disagree.

Mr WESTRA van HOLTHE: There is much debate we could get into, but I will not at this juncture. No further questions on the opening statement.

Madam DEPUTY CHAIR: Member for Nelson, on the opening statement.

Mr WOOD: I only have one question.

Mr WESTRA van HOLTHE: I will leave you five minutes at the end. I will attempt to truncate two hours worth of stuff down to 20 minutes.

Madam DEPUTY CHAIR: We are going to Output 4.1 - Marketing.

Mr WESTRA van HOLTHE: Whole of government.

Agency-Related Whole-of-Government Questions

Madam DEPUTY CHAIR: Sorry, I beg your pardon. Yes, questions relating to agency-related whole-of-government.

Mr WESTRA van HOLTHE: Minister, would you say you and your government have been responsive, or proactive, in the face of changing global conditions, particularly around the GFC and the high Aussie dollar?

Ms McCARTHY: Can I try to understand the question? Are you asking have we tried to influence the change at that level?

Mr WESTRA van HOLTHE: You cannot influence the dollar, and you cannot influence what happens with the GFC itself, but have you, in your overall strategy, been proactive in trying to counter the effects of the high Aussie dollar and the global financial crisis.

Ms McCARTHY: We do our very best to deal with the challenges facing the tourism sector. Whether it is to do with those, whether it is to do with the Australian dollar, or whether it is to do with the global financial crisis or local politics across the Territory, tourism is always one of the areas I am very proud to say is an incredibly resilient industry. We have terrific people who constantly work on that, and I am happy to hand over to John Fitzgerald to give some examples of the way we have been working on our campaigns, especially the marketing campaigns nationally and internationally, knowing our visit last year to China is one of those strong points of constantly trying to find new markets, but also maintaining strength with our existing markets and not lose those.

Mr WESTRA van HOLTHE: Do you mind if I add a little more to that question? In the last three or so years, what has Tourism NT done differently or extra to market the Northern Territory in dealing with these changing global conditions - the additional stuff? I do not want to know the run of the mill things; we know what they are. What, additionally, have you done to try to counter the effects?

Ms McCARTHY: I will hand over to John Fitzgerald, but may I add we have had some other wins outside that which have enabled a higher opportunity to market. For example, being named in the top 10 by Lonely Planet as one of the best cities in the world to visit has allowed us to use that as a strong part of our campaign. I will hand over to John Fitzgerald, member for Katherine.

Mr FITZGERALD: Yes, thanks, minister. Member for Katherine, you have rightly identified some of things we cannot control, but we can control how we spend our resources, how we allocate them, and where we direct them. If you look at the way we have grown the marketing output in the last 12 months and the business, we are trying to reduce all of our unnecessary costs or look for savings wherever we possibly can and redirect that into the marketplace. There is only one way we can overcome the challenges and that is to get out there and compete. We have tried to ensure everything we do, both domestically and internationally, has an aviation partner attached to it, for instance. That was not something we always did, historically.

We are always ensuring we have a value proposition in the marketplace because the market has declined in Australia and domestic tourism has declined within Australia. We are out there competing for a smaller pool and the way to do that is on value. We have tried to bring a value proposition to absolutely everything we have done, both domestically and internationally, and have partners with us that can generate what interest there is in coming to the Territory into bookings. That is what we have probably – I

have only been here for a little over 12 months, but in the time I have been CEO, recognising the significant global challenges we are facing, is about that. It is ensuring we are partnering up, we have a great proposition, and we can stimulate that interest into booking.

Mr WESTRA van HOLTHE: What I have just heard, Mr Fitzgerald, is you have partnered up with airlines. That is the only additional thing you have been able to do to counteract the effects of the high Aussie dollar and the GFC.

Mr FITZGERALD: Partnering up with airlines, with Tourism Australia, with a range of other trade partners. It is a matter of being in the marketplace 365 days a year with messages about the Northern Territory and providing an opportunity for those travellers who want to book there and then to be able to do so - to convert straightaway.

We have taken some of our approach from being more heavily brand focused to more tactically focused. That is good strategy in difficult times when you are competing for a smaller pool. We need to convert the interest already there rather than grow a pie which we know is not going to get bigger in the short term.

Mr WESTRA van HOLTHE: Okay, thank you. Let us go back 5, 6, 7 or 8 years. How has expenditure within the tourism portfolio changed to accommodate any new or improved initiatives within tourism? Have you found more money to spend on initiatives? What have they cost you?

Ms McCARTHY: What we have done - to follow on from John Fitzgerald's response about being more strategic - for example, the purchase of Yulara and the \$300m investment has been a significant strategic point for us where the employment and training of Indigenous people in the hospitality industry has been a significant push. To begin, we called on all ministers across Australia in the meeting I had here in April last year to support the Northern Territory and take a lead role in the training of Indigenous people in the hospitality space. We have put that on the national agenda because we recognise, for tourists who come to this country, the experience with Indigenous culture is very high on their list. It is number two with many of the tourists according to some of the surveys and responses we have had.

One of the strong ones is landscape; being able to visit the different nature reserves across Australia and the Northern Territory with both the national parks. That kind of strategic work has been important. To reiterate John Fitzgerald's comments, in these difficult times we have to be strategic; we have to look at other ways of ensuring we are preparing for, hopefully, the prosperous times again.

Mr WESTRA Van HOLTHE: I am very concerned, having gone through budget books for quite a number of years, to see, proportionately, tourism has been receiving a much smaller slice of the overall pie out of the appropriation over those years. It has gone from about 1.8% of the budget in 2003-04 to where it is currently - 0.9% of the budget. Tourism is one of the three key economic drivers in the Northern Territory. I gather from that your government's response to difficult times is to spend less on tourism and supporting the tourism industry to the detriment of that industry. We know there is a correlation between how much you are spending and where tourism sits in the scheme of things.

Ms McCARTHY: You are correct about the figures and the decline in this year's budget, but we make no apology for the investment our government is making across the regions which began nearly two years ago with almost \$1bn into the infrastructure. One of the concerns I have is we are very strongly, on the Territory agenda and the national agenda, citing the need for Indigenous experiences for tourists when they come. However, shamefully, we cannot be proud that there is incredible disadvantage across the Northern Territory, particularly for Indigenous people. Our government has made a very conscious decision to improve the lives of the most disadvantaged people in the Northern Territory, who also happen to be the reason why many of our tourists come. If I have the opportunity to be in this position next year, I would like to see the investment we have made in those regions in the areas of great disadvantage are going to flow into places and other areas like tourism.

Mr WESTRA Van HOLTHE: I do not quite understand the relevance of your answer. Not only do we have a smaller slice of the pie, but your budget is not even keeping up with the CPI. From 2003-04 until the present day, you are about \$6m short of keeping up with the CPI. How do you argue in Cabinet for money to be allocated to tourism? You understand CPI, I am sure you do.

Ms McCARTHY: Member for Katherine, let us not be silly here. I cannot relay to you what we discuss in Cabinet.

Mr WESTRA van HOLTHE: No, I understand that.

Ms McCARTHY: Also, being picky about what I do and do not know is irrelevant at this time of night. I thought I made it quite clear about the disadvantage across the regions, but we make no apology for wanting to improve the lives of Indigenous people across the Northern Territory. I thought that was a fairly straightforward explanation.

Mr WESTRA van HOLTHE: So, you spend money on Indigenous disadvantage at the expense of tourism? Is that what you are saying?

Ms McCARTHY: I am connecting for you, member for Katherine, the reason why our budget has focused on these areas, and we make no apology for wanting to improve the lives of Indigenous people across the regions.

Mr WESTRA van HOLTHE: You would be happy for me to tell tourism operators in Alice Springs the NT government's priorities are all out of whack and it would prefer to spend ...

Ms McCARTHY: No, you do that very well anyway, member for Katherine. You are very good at throwing rocks from the sidelines. It is the trashing of the Northern Territory that always comes out from the CLP. The fact we have had these issues in Central Australia ...

Mr WESTRA van HOLTHE: I refute that, because I do not trash the Northern Territory.

Ms McCARTHY: ... and it is very much the criticism which consistently comes when we know there are difficulties in the reputation, and the importance of always building the reputation, particularly around places like Alice Springs without bringing them down.

Mr WESTRA van HOLTHE: Minister, I refute your assertion that I trash the Territory. What I do is trash the way your government decides how it spends money. Perhaps that is just a philosophical argument, but I would be seeing money go into a sector that is one of the three key economic drivers in the Northern Territory. They need support, and it seems their support is being eroded because of the priorities you place on spending money through your government. However, with five minutes to go ...

Ms McCARTHY: We will agree to disagree, member for Katherine.

Madam DEPUTY CHAIR: We have five minutes to go. If you have questions, member for Katherine, you would probably want to be moving along fairly quickly.

Mr WESTRA van HOLTHE: I am going to defer to the member for Nelson.

Mr WOOD: Just one question, it might not take long. Minister, is your department looking at being involved in perhaps the new re-siting of the Darwin Railway Station? I am told there are plans to put it where it was originally meant to go, that is, between Tiger Brennan Drive and the railway line where they come close together. Have you been involved in any plans, especially as it is not presently at a great site and it is not really encouraging to welcome people to the Northern Territory or to Darwin?

Ms McCARTHY: Member for Nelson, I will refer to John Fitzgerald.

Mr FITZGERALD: No, we have not been involved, member for Nelson.

Mr WOOD: I know there are plans, and I will find out why you are not involved, because we need to ensure you are involved. That is the only question. You can keep going.

Mr WESTRA van HOLTHE: Are you happy for me to keep going?

Madam DEPUTY CHAIR: Any further questions? You have four minutes left.

Mr WESTRA van HOLTHE: I thought we were not allowed to bounce back, but if you are happy for me to do that, I will.

Madam DEPUTY CHAIR: I am feeling very generous, member for Katherine.

Mr WESTRA van HOLTHE: You only have five minutes to go. Minister, in the current financial year how many international aircraft charters have been funded partially or wholly by Tourism NT?

Ms McCARTHY: I will refer to John Fitzgerald.

Mr FITZGERALD: We conducted the first ever charter from China this year, member for Katherine. Essentially, that involved five charter flights, successfully operated by Qantas in January, which brought 300 Chinese visitors into the Territory. A significant outcome of that was we proved that a 737-800 could fly safely from Hong Kong to Darwin, so for a future market opportunity that was a great outcome. The economic benefit of that has been estimated by our independent consultants at around \$1m, or \$270 000 in direct expenditure and about \$750 000 in indirect expenditure - indirect contribution to the Territory.

Mr WESTRA van HOLTHE: How many passengers? Were there 300 visitors on five flights?

Mr FITZGERALD: That is right.

Mr WESTRA van HOLTHE: We are not talking about a total of 1500 visitors?

Mr FITZGERALD: No, they come to us on different itineraries through different points in Australia. Chinese travellers were not coming explicitly and exclusively to the Territory. There were twenty who spent the entire week in Australia in the Territory. There were seven itineraries they could choose from altogether visiting Alice Springs, Yulara and Darwin on those five sequences of charters. Chinese visitors choose to visit multiple destinations in Australia.

Mr WESTRA van HOLTHE: What was the Tourism NT contribution? Do you know of any other department that contributed within the Northern Territory government, but specifically, what did Tourism NT contribute to that. How much of the cost?

Mr FITZGERALD: I am not aware of any other department contribution. The overall promotional effort and the charter series cost about \$490 000. The legacy of that is far beyond the 300 passengers who arrived. As I said, we proved an airline could operate safely between the ports. We demonstrated to the industry there was market demand from the China market. We demonstrated to the trade in China there was demand for the Territory to be included in their Australia travel itineraries for their holidaymakers. As part of that exercise, we did a significant amount of marketing and training of travel agents in China which will enable us to build more market opportunities out of that exercise. We looked upon it not as a single exercise, but as a market activation plan which helps us take a greater leap forward in the China market.

Mr WESTRA van HOLTHE: What is the capacity of a 737-800?

Mr FITZGERALD: It has 150 seats.

Mr WESTRA van HOLTHE: You only managed 300 visitors?

Mr FITZGERALD: It is a little complex but, at the end of the day, the Territory's contribution was for an aircraft to do two sectors - from Hong Kong into the Territory and return. The way the itineraries work, the Chinese visitors did not just come down and go back. They did a series of itineraries around the country, some of them coming on charters via Cairns into Australia and then onto the Territory. It is a complex web the way it works out but, simplifying it, our contribution was for the aircraft component between Hong Kong and the Northern Territory and return, so two times 150 is 300 visitors.

Mr WESTRA van HOLTHE: Last, how did you work out the economic benefit to the Northern Territory through those 300 visitors?

Mr FITZGERALD: It was done independently by the company we commissioned to operate the charter program. Part of the role it played was to give us an economic evaluation of the success of the event.

Mr WESTRA van HOLTHE: Is it possible to get the details of that evaluation?

Mr FITZGERALD: I am not sure whether that is commercial-in-confidence or publicly available. We would be happy to, if it is able to be provided.

Mr WESTRA van HOLTHE: I see a nod from Ms Collard. Thank you, Angela. If that could be provided to me, I would appreciate it.

Mr FITZGERALD: Sure.

Mr WESTRA van HOLTHE: Thank you.

Madam DEPUTY CHAIR: Given we have reached 10.30 pm, we will have to leave it there. Minister, thank you for appearing, along with the people from your agency Tourism NT.

That concludes this session and the committee will be reconvening on Tuesday, 19 June at 8.30 am.

The committee suspended.
