

ESTIMATES COMMITTEE - Wednesday 25 June 2003

**In committee in continuation:**

**MINISTER TOYNE'S PORTFOLIOS**

**Mr CHAIRMAN:** Welcome to the second day of the Estimates Committee. I thank everyone for their attendance. I welcome the minister, and invite him to introduce the officials accompanying him. If the minister wishes to make an opening statement on behalf of the Department of Justice, he may do so.

**Dr TOYNE:** Mr Chairman, I introduce Richard Coates, my departmental CEO for Justice and Terry Dreier, who is our head of financial services within the department.

I welcome the opportunity to answer questions on my portfolio responsibilities for Justice, Corporate and Information Services and Communications together with my CEO and other departmental officers who will be available to the committee this morning.

We have achieved a great deal this financial year, and have a lot of work ahead of us in the next financial year. As with other ministers, questions follow the order of output groups in Budget Paper No 3. Once dealt with an output group, we do not intend to revisit that output, so, committee members, please ensure that all the questions you want dealt with in an output area are asked before we move on.

I want to clarify some areas of overlap with some other ministerial portfolios. My colleague, the Minister for Business, will talk about procurement policy this afternoon, however, together with my CEO of DCIS, Sarah Butterworth, I am happy to take operational questions concerning DCIS Contracts and Procurement Services role in this area.

The implementation of the *Information Act* is divided between my Justice Department and DCIS. I propose to take any questions on that area as we progress through the output groups in the budget papers. In relation to my role as Minister for Central Australia, as members would be aware, there are no specific budget line items on Central Australian matters. Rather, these are dealt with in each portfolio area, and any questions should be dealt with in that manner.

I take the opportunity of bringing the committee's attention to a couple of areas that will assist in my responding to questions. I wish to correct the following information in the budget papers:

- on page 96 of Budget Paper No 3 for 2003-04 under the heading 'Performance Measures for Solicitor for the Northern Territory', the quantity measure, the capacity to provide legal services as estimated in 2003-04 is 50 850 hours rather than the 38 440 hours reported in Budget Paper No 3;

- the cost measure for 2003-04 estimate is \$161 when it should be \$128. This quantity measure is the driver for calculating the cost measure and the methodology used ...

**Mr DUNHAM:** May I have that second one again?

**Dr TOYNE:** Yes. The cost measure of the 2003-04 estimate is stated as \$161; it should be \$128, if you want to make that amendment. This quantity measure is the driver for calculating the cost measure and the methodology used to calculate the 38 440 hours used for 2003-04 was incorrect. This mistake will be corrected in the department's first quarterly report in 2003-04 on performance measure ...

**Ms LAWRIE:** May I have that figure again on the capacity to provide legal services?

**Mr CHAIRMAN:** Before the minister answers her question, I remind members that all questions to the minister must come through the Chair.

**Ms LAWRIE:** Mr Chairman, I seek clarification on the hours, 50 000?

**Dr TOYNE:** The new figure is 50 850 hours substituted for the figure in Budget Paper No 3, which was 38 440.

**Ms LAWRIE:** On 2003-04?

**Dr TOYNE:** Correct.

Turning to page 105 of Budget Paper No 3 for 2002-03, the staffing level was incorrectly reported at 829. It should have read 845. Is everyone with me there?

**A member:** What page?

**Dr TOYNE:** Page 105 of last year's Budget Paper No 3 of 2002-03.

**Mr BURKE:** It reads 829?

**Dr TOYNE:** The figure 829 for 2002-03 should have read 845. The reason for the variation was that the Office of the Director of Public Prosecutions incorrectly recorded their staff numbers. This had no effect on the department's budget.

Finally, turning to page 97 of Budget Paper No 3 for 2003-04, the one before us today, under the heading of 'Performance Measures for the Office of the Director of Public Prosecutions' the quantity measure is not properly described. 'Completed matters' should read 'opened matters', and in the cost measure 'completed matters' should read 'opened matters'. Are you with me there?

**Mr MALEY:** That is page 97 at the bottom of that table under cost average per ...

**Dr TOYNE:** Correct.

**Mr MALEY:** What is the change again?

**Dr TOYNE:** 'Completed matters' changed to 'opened matters'.

**Mr MALEY:** Okay, yes.

**A Member:** Is that both completed matters, top and bottom?

**Dr TOYNE:** Yes, it is the completed matters as prosecutions. 'Completed matters' should read 'opened matters', and in the cost measure, 'completed matters' should read 'opened matters', so there are two changes there. I apologise for those errors. We have tried to be as up to date as possible where we've discovered there has been an incorrect figure.

In preparing for these hearings, the Department of Justice has, in preparing responses to financial questions, used as a base the April 2003 Financial Statements. Where appropriate, they have extrapolated these figures to 30 June 2003 to give you a whole year picture. In the main, in preparing performance measures responses, we used the data provided to Treasury for the period ending 31 March 2003. Where appropriate, they have extrapolated these figures to 30 June 2003. They have maintained the estimates recorded against the performance measures, for which a survey will be used to collect the data. The surveys have not yet been completed. Once they have, the data will be recorded in the annual report, and any variations against the 2002-03 targets will be recorded and, where appropriate, 2003-04 targets will be adjusted.

**Mr CHAIRMAN:** Minister, that concludes your opening statement?

**Dr TOYNE:** That concludes my opening statement.

**Mr CHAIRMAN:** Thank you, very much. Are there any questions in respect of the opening statement?

There being no questions, the committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2003-04 on an output by output basis as they relate to the Department of Justice.

**DEPARTMENT OF JUSTICE  
OUTPUT GROUP 1.0 - Legal Services  
Output 1.1 – Solicitor for the Northern Territory**

**Mr CHAIRMAN:** Are there any questions?

**Mr MALEY:** Mr Chairman, I have a question that relates to the Federal Police investigation into allegations in respect of the Tanami Network and the failure to acquit funds. At page 93 of Budget Paper No 3, in an overview of the Department of Justice, it is stated that one of the important roles of the Department of Justice is to provide legal advice and representation on specialist legislative and constitutional issues.

My question is: did the Department of Justice, namely the Solicitor for the Northern Territory, either directly or indirectly provide you with any legal advice relating to your involvement with the Tanami Network as an unpaid volunteer, and the allegation that certain money had not been properly acquitted and your subsequent interview with the Australian Federal Police, and, if so, how much did that advice cost the Northern Territory taxpayer?

**Dr TOYNE:** The answer is no and nothing.

**Mr MALEY:** Minister, shortly after the Alice Springs sittings, you forwarded me a reasonably well written letter in an attempt to intimidate me and demanded that I do not pursue the Tanami incident any further. My question is: was this letter prepared by officers of your department and, if so, how much did it cost the Northern Territory tax payer? Do you think it is appropriate to use tax payers' money in an attempt to gag a member of parliament, if it was the fact the case that you sought advice and the letter was drafted by the department?

**Dr TOYNE:** The department was not involved in that. It was drafted in my office and there is no impost on the tax payer whatsoever. Can I just say this is a particularly grubby piece of politics that you seem to be pursuing. Let us get on to the budget.

**Mr MALEY:** At page 96 of Budget Paper No 3, minister, your department confirmed you have cut assistance to victims of crime to \$4m. That is a cut of \$2.37m for the Crimes (Victims Assistance) Scheme in 2003-04. Minister, can you explain why you have cut the budget by more than a third from \$6.37 to \$4m?

**Dr TOYNE:** I think the member would be aware that we have already introduced a raft of reforms to the operation of that scheme aimed at curtailing the legal cost factors, which were very high in relation to the compensation that is actually delivered. We expect that part of that reduction in outlays in that program will result from less legal costs being accrued to the scheme.

We have indicated also that we want to take the reforms in that area further. We released a discussion paper on victimisation in our community. It is fair to say that there is evidence that financial compensation delivered often several years after the crime has been committed and after very protracted legal proceedings, which, in many cases, are traumatic to the victim and their families, is

not the most appropriate structure for the scheme.

What we are looking for is a mix of compensation, particularly for more serious crimes and other forms of support for victims, which we would want to see as being more timely and a bit more diverse in terms of how we can step into a victimisation situation and provide more immediate support, whether it is counselling, the reparation or the resecuring of a person's home, or it could be to facilitate medical services. There is quite a range of things that could potentially be done.

We have not made any specific decisions on that at the moment, given that the discussion paper has been out for comment. We now have such responses as the community gave us. We will announce in the near future a revised scheme. The budget estimate, as for all of these reactive areas of the budget, you can never really be sure of what call there will be on that area or program, and typically in past years we have had to adjust against the actual year's activities.

The point I would make to close my answer is that we are also not convinced that the scheme is equally accessible in practical terms to all Territorians. We would certainly like to see some increased equity in access to that scheme.

**Mr MALEY:** Minister, I am aware of the review of the scheme and the effect it is having on legal costs and the capacity for some individuals to obtain legal representation. But are you able to definitively say what portion of this \$2.37m cut will actually be taking money from potential victims of crime as opposed to saving on the payment of legal fees to practitioners acting for applicants.

**Dr TOYNE:** Perhaps if I give you a breakdown of the \$6.188m that has been accrued to that scheme in 2002-03: assistance itself was \$3 523 917.46; the legal costs other than government legal costs were \$1 579 206.62; the Solicitor for the Northern Territory legal fees were \$947 391.48; the recovery costs were \$137 523.86, giving a total of \$6 188 039.42. Now, as to where the reductions in outlays would come, we expect that the legal costs would recede because of the changes we have already introduced.

As to where the rest of it, it depends largely on the delivery mechanism. One of the things we are looking at is possibly a tribunal-based or an administrative-based delivery mechanism in most cases with the court process reserved for more complex matters that need to be fully heard. That would impact on all of those cost and recovery areas. We are certainly wanting to minimise the reduction that would accrue to the actual assistance given out.

**Mr MALEY:** Minister, the victim levy has doubled from \$20 to \$40 per offence. How much money has the Northern Territory government raised in the past 12 months from the victim levy imposed upon offenders in the Magistrates and Supreme Courts?

**Dr TOYNE:** You would have to go to the Under Treasurer to get those figures because it goes into the ...

**Mr MALEY:** Receiver of Territory monies, all right. Through the Chair, minister, at page 96 of Budget Paper No 3, under performance measures, you have a category 'other grants'. Other grants in 2002-03 were \$440 000 and it is anticipated to increase to just under \$1m in 2003-04. Can you particularise what those grants are, who they were paid to and what accountability the Solicitor for the Northern Territory utilises to ensure those grants are properly used for whatever purpose?

**Dr TOYNE:** The grants payments are increasing, as you quite correctly stated, between 2002-03 and 2003-04 by \$211 000. This increase is attributable to CPI adjustments of 2.5% and a specific increase of payment to the Legal Aid Commission from the Commonwealth of \$194 000. We can table a list of the grant recipients for you.

**Mr BURKE:** Does that give you the change? That accounts for the change in the two years?

**Dr TOYNE:** Yes, it does.

**Mr MALEY:** Yes, thank you for that.

**Mr BURKE:** The Solicitor for the NT's office, in fact the Department of Justice office, I would have thought, would probably be one of the most precise departments in costings just by virtue of the way legal firms, and I know the Department of Justice, have operated in the past. Why is there such a difference in the cost per solicitor hour in the performance measures? If you look at 2002-03, the estimate was \$111; for 2002-03, in fact, it is \$152 per solicitor hour, and you have just given us a change for 2003-04 of \$128. Why are the costs so dramatically different?

**Dr TOYNE:** It is a methodology issue and I'll ask Terry Dreier to answer that.

**Dr DREIER:** The methodology used to calculate the number of hours was incorrect in Budget Paper No 3 of 2003-04. The methodology used in 2002-03 was correct. The methodology used in 2002-03, Budget Paper No 3, was used in order to recalculate the figures, which the minister read out in his opening statement. So the \$152 is incorrect. We estimate that that will come in between the \$111 and \$128, which we anticipate for 2003-04.

**Mr BURKE:** Okay. Why are the performance outcomes different?

**Dr TOYNE:** Sorry. Which one?

**Mr BURKE:** For 2002-03 and 2003-04.

**Dr TOYNE:** Which measure?

**Mr BURKE:** Sorry, I have that in another area. Okay. I accept that.

**Mr DUNHAM:** May I ask you a question of clarification? This tabled paper about grants, which output group does that relate to?

**Dr TOYNE:** You will see on the left hand side the three output groups that it refers to: Policy, Office of Crime Prevention and Corrections.

**Mr MALEY:** Just a clarification, policy is a separate output group, Crime Prevention is now a separate output group and, of course, Corrections are. Does this document relate to the grants specifically under Solicitor for the Northern Territory that are anticipated to increase from \$440 000 to \$970 000?

**Dr TOYNE:** That accrues all the grant areas and is an overall, global change.

**Mr MALEY:** Minister, the Bradley case received a fair bit of media attention in the past. Are you able to tell the committee what the current status of the matter is, whether it is proceeding by way of a High Court Appeal? Are you able to say what are the Solicitor for the Northern Territory's legal costs to date in respect of that matter? What steps have been taken, if any, if it is appropriate, to recover those costs from the applicant?

**Dr TOYNE:** Let us deal with the two parts of your question. In response to the first part, as you are well aware, it has gone to the High Court on, I believe, two issues. My understanding is that the issue is really related to powers under the *Northern Territory (Self-Government) Act* rather than the issue of Bradley's appointment in particular. We are certainly not going to be making any decisions about what is done about costs until the court process is finalised – it makes sense, does it not? We do not know what the final costs will be, so there is no point dealing with that matter ahead of the final decision of the High Court. I can give you the costs to date. The total costs paid to legal providers during the financial year 2002-03 were \$20 244.25. The total cost paid to external providers since the overall

action commenced was \$1 157 257.14. Do you need that again?

**Mr MALEY:** No, 1.1. Minister, it is fair to say that if the Northern Territory government is successful in the High Court, there would be an application to recover those costs from the unsuccessful party?

**Dr TOYNE:** Yes, there are a number of options that the government will look at.

**Mr MALEY:** Well, the option is either to recover or not recover. It is fair if you win ...

**Dr TOYNE:** There are other options between those two possibilities. There is no point in conjecture because it is going to be, ultimately, a Cabinet decision. As you well know, I am not going to try to cut across Cabinet's decisions.

**Mr MALEY:** Minister, you have made a number of changes in your opening statement to the estimates for 2003-04 for the Solicitor for the Northern Territory. It is fairly obvious that there is going to be a significant increase in professional staff. Are you able to indicate how many extra legal practitioners you intend to employ in 2003-04?

**Dr TOYNE:** You will be aware that in the last budget we indicated an increased budget to the Solicitor for the Northern Territory of \$1.3m to allow for the in-housing of some of the previously outsourced legal capacity. That arrangement will go for two years, so we are half-way through that. As a result of that additional money being available, nine positions have been put on within the Department of Justice. That recruitment was done by the normal procedures. Those people are now in place and we are operating with that increased capacity.

**Mr MALEY:** Minister, before you were the minister, of course, there was a significant privatisation of a number of services that the Solicitor for the Northern Territory provided. Work was outsourced, and a number of formidable and reputable legal practitioners left the Solicitor for the Northern Territory and took up employment in private firms, and they received payouts and the like. In the past 12 months, a number of those practitioners have returned to your department. I do not want to name them, of course, but are you able to produce a document that summarises the cost of re-employing these people and their packages, what you paid them to come back to the Solicitor for the Northern Territory?

**Dr TOYNE:** I do not have the figures for that, but what I can say is that the process was an entirely normal process for recruiting back to the public service. I do not know where your concerns lie. If it is if the person left under some sort of redundancy agreement, then there are two years to be served outside the government system. All of that would have been checked as part of the recruitment of these nine people. The recruitment costs would be standard recruitment costs into the Northern Territory Public Service. There were no unusual payments, no unusual circumstances whatsoever.

**Mr MALEY:** No unusual payments or one-off?

**Dr TOYNE:** No.

**Mr MALEY:** Okay. You have talked about nine extra practitioners into 2003-04, but on the most recent 12 months, 2002-03, how many new legal practitioners were engaged by the Solicitor for the Northern Territory, and how many new support staff were engaged?

**Dr TOYNE:** I can give you the global figure at the various dates that might cover the period you are concerned about. As at 19 June 2002, there were 29 persons employed in the Solicitor for the Northern Territory, including Richard Coates as CEO. On 8 April 2003, there were 39 persons employed in the Solicitor for the Northern Territory including the CEO, and at June 2004, if all positions are filled, including current vacancies, the number of legal practitioners authorised to act in the name of the Solicitor for the Northern Territory would be estimated at 42.

**Mr MALEY:** Minister, during the year 2002-03, were any consultants engaged by the Solicitor for the

Northern Territory and, if so, what are their names, and how much were they paid? Perhaps if you have that by way of a table, rather than walking the committee through the table, it is just a matter of tabling it.

**Dr TOYNE:** I do have it; I will find it.

**Mr MALEY:** Minister, does that table include a summary of any legal practitioners whose contracts of employment were either terminated before they expired, and they received a payout figure?

**Dr TOYNE:** No, but we will table it. The only thing I point out is that the list of consultants that have been taken on by DOJ is for DOJ as a whole, not just the area you are looking at at the moment.

**Mr MALEY:** Not just for Solicitor for the NT.

**Mr BURKE:** An outline is what we would normally get.

**Dr TOYNE:** We are quite happy to table them, but that will give you the whole picture for the department.

**Mr BURKE:** So I can assume that, unlike previous years, for the different agencies themselves, often the Department of Justice would coordinate and tabulate the list of outsourcing, and that will now have to come department by department?

**Dr TOYNE:** No, I think we are talking about two things. These are consultancies that have been brought in on all sorts of issues such as policy matters and ICT, so there is quite a range, as you will see when you look at the list.

**Mr BURKE:** Do you have a list of the outsourcing contracts for legal services by firm?

**Dr TOYNE:** I have. If that is what we are talking about, I will talk about that. Can I just raise a matter, though, Mr Chairman? I am somewhat uneasy about giving out detailed lists of payments for outsourced legal services in the presence of the member for Goyder in that he is a lawyer with a practising certificate. He has been, we believe, taking instructions recently in Sydney. He has associations with his previous law firm by definition, even if it is not formal business participation at the moment. I believe that the type of information embodied in these lists would be very useful if you were trying to work out what other firms in the Territory system or interstate firms were doing in relation to government work. It also details the spread of legal work that the government is currently putting out. I ask the member for Goyder to give us some assurance that there is not a conflict of interest here.

**Mr BURKE:** With respect, Attorney, that is just garbage.

**Dr TOYNE:** I am not asking you. I am asking the member.

**Mr BURKE:** No, I will answer that for the shadow, and with respect that is garbage. He is a member of parliament. You are being asked to provide information.

**Dr TOYNE:** He is also a practising lawyer.

**Mr BURKE:** We do not need any waffle about unease. If you are uneasy, refuse to table it. We are not interested in any of this stuff. This is for the parliament as a whole and the member for Goyder as you well know, has no capability to intrude upon the information that comes into this parliament directly or indirectly.

**Dr TOYNE:** I don't know that at all.

**Mr BURKE:** You either table it or you refuse to table it.

**Mr MALEY:** Any more than a member of the public would.

**Dr TOYNE:** I do not know that. A member of the public is not a practising lawyer and a practising lawyer has a particular vested interest in the sort of the information that goes out about the activities of the various private law firms that operate in the Northern Territory and interstate in relation to government work in the Northern Territory. I am just raising the matter that you are sitting there in the box seat wanting to get all the information, a complete overview, of the government's relationship with private law firms in the Northern Territory.

**Mr MALEY:** It is on the public record. So you are saying that someone else could ask that question, your colleague the member for Karama, on the public record and if a legal practitioner was sitting in the body of this forum or listening to the transcript, that is okay, but it is inappropriate if I ask the question. Is that what you are saying?

**Dr TOYNE:** It is inappropriate that you are able to probe details of the relationships that we have with ...

**Mr MALEY:** So I could write the questions for the member for Karama

**Dr TOYNE:** ... rival legal practitioners to your own practice.

**Ms LAWRIE:** I would not be reading your questions, I can assure you, member for Goyder. I have ethics and integrity.

**Mr BURKE:** You have every capacity and advice to refuse.

**Mr DUNHAM:** What you are talking about goes to matters of procurement. What you are talking about is that you are procuring services, some of which you prefer not to divulge for a variety of reasons. Can I ask you if you have adhered to the procurement protocols, which were tabled only last week, in relation to all of these contracts that you have acquired?

**Dr TOYNE:** I cannot answer that as an operational issue. I can certainly say that those procurement protocols have only been finalised. We are certainly, as a whole-of-government, committed to those protocols being followed, and they will be followed. I will have to turn to my CEO in terms of what has been done or ...

**Mr DUNHAM:** That will suffice for me. Are you confident that this instrumentality has the same level of concern about procurement as is evidenced by the government in its statement?

**Dr TOYNE:** I am, certainly to the degree that I am aware of the detail that we are ensuring - and I will certainly take ministerial responsibility for any case where those procurement guidelines are not followed within my department.

**Mr DUNHAM:** Are you aware that in an audit by Risk Management Assessment, which was done across government late last year, only two agencies refused to cooperate with the Auditor-General, one of which is the Department of Justice. It is down here on page 20 of the document tabled *Across Government Review of Procurement, August 2002*. That agency, the Department of Justice, the comment listed is: 'No response from agency'. Do you think that is indicative of concern about matters of purchasing services like legal services? Do you think this business of hiding behind confidentiality because other contractors, whether they lawyers or not, might find out is just a ruse?



**Dr TOYNE:** Let us deal with your first issue first. I will just seek from the CEO a reason why that response was not given to the Auditor-General. We do not know here and now why that response was not given to the Auditor-General; there was certainly no conscious decision taken to deny information to the Auditor-General. What I can say is that the procurement process is an open, transparent tender process. It is all gazetted and announced so there is nothing in our practices within DOJ that would indicate that the Auditor-General would have any concerns about.

**Mr BURKE:** There should not be any unease, then. That is why your comment before was quite out of line. There shouldn't be any unease, then. That is why your comment before was quite out of line. There should not be the slightest bit of unease that tabling that documentation in this Estimates ...

**Dr TOYNE:** I have to say if you had dealt with this issue when it was first raised, about the potential conflict of interest that exists there, you would not put me in this sort of situation either.

**Mr Maley:** That is so outrageously untrue.

**Mr CHAIRMAN:** Member for Goyder.

**Dr TOYNE:** You are the Leader of the Opposition, I think you should be ...

**Mr CHAIRMAN:** Do you wish to continue, minister?

**Dr TOYNE:** I am saying that I really call on him to resolve this matter because it is causing difficulties for us.

**Mr CHAIRMAN:** In the interests of everyone, I would like to clarify this matter. I wish to make it very clear that it is the prerogative of the minister whether he or she chooses to table a document.

**Mr BURKE:** Mr Chairman, I accept that entirely. The minister has officers there to advise him. What the Estimates Committee does not need is a patronising lecture on issues that have nothing to do with what the question that was asked.

You have just said that you followed the procurement processes entirely. This is documentation that is not new to an Estimates Committee or to the budget process in the past. We understand that in some cases, there may be sensitivities that you would not want to say how much money was provided for a particular case or give details of that case, but the global amounts paid to firms that undertake outsourcing contracts on behalf of the department should well and truly be the knowledge of this committee without any hesitancy on your part.

**Mr MALEY:** Minister, I can give you this background: the reason I asked the question is that there is a perception and concern amongst some legal practitioners that your department is engaging what is termed as Labor lawyers for up to \$300 an hour through the Solicitor for the Northern Territory. We are trying to find out how much. You cut the money paid to victims of crime; you have made it difficult for some applicants to get lawyers; and now you will not disclose how much you pay your pet solicitors.

**Dr TOYNE:** Mr Chairman, I talk to a lot of lawyers, and I have yet to hear that from anyone.

**Members** interjecting.

**Mr CHAIRMAN:** Order! Minister, I am really asking whether you wish to table the document or not. If you do not wish to table the document, I suggest we move on.

**Dr TOYNE:** I seek and assurance from the Leader of the Opposition that he is going to ensure that this information and that this line of questioning is not leading into an area where unfair advantage

could accrue to the member for Goyder in his legal activities.

**Mr BURKE:** There is no need to seek assurance and you will not get it. What we need is a simple answer from you. Will you or will you not table to this Estimates Committee details of legal firms that are engaged by your department on behalf of your department or other departments, information that has been tabled in this parliament in the past. You can set a new precedent, if you like. Just tell us yes or no.

**Dr TOYNE:** I will table the information that you are requiring ...

**Mr BURKE:** Thank you.

**Dr TOYNE:** ... but I am just again pointing out ...

**Mr BURKE:** We have heard it three times. Just table it. We only have 4.5 hours.

**Dr TOYNE:** So, can we return to the question?

**Mr CHAIRMAN:** Yes. Can we continue at Output 1.1. Member for Goyder, do you have further questions?

**Mr MALEY:** Minister, during the 2002-03 financial year, did the Solicitor for Northern Territory pay for any staff to attend functions held by either the Northern Territory Bar Association, the Northern Territory Law Society or the Northern Territory Criminal Lawyers Association including the Law Week lunch that was recently hosted on the fourth floor of Parliament House? Did the staff who had those tickets paid for by the Solicitor for Northern Territory include any ministerial staff?

**Dr TOYNE:** In the two parts of your question, the Solicitor for the Northern Territory paid half the attendance costs of the departmental staff. No ministerial staff attended.

**Mr MALEY:** Okay, so you are giving me an assurance that not one ministerial – not from your office, but no ministerial staff attended the Law Society function?

**Dr TOYNE:** I cannot speak for the others, but certainly from my office, no.

**Mr MALEY:** Okay, because I saw some there.

**Mr WOOD:** Attorney-General, moving on from the Crime (Victims Assistance) Scheme, which the member for Goyder raised, in key variations there is an offset of \$0.53m in respect of copyright payments. What do you mean by copyright payments?

**Dr TOYNE:** Copyright payments are under a Commonwealth, state and territory agreement. You would be familiar with the fact that the copyright accrues to a whole series of media products and publications that are used by government systems. It is clearly impractical across something as large as a government system to count every time copyright material is used by a public servant in the course of their work. It could even be as silly as having a radio on in the office and hearing copyright music. The way to deal with that has been to make a national agreement, where each state and territory contributes a set amount – I think in our case it is so much per public servant. I will get the figure for you. In effect, the \$530 000 will bring us up to date with that national agreement in our copyright payments.

**Mr WOOD:** Through the Chairman, Attorney, why would it then come off the Crimes (Victims Assistance) Scheme? Why is it related to that?

**Dr TOYNE:** Just a minute.

**Mr KIELY:** Is Withnall Maley one of the socialist, Chardonnay-sipping Labor lawyers you people hired? I will have to check that out.

**Mr CHAIRMAN:** Could we have a bit of order please. We are awaiting a response from the minister in regards to a question by the member for Nelson.

**Dr TOYNE:** With your forbearance, Mr Chairman, it has been pointed out to me there are further details of the legal services.

**Mr CHAIRMAN:** And you are happy to table them?

**Dr TOYNE:** One is interstate expenditure and the other one is *ad hoc* expenditure by firm.

**Mr BURKE:** Does that detail agencies, like Health and other departments, or are we only talking about the Department of Justice?

**Dr TOYNE:** No, this is outsourced.

**Mr COATES:** Mr Chairman, these are details of the expenditure, additional to the document that has been filed, that we paid private firms, but that would be on behalf of agencies and on behalf of the Department of Justice. It does not differentiate. This does not list which agency engaged those services, but it should be read in conjunction with the other document that was tabled to give a list of everything that has gone through Agency Legal Services.

**Mr BURKE:** So in that context, do I assume then that the Department of Justice has a coordinating role or does, say, Health and Community Services put out their own tenders, supervise their own tenders and complete their own decisions without reference to your department, without your department acting in a coordinating role? I am trying to find out how much each department actually pays in outsourced legal costs, normally provided by Justice.

**Mr COATES:** Agency Legal Services coordinates all the services that other agencies may use. We would have information available on which particular agency got which services from which lawyers and how much they paid. We do not got that with us.

**Mr BURKE:** We have got it in the past.

**Dr DRIER:** We will try and get it.

**Mr BURKE:** Thank you.

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#### Question on Notice

**Mr CHAIRMAN:** To clarify that for *Hansard* purposes, the Leader of the Opposition has asked a question. Would you like to repeat that question.

**Mr BURKE:** Could the Department of Justice provide to this committee the total amount of money paid by each department or agency for outsourced legal costs, the names of those firms and, where applicable, for the matters dealt with. I know that in the case of health there are some sensitivities.

**Mr CHAIRMAN:** Minister, are you prepared to take that question on notice?

**Dr TOYNE:** Yes.

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**Mr CHAIRMAN:** That question becomes 4.1. I would like to move on, because the member for Nelson did ask a question and I think the minister was seeking further information.

**Dr TOYNE:** I will get the CEO to answer the question. Essentially, there are two different variations in that paragraph. One is not related to the other; they are two different areas that are affecting the appropriation in that division.

**Mr WOOD:** Minister, am I to understand that it was not offset against the Crimes (Victims Assistance) Scheme particularly, but just against the Legal Services outsource group?

**Dr TOYNE:** That is correct. It is what has contributed to the overall variation within that. There are several changes that have contributed to the overall changes in that division, so one is not rolled into the other.

**Mr WOOD:** All right. I have a couple of other questions. Minister, under which area of your budget is the funding for negotiating agreements for the management of Territory parks and reserves following the High Court Native Title decision which has meant many of the park declarations were invalid? Could I add a little question to that: if you are doing that, have your costs under accrual accounting moved to Indigenous Policy in the Chief Minister's department?

**Dr TOYNE:** There is no specific funding provided in the allocations for those negotiations. The legal officers participate to the degree that they need to advise the negotiations are met from the existing capacity of our legal divisions. Any impact on the Territory government's financial position as a result of the negotiations are subject obviously to the ultimate outcome as to what we then have to look at in future budget arrangements. The completion target for negotiations is mid-2004.

**Mr WOOD:** You are doing work on behalf of Indigenous Policy, would I be correct?

**Dr TOYNE:** That is correct, yes.

**Mr WOOD:** Under accrual, should there be outputs showing that you are doing work for Indigenous Policy?

**Dr TOYNE:** I will get Terry to comment more particularly on that.

**Mr CHAIRMAN:** Could you please identify yourself.

**Dr DREIER:** Terry Dreier. Any accrued amount for legal expenses, which would fall under the general heading of Solicitor for the Northern Territory, that output. There may well be a sub-sub-output, which would be titled the name that you just provided, which may well be subsumed then into the then overall total of the output group. With the expansion of the legal practice, we have introduced a new legal practice management program, which incorporates a time management package, which enables us to more accurately record the amount of time spent by each lawyer on each matter. Part of that process will be to be able to look at any matter, or any groups of matters, and be able to tell what sort of work in progress we have sitting against that file. In addition to that, as part of our internal management structure, we will be providing a sort of a budget, if you like, for a matter or part of a matter, which acts as a control. At this stage, that process is only in its infancy, it came on line on 1 April. In 2003-04, we should have a much better idea of what that figure is.

**Mr WOOD:** Through you, Mr Chairman, Attorney-General, what is the status of the citrus pine oil dispute? Has it been resolved?

**Dr TOYNE:** The blue cypress?

**Mr WOOD:** This is to do with Vince Collins.

**Dr TOYNE:** Yes, okay.

**Mr WOOD:** It has been around a long time.

**Dr TOYNE:** I think it is fair to say, Gerry, that everyone's blood pressure would have gone up when you said that name. The status is that we have had a mediation process with Mr Collins. He has been given a proposal as a result of that mediated process. We are awaiting his reply on that proposal, and we are trying to put this away without a long, protracted process, particularly with litigation. So, we await his answer.

**Mr WOOD:** Has he been made an offer, and are there any conditions to that offer?

**Dr TOYNE:** The offer, as for most, involves an *ex gratia* payment proposal, which would be predicated on foregoing any further action against the government based on any argument of mistreatment or maltreatment under the government processes of the time. That is just one element that we are waiting to hear from Mr Collins on.

**Mr WOOD:** Is it true that it has been offered but, as you said, he would have to basically take on any action that the government might have had against it, he would have to take that on himself?

**Dr TOYNE:** No. The fact is that we are awaiting his reply both on the proposal itself and on his readiness to call the matter to a close as regards the Northern Territory government. There are other issues, as you may be aware, regarding the use of his patent by a company that subsequently went into that resource and began operations. That is a matter outside our jurisdiction.

**Mr WOOD:** My last question is the Blackmore River prawn farm, which was formerly the prawn farm at Shoal Bay. I believe there is a dispute with the government. When I say a dispute, there is some legal action occurring. Has that yet been settled? I think it is to do with compensation.

**Dr TOYNE:** We can get the answer to that fairly quickly.

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#### **Question on Notice**

**Mr CHAIRMAN:** For *Hansard* purposes, member for Nelson, would you just like to repeat that question?

**Mr WOOD:** My question is regarding the Blackmore River prawn farm: is there still a dispute between the government and the owners, and what is the state of that dispute?

**Mr CHAIRMAN:** The minister has indicated that he is prepared to take it on notice. That question is allocated number 4.2.

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**Dr TOYNE:** Can I also indicate that when the Minister for DIPE is before the committee, he has actually handled a lot of the negotiations on it.

**Mr WOOD:** We can ask him as well.

**Mr CHAIRMAN:** I understand there are no other questions in regards to output 1.1.

#### **Output 1.2 – Agency Legal Services**

**Mr CHAIRMAN:** We will then move on to output 1.2.

**Mr MALEY:** Through the Chair, I have a question for the minister. Minister, at page 96 of Budget Paper No 3, you state that the cost per instruction processed is \$345, and that is anticipated to increase to \$408. Just so it is clear, that is the cost of receiving the request from the department and forwarding it to an outsourced solicitor and, perhaps, processing the tax invoice. Don't you agree that is an excessive amount of money for really being a conduit between the person wanting the legal advice and, of course, the outsourced legal provider? Minister, perhaps I could explain or pad out ...

**Dr TOYNE:** I will give you the basis on which those figures were generated. The cost per instruction processed in 2002-03, calculated as at 31 March 2003, was \$345, as shown in the papers. This was calculated by dividing the output budget for ALS as at 31 March 2003 by the number of instructions at that time. The estimated cost per instruction for 2003-04 has risen to \$408 because the same method of calculation has been used, but the estimated number of instructions has decreased. This does not provide a true reflection of the situation because the resources of ALS, which are freed up by reason of fewer instructions, are in fact diverted to other activities.

Performance measures from ALS and indeed all output groups from the Department of Justice are to be reviewed in 2003-04. In addition to this overall review, the ALS output group will be reviewed and restructured as part of the overall restructure of the Solicitor of the Northern Territory. It is expected that these reviews will result in additional performance measures for ALS because the activities of ALS will be expanded.

**Mr MALEY:** So you knew that this figure was wrong, yet you did not make that change at the beginning of this Estimates process. Is that what you are saying now? You have a document there confirming that it is misleading or incorrect, but you have not chosen ...

**Dr TOYNE:** No. Budget papers contain a lot of figures predicated on a particular methodology, but they do not in many cases give a full picture of the way in which a government resource is being deployed. This is a very clear case of that, but this area of our department does not just do this type of work; they swing into other work. So it is not that lawyers are sitting there doing nothing. Basically, if they do not do task A, they do task B.

**Mr MALEY:** But they are still charged to ...

**Dr TOYNE:** In terms of the specific activity of passing those instructions on to the private firms, the cost per transaction has gone up, but that does not mean a less efficient use of time; that is one measure. As we have indicated, we will be reviewing the overall description of the work of those people so that you can see that if that has gone up or that there is less activity in that area, what they have picked up as an alternative.

**Mr MALEY:** I see what you are saying. It is a less accurate measure. On the face it, it looks like you spend ...

**Dr TOYNE:** It is an incomplete measure.

**Mr MALEY:** Incomplete, yes, because it is \$408 per instruction processed at \$128 per hour. That is 3.5 hours to receive those instructions and forward it to an outsourced firm, which seems excessive, but I understand what you are saying.

**Mr CHAIRMAN:** That concludes Output 1.2. We now move on to Output 1.3.

#### **Output 1.3 – Legal Policy**

**Mr MALEY:** Minister, in 2002-03 - you have given an overview and made reference to consultants in

the first output group. Can you specifically say were any consultants engaged by the Legal Policy division and, if so, who were they and what were they paid?

**Dr TOYNE:** They are on the list that we tabled. There were about two or three, I think.

**Mr MALEY:** Perhaps you can annotate a copy and put an asterisk beside the ones that relate to the development of legal policy. This is your government policy being developed by consultants, that is what I am trying to get at. After the answer, I can indicate that, for the sake of expediency, we can move to the DPP.

**Dr TOYNE:** The only two were Suzanne Joan Phillips, on the list here, to April 2003 it was \$15 960, and it was to draw together some options on a no-drop policy for domestic violence.

**Mr MALEY:** Okay, yes.

**Dr TOYNE:** The second one was Virtual Insight Proprietary Limited, \$15 250, *Information Act* audit, and again, that was to provide additional research and information into our policy.

**Mr MALEY:** Thanks for that.

**Mr WOOD:** Minister, yesterday you announced that the government is to proceed with the gay law reform. When will we see the details of that, and will your government allow members of your own party to have a conscience vote on any sections of that that they may not agree to?

**Dr TOYNE:** We have already had our discussions in government about the reform package. It was announced as a government package, so as far as we are concerned, the decisions about what the government sets as being reasonable reform in that area have been made. What lies ahead of us now, for the parliament as a whole, is that there will be a raft of bills presented to enact the reforms that we announced yesterday.

What parliament does – I mean every member of parliament, particularly Independents, have a conscious vote, so ...

**Mr WOOD:** Yes. We do not have a party to tell us what to do.

**Dr TOYNE:** That's right.

**Mr Kiely:** You can join one.

**Mr Wood:** No, thanks.

**Dr TOYNE:** Each of those bills will be debated. There will probably be 50 opportunities to have a say about them.

**Mr CHAIRMAN:** That concludes output 1.3.

#### **Output 1.4 – Office of the Director of Public Prosecutions**

**Mr CHAIRMAN:** Are there any questions?

**Mr DUNHAM:** Minister, could you tell me how the Office of the Director of Public Prosecutions benchmarks the success rate compared to other jurisdictions?

**Dr TOYNE:** Against other jurisdictions?

**Mr DUNHAM:** Yes.

**Dr TOYNE:** We do not benchmark within the document itself. There would be several things you could say about that. One is that jurisdictions are not identical. One obvious thing is the high proportion of indigenous people in our population, the fact that we have remote communities, there are quite a few unique things about the environment in which our DPP is operating. To some extent, you would have to be a bit wary about the outcomes of prosecutions here compared with other areas of Australia. However, we do have a number of performance measures, as you are aware from the papers themselves.

**Mr DUNHAM:** Is there a reasonable assumption that, on taking a case on, the DPP would assume he had a reasonable chance of success? I know that is often the reason he does not take on cases.

**Dr TOYNE:** Yes, the annual report of the DPP does publish the actual criteria that has been used to progress a matter or to not progress a matter, and then a range of information about the outcomes of those cases once they have been brought on - guilty pleas, not guilty pleas.

**Mr DUNHAM:** I am aware of that data. Are you satisfied with the data?

**Dr TOYNE:** I do not understand where you are leading it in terms of a budget question.

**Mr DUNHAM:** I guess what I am saying is for ...

**Dr TOYNE:** Are we talking about the [inaudible] according to the number of convictions, or where are you leading this?

**Mr DUNHAM:** Well, as the Auditor-General has reinforced with us, we have to have a variety of benchmarks that audit our outputs and our outcomes. I would have thought that a success rate in court would be a reasonable measure to assess the efficacy of that office, or at least its capacity to pick the cases it was going to win. I am also aware, from the data that is in his annual report, he does not benchmark well with other jurisdictions. So, my question to you is: are you satisfied? Do you believe it is a problem, maybe it could be resources, which is definitely a budget question, or it could be some unique features to the Northern Territory, or what?

**Dr TOYNE:** As regards resources, our government actually has provided considerable additional resources when we brought the baseline funding of DPP up by something like \$0.75m, and maintained it at that level since. We believe we are certainly putting the resources in. I would be very hesitant about passing judgment in terms of the decisions being made by the DPP on matters of law and on matters operational because, as you well know, it is an independent statutory position. It is not for me to say: 'Look, change your tactics'. I presume you are trying to lead the question to saying ..

**Mr DUNHAM:** I guess I am saying as a parliamentarian ...

**Dr TOYNE:** ... you would like to see a conviction rate. Is that what you are trying to say?

**Mr DUNHAM:** All of us are eventually accountable, and I can understand he is an independent officer of the parliament, but I am a member of the parliament, and I am asking you if the money is there, if you are confident the money to secure prosecutions is being effectively deployed?

**Dr TOYNE:** Let me put it beyond any qualification. I have total confidence in my Director of Public Prosecutions, Rex Wild. He is an excellent professional, and the operation he has set up within the office of DPP is totally acceptable to me and has my total confidence.

**Mr DUNHAM:** You are satisfied with the results?



**Dr TOYNE:** I am satisfied with the professional work being done there, and with his professional conduct.

**Mr BURKE:** Can you tell us why there is no information therefore on performance on completed matters? It is now all open matters. How do you judge performance on that criteria?

**Dr TOYNE:** We are trying to get that information for you here, if it is not elsewhere.

**Mr BURKE:** There is a general question, whilst you are finding the information, and that is: if you look at the performance measures set by the DPP, again, they change considerably from the 2002-03 estimate, which you now have in this budget book, and then remain the same for 2003-04. In the accrual accounting concept, there seems to be no indication of real performance, measured and improved.

**Dr TOYNE:** Well, let us get some information to you right here that might throw some light on it. How many matters were completed in 2002-03 year? As of 30 April 2003, the total was 392 matters, being 117 in Alice Springs and 275 in Darwin. If you extrapolate that for the full year, we would expect something of the order of 470 matters to be completed. The 2001-02 total was 518.

Additional information: successfully committed to the Supreme Court 2003 was, as of 30 April 2002, 134 matters; 2001-02, 138 matters. In the Court of Summary Jurisdiction, the Magistrates Court, as of 30 April 2003, 248 matters; 2001-02, 191 matters, and so on. That gives you a picture of what level of activity between the two budget years.

**Mr MALEY:** Minister, of the 392 matters that you say have been completed year to date by the DPP, how many convictions were obtained under your new home invasion provisions of the Northern Territory *Criminal Code*?

**Dr TOYNE:** There is certainly one on foot, if not completed.

**Mr MALEY:** How many convictions? You said there is one of foot – one guy has been charged. Out of the 392?

**Dr TOYNE:** None.

**Mr MALEY:** None. So no convictions under this new get-tough legislation. Is that what you are saying?

**Dr TOYNE:** We would say that it is too early to predict what the final pattern will be. Police have had to learn the provisions of that new legislation to decide which charges they are going to use. We have certainly moved to have briefings with them to make it clearer to them where to use those charges, and we are still seeing it as an evolving picture. I think it is too early to draw the sort of conclusions you might be wanting to draw.

**Mr MALEY:** Minister, when you talk about 392 matters, can you break that down as to how many – you say they are completed matters - how many of those cases were withdrawn and how many of those cases did the Director enter *anolle prosequi*? And can you indicate how many matters went to trial?

**Dr TOYNE:** Let's give you the full range of figures provided to me by the Director of Public Prosecutions so that you can see what information there is there.

In the Court of Summary Jurisdiction, how many matters proceeded by way of hearing and how many of those hearings resulted in a conviction of the defendant on one or more charges in 2002-03? As of

30 April 2003, 43 hearings, 18 convictions; 2001-02, 50 matters, but no figures have been provided regarding the conviction rate.

In the Supreme Court how many matters proceeded by way of plea of guilty 2002-03? As of 30 April 2003, 132 matters; 2001-02 was 164 matters. In the Supreme Court, how many matters resulted in a finding of guilty after the matter had proceeded by way of trial for 2002-03? As of 30 April 2002, 37 trials were conducted with 19 resulting in guilty verdicts compared with 30 trials conducted in 2001-02 with 16 guilty verdicts. As to how many *nolles*, I am not sure.

**Mr MALEY:** Minister, can you provide a summary of the private solicitors engaged to advise and prosecute matters and the amount of money they were paid for the year 2002-03 on behalf of the DPP or Summary Prosecutions?

**Dr TOYNE:** As of 30 April 2003, \$106 453.10 was provided in professional fees for briefing private counsel located in the Northern Territory. The people concerned: Tom Berkeley - \$3000; Alan Woodcock - \$8700; Mark Hunter - \$1000; Martin Carter - \$2000; Peter Elliott - \$76 796; Jon Tippet \$6000, Ian Rowbottom \$4375, Phil Cantrill \$250 and Ward Kellar \$4332.05.

**Mr MALEY:** Minister, in the 2002-03 budget, it was anticipated that the DPP would spend about \$6.6m. In the 2003-04 budget, it seems the spend was about \$0.5m underspend, \$6.1m or thereabouts was the spend. Can you provide particulars of the areas that were underspent? From the summary that you gave, apart from the trials that have increased slightly in the Supreme Court, there seems to be less activity in both the Court of Summary Jurisdiction and the Supreme Court in terms of matters being processed.

**Dr TOYNE:** I will ask Terry Dreir to answer that.

**Dr DREIER:** The budget figure in 2002-03 of 6643 is the estimate, obviously, and the figure in Budget Paper No 3 for 2003-04 under the 2002-03 heading of 6154 represents the estimate of what the DPP's office would spend up to 30 June 2003. That was based on financial data available at the end of April. The budget figure for 2003-04 is based on that outcome of 2002-03, allowing for parameters and for the budget reduction strategy.

**Dr TOYNE:** Can I just add that it is probably because crime is going down.

**Mr CHAIRMAN:** Did the member for Nelson have a question?

**Mr WOOD:** Yes, thank you. Attorney-General, with regards to plea bargaining, is there a policy that the DPP has as to when it goes ahead? When do they apply the principle of plea bargaining, and is that based on not only whether they think there is a fair chance of an outcome in the trial, but also premised on if we took every case to trial, we would clog up the courts? Is it also a budget-related consideration that we basically cannot afford to take each case to court?

**Dr TOYNE:** It is certainly not budgetary because we would react to an unforeseen call on the DPP's activities or services into the justice system. The Director of Public Prosecutions is a highly qualified professional lawyer. He will certainly take a number of factors into account when deciding whether to progress a case or not. Certainly one would be the strength of the evidence. In the case of any negotiation over a plea, he has certainly indicated to me that it is something that he would test very carefully before agreeing to any sort of arrangement over the charges.

The other thing is that the prosecutorial guidelines, the actual criteria that he is using, are published in the annual report. I suggest that if you have a look at them, there is quite a comprehensive picture of what is being weighed up in terms of proceeding or otherwise with a case.

**Mr WOOD:** The reason I was asking is that recently there was a documentary on SBS, on *Insight*, on the issue of plea bargaining. Their argument was that if they took every case to court, they would clog

up the court system. Is there a possibility that some cases should be going to court, but we do not have the court facilities to handle them?

**Dr TOYNE:** No, I certainly do not see that. I will give Richard Coates a chance to answer that because he has more of the detail of the capacity we have there.

**Mr COATES:** No, if the DPP says that a case should be prosecuted, then it is up to me to find the resources to enable him to do that. He is not going to be stopped prosecuting someone because I say it is blowing out my budget.

**Mr MALEY:** Minister, you have already told the committee that there have been no convictions under the new home invasion provisions that your government introduced. Can you indicate how many applications have been made to declare a dwelling a drug house in the Northern Territory, and how many were successful?

**Dr TOYNE:** You will have the police minister on next, and I suggest you ask him because it is an operational matter for the police. My job is to put the law in there; the police will be addressing those.

**Mr MALEY:** Isn't it your department that engages, I understood, a private lawyer or a consultant to make the application? The police prepare it, but your department actually makes the application.

**Dr TOYNE:** All that I am saying is that you will get much more up to date and complete information about that process if you ask the police minister.

**Mr BURKE:** In the Magistrates Court, how many matters were prepared for hearing but did not proceed on the date because the person involved did not appear?

**Dr TOYNE:** Sorry, you are talking about it from the point of view of the prosecutor or ...

**Mr BURKE:** Well, in either case.

**Dr TOYNE:** All I am querying is that we will talk about the Magistrates Court later and we could deal with it at either division.

**Mr CHAIRMAN:** Are there any further questions? Then that concludes Output Group 1.

**OUTPUT GROUP 2.0 – Court Services**  
**Output 2.1 – Higher Courts**

**Mr CHAIRMAN:** Are there any questions?

**Mr MALEY:** Minister, the estimate in Budget Paper No 3 for 2002-03 for the operation of a Higher Court, at page 105, was \$8.189m while the budget estimate in the 2003-04 Budget Paper No 3 at page 95 was, in fact, \$9.816m. Can you explain where the extra \$1.6m was spent, and what were these extra unforeseen costs?

**Dr DREIER:** The variation in the Higher Courts has a number of components to it. The first component is that there are a number of visiting judges who attended the Supreme Court through 2002-03, which were not part of our budget process. There were additional resources needed in servicing the Alice Springs jurisdiction, which, again, were outside budget. There were also additional travel costs in relation to sending judges to different jurisdictions in order to hear matters that, again, were outside the budget process. The other item I had in there was an increase in judges salaries, which was backdated through 2002-03-04 for part of 2001-02.

**Mr MALEY:** Okay. Minister, your government has spent just under an extra \$2m on the higher courts than was budgeted in 2002-03, and I accept the explanation that was given. Yet, last year's Budget

Paper No 3, that is 2002-03, at page 112 indicates that 71% of criminal cases were resolved within 12 months. In your most recent budget, at page 98 of Budget Paper No 3, that figure has fallen to 60% and it is not anticipated to increase next year. My question is: what has gone wrong? You have spent more money and you seem to be getting a worse result on these performance measures. Can you please explain that to the Northern Territory taxpayer?

**Dr TOYNE:** First of all, there are increased cases. I will give you the figures. Based on and extrapolated out to the end of this current year, there is likely to be 617 civil lodgements and 340 criminal lodgements. This compares to 552 civil lodgements in the year to which you are referring and 321 criminal lodgements, so we had more cases in both categories.

**Mr MALEY:** Minister, upon what basis did you draw the conclusion, the performance measure, that 85% of customers were happy with current Supreme Court Registry Services? How many customers were surveyed and how did you come to that figure?

**Dr TOYNE:** I will pass that to Dr Dreier because he has the ...

**Dr DREIER:** As the minister said in his opening statement, any performance data which relates to that gathered by way of a survey has not been completed as yet because we have not finished 2002-03. The survey instruments are being developed at the moment and will be going out in early July so that we can get the responses back for that data to be included in the annual report. Once we have that data, as with all of our other performance measures, we will revisit those that we have here to see how accurate they are, and what extra work we have to do in order to improve it.

**Mr MALEY:** So, you are saying that this 85% is a guess. There has been no survey done; it is a speculative figure and you are saying the survey is about to be undertaken?

**Mr CHAIRMAN:** Member for Goyder, that is to the minister.

**Mr MALEY:** To the minister, sorry, via the Chair.

**Dr TOYNE:** Yes I will pass to ...

**Dr DREIER:** I do not know that I would use the word 'speculative'. It was an assessment made by officers of the Higher Court based on information that they had available to them. At best, I would say it was an estimate. I would not regard it as speculative.

**Mr MALEY:** Minister, why has the average cost per lodgement increased from \$5476, which was the estimate at page 112 of Budget Paper No 3 in 2002-03, to \$6497 referred to in the 2003-04 Budget Paper No 3 at page 98? Why is it anticipated to decrease in 2003-04? I refer you to page 98. You have this spike which you say occurred in the last 12 months. Why has it increased and why do you anticipate it to decrease next year?

**Dr TOYNE:** Again, I will pass to Dr Dreier who has that information.

**Dr DREIER:** The average cost per lodgement in 2002-03, that is in the 2003-04 budget papers, was based on a known financial commitment as of 30 April and extrapolated out. It reflects part of that information I provided a few moments ago on why Higher Courts has overspent significantly in 2002-03.

The second part of the question as to why it will reduce is that we have had an Executive Director of Courts Administration working extremely hard on examining every item of expenditure, and we believe that we are able to reduce overall expenditure within the Higher Court.

**Mr MALEY:** Minister, at page 95 of the outputs and performance, the overview of the key variations,

you state the Higher Courts output cost estimate for 2002-03 includes a significant one-off funding relating to the judiciary that is not included in the 2003-04 budget. Can you explain what that one-off funding was, and what it relates to? Was that the pay increase that you referred to earlier?

**Dr DREIR:** Through the Chair, yes, it is a combination of all those issues I mentioned before; the visiting justices and pay increase.

**Mr CHAIRMAN:** That concludes output 2.1.

## **Output 2.2 – Lower Courts and Tribunals**

**Mr CHAIRMAN:** Are there any questions?

**Mr MALEY:** Minister, at page 105 of Budget Paper No 3 for 2002-03 for the lower courts and tribunals was stated to be \$10.554m. However, in the most recent budget, the estimate for the year to date has increased to \$11.187m, at page 95, which is a budget overspend of approximately \$650 000. Can you explain to the Northern Territory taxpayer where that extra \$650 000 was spent?

**Dr TOYNE.** I will pass that to Dr Dreier.

**Dr DREIER:** The answer to the question in relation to the increase in actual expenditure in 2002-03 over the estimated figure runs very much parallel to that in the Higher Court. It is providing additional magistrates services in Alice Springs and Katherine. It is also providing greater services on the bush courts and the ever present pay raise. There is an additional allocation of \$150 000 for the Drug Court which comes under the auspices of the Lower Court.

**Mr MALEY:** Minister, in terms of trying to determine the performance of the lower courts and tribunals, are you able to indicate to the Estimates Committee the number of warrants that were issued for non-appearances in the lower courts in 2002-03, and also the number of warrants which were, in fact, executed and the defendant or the person who failed to appear was actually brought back before the lower court? The number of warrants issued and the numbers that were actually executed upon people and brought back.

**Dr TOYNE:** I am failing to grasp how this is a measure of the court's performance. People do not turn up at court for all sorts of reasons, many of which we do not have much control over. If it refers to people who are being held in remand and do not appear at court, then certainly it is an issue that our department can answer. But if you are talking about people who do not front up on court day for reasons best known to themselves, what are you expecting the courts to do about that?

**Mr MALEY:** With respect, minister, my question is a fair question. People are entitled to ask what the court is doing about people who fail to appear. A warrant is issued; the next logical question is: how many are executed? That is a legitimate question. The court's performance will obviously depend upon how many matters are heard and determined. What are they doing and how many warrants have been executed to bring people back before the court?

**Dr TOYNE:** I think you better ask the Police Minister in terms of what is done about warrants. In terms of the numbers, we can take that on notice if you like.

**Mr BURKE:** It is a very important question, minister. This is ...

**Dr TOYNE:** I will take it on notice.

**Mr BURKE:** Will you take the whole of the question on notice?

**Mr CHAIRMAN:** That being the case, I then ask the member for Goyder to repeat the questions.

**Dr TOYNE:** We may not actually be able to provide that information. I certainly suggest you ...

**Mr BURKE:** Why not?

**Dr TOYNE:** Simply because we would have to manually go through the court records and do a count.

**Mr BURKE:** The reason the question is being asked is that it has been reported to the opposition that there is no effort being made to proceed to ensure that people the subject of a warrant are pursued and brought back before the court. Now that is an issue of the performance of the lower court that concerns the opposition.

**Dr TOYNE:** First of all, it is a matter for the police. Second, it is pretty interesting, given that we have such high numbers in gaol. There are certainly people being pursued. I do not know about the information you have. I suggest you ask the police minister what they are doing about execution and following up on warrants, and getting people into court.

**Mr BURKE:** Are you going to take the question on notice or not?

**Dr TOYNE:** To the degree that we can give you an estimate, but my information from my CEO is that it would be very difficult for us. It would be a very time consuming process to try to draw that figure together for you exactly. We could give you a sense of scale on it, perhaps.

**Mr MALEY:** It is a pretty important question. You have warrants issued. The question is: how many of those warrants are actually being executed? How many are being brought back to the court?

**Dr TOYNE:** I understand the question. The problem is not the question; the problem is the answer to the question and how much public service time would be required to do that. So with that qualification, all I can agree to do is to get some sense of scale.

**Mr CHAIRMAN:** The only thing I can suggest is that the member for Goyder places the question on notice, and it is entirely up to you, minister, about how you want to respond.

**Dr TOYNE:** I certainly recommend that you take that up with the police minister.

**Mr BURKE:** We will.

**Mr CHAIRMAN:** Member for Goyder, would you like to put that question on notice?

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#### Question on Notice

**Mr MALEY:** My question to the minister is: over the past 12 months, how many warrants were issued for the non-appearance of people in the Magistrates Court or lower courts in the Northern Territory, and how many warrants were executed – that is, those people brought back before the court so they could be properly dealt with according to law?

**Mr CHAIRMAN:** Minister, do you accept that question?

**Dr TOYNE:** I will accept it with the qualification I have made, Mr Chairman. I do not want to see a very time consuming process carried through. We will take it on notice with the qualification that we will attempt to give an estimate.

**Mr CHAIRMAN:** Thank you, minister. That question is 4.3.

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**Mr MALEY:** In the 2002-03 budget at page 112 of Budget Paper No 3, your department stated that 81% of coronial matters are resolved within six months. However, in the most recent budget at page 98 of Budget Paper No 3, that figure has fallen to 71% and it is not anticipated to increase next year. Can you explain to Northern Territory people why there has been a 10% decrease? It is actually over a 10% decrease.

**Mr CHAIRMAN:** At this point, I advise members and that we are taking a 10 minute break at 11.00am.

**Dr TOYNE:** We will have to take that on notice.

#### **Question on Notice**

**Mr CHAIRMAN:** Member for Goyder, would you like to repeat that question?

**Mr MALEY:** In the 2002-03 budget, at page 112, of Budget Paper No 3, your department stated that 81% of coronial matters are resolved within six months. However, in the most recent budget, at page 98 of Budget Paper No 3, that figure has fallen to 71%, and it is not anticipated to increase next year. Why has there been a 10% decrease?

**Mr CHAIRMAN:** That is question 4.4. I note the minister has indicated that he is prepared to take that on notice.

**Dr TOYNE:** Yes, we will take that on notice. We do not have specific figures for the Coroners Court. That is why we need to chase it up for you.

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**Mr MALEY:** Yes. There are no further questions from me in respect of that output group.

**Mr CHAIRMAN:** Are there any other questions in relation to that output group, 2.2?

**Mr WOOD:** Yes, just one question. Attorney-General, you show a \$2.9m amount for magistrates entitlements and support costs. Considering the magistrates have had a pay rise, will that cost now be greater than is shown in the budget?

**Dr TOYNE:** I would ask Dr Dreier to answer that.

**Dr DREIER:** The increase from 2002-03 Budget Paper on page 112 to Budget Paper 2003-04 page 98 is an increase of \$2.69m to \$2.93m. That is something around \$240 000. That is to cover the increase.

**Mr WOOD:** So you basically knew it was coming?

**Dr DREIER:** We know they come very regularly, yes.

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

**Mr CHAIRMAN:** That completes output 2.2.

#### **Output 2.3 – Fines Recovery Unit**

**Mr CHAIRMAN:** Are there any questions?

**Mr MALEY:** Minister, it might be easier to produce this information by way of a table. Over the past

two years, have the numbers of Traffic Infringement Notices issued by speed cameras and/or police on mobile patrol increased, decreased or changed? Would you kindly provide the numbers of infringement notices that have been issued by speed cameras, police or mobile detection devices in 2002-03?

**Dr TOYNE:** Ask the police minister. That is their jurisdiction.

**Mr MALEY:** Okay. From an enforcement perspective under the Fines Recovery Unit, which is its job, to collect fines and infringement penalties, can you indicate how many fines and infringement penalties were collected by the Fines Recovery Unit in 2002-03, not the global figure, but how many were actually recovered?

**Dr TOYNE:** It is difficult. I have accrued amounts recovered, which total from the period January 2002 to May 2003, which was \$5 766 118. I do not have a breakdown of the different species of collections.

**Mr MALEY:** I know the Fines Recovery Unit is a new beast, but there is certainly a view, which has been drawn to the attention of the opposition, that there are more speed cameras and more speed detection devices. The inference that flows is that your government is increasing the number of tickets which are being issued to Territorians. Is there a way that you can produce some material to either confirm or deny that information?

**Dr TOYNE:** Well, again, I am sure you can have quite an extended discussion with the police minister.

**Mr MALEY:** Even with regard to the quantum of money received, not the actual ...

**Dr TOYNE:** Our job is to maintain the mechanism of collection through the Fines Recovery Unit. I do not have a breakdown of speed fines resulting from the use of speed cameras as distinct from other collections. All I can really help you with is the global figure collected, or the rate of collection over time if you want that sort of detail.

**Mr BURKE:** There is not a line item in your department that notates the fact that this is money that is recovered from speeding infringements?

**Dr TOYNE:** No. This money goes back into Treasury as a revenue for government as a whole.

**Mr BURKE:** So, it is money collected by the police that will go to Treasury. Can the police minister answer that question?

**Dr TOYNE:** Yes, the police minister can certainly talk about the operational use of those cameras and the level of activity or number of matters that have come out of it. I cannot give you a breakdown, really, of what are the components of the overall collection that the FRU is handing back to Treasury.

**Mr BURKE:** Could your officers suggest - is it Treasury that has the breakdown, or is it police? I would suggest it is your department.

**Dr TOYNE:** I am advised that we really would not be able to distinguish between situations where the warrants come as the result of a speed camera or a policeman pulling up a motorist or several contexts that could result in that fine being levied. I think you would probably receive a lot more information from the police minister on those sorts of matters, obviously, because they are operational.

**Mr MALEY:** Minister, you say that about \$4.2m was collected from ...

**Dr TOYNE:** No, 5.76.



**Mr MALEY:** Yes. You talk about the cost per enforcement being \$105, which is anticipated to increase to \$109. Is that the cost per enforcement notice processed? Is that what you are saying? It seems that the administrative cost for enforcing this process is significant.

**Dr TOYNE:** What I can point out in general in terms of the policy settings that surround the FRU, is that you may recall the legislation that was brought through to establish that activity. The Fines Recovery Unit will be looking at everything from licence cancellations, community work orders, so there is quite a bit of management cost involved. It is not purely an administrative process.

**Mr MALEY:** No further questions on that.

**Mr CHAIRMAN:** Member for Nelson, any questions? Okay, thank you. That concludes Output 2.3.

**Output 2.4 – Anti-Discrimination Commission – Complaints and Investigations**

**Mr CHAIRMAN:** Any questions?

**Mr MALEY:** Minister, through the Chair, on page 99 of Budget Paper No 3, you stated that the number of complaints processed for 2002-03 was approximately 310. How many of those complaints proceeded to a full hearing where evidence was given before a Commissioner of the Anti-discrimination Commission? There are three limbs to the question so I will go through them all. Second, how many of these complaints were finalised either at a compulsory mediation or at some stage prior to the hearing? Third, what were the average payments made by defendants to applicants in the year 2002-03 to date, and how does that compare with the previous year?

**Dr TOYNE:** I know in general there have been a number of hearings, including one very long standing matter down in Alice Springs that was successfully concluded. I will have to obtain that information for you. It is not provided here.

**Mr MALEY:** Okay, so that question is on notice. Is that what you are saying?

**Dr TOYNE:** We will take that on notice.

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**Question on Notice**

**Mr CHAIRMAN:** Would you like to repeat it very quickly?

**Mr MALEY:** Minister, at page 99 of Budget Paper No 3, you state that the number of complaints processed for 2002-03 was approximately 310. How many of these complaints proceeded to a full hearing where evidence was given before a Commissioner? Second, how many of these complaints were finalised either at a compulsory mediation or at some stage prior to the hearing? Third, what is the average payment made by defendants to applicants in the year 2002-03 to date, and how does that compare to the two previous financial years?

**Mr CHAIRMAN:** Minister, you take that question on notice. The question number is 4.5.

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**Mr CHAIRMAN:** Are there further questions?

**Mr MALEY:** Yes, I have another question. Under your performance measure under 'quality', you talk about 'successful appeals against rejection by local court'. Minister, are you able to say how many appeals are currently pending in either the Local Court or the Supreme Court from decisions of the Anti-Discrimination Commission?

**Dr TOYNE:** Mr Chairman, I will take that question on notice.

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**Question on Notice**

**Mr CHAIRMAN:** Member for Goyder, would you like to repeat that question?

**Mr MALEY:** Minister, under the performance measure 'quality', your department states that there have been no successful appeals against rejection by the local court. Can you indicate how many appeals are currently on foot, and waiting decision before the Local Court, and how many appeals are on foot and awaiting decisions before the Supreme Court from decisions of the Anti-Discrimination Commission.

**Mr CHAIRMAN:** The minister has indicated the acceptance of that question. It becomes number 4.6.

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**Mr CHAIRMAN:** Any other questions in respect of output 2.4? That now completes Output Group 2.

**OUTPUT GROUP 3.0 - Correctional Services**

**Output 3.1 - Custodial Services**

**Mr CHAIRMAN:** Are there any questions?

**Mr MALEY:** Minister, at page 94 of Budget Paper No 3 under the heading 'budget highlights', you stated that funding of \$0.52m has been provided to the Integrated Offender Management Program initiative relating to the re-integration of released prisoners within the Correctional Services output group. My question is: how many officers from Corrections were required to assist in the implementation of this program, and how many public servants not in the employ of the Department of Corrections were used to implement the Integrated Offender Management Program.

**Dr TOYNE:** Integrated Offender Management is a broad reform that we are applying to beyond the actual prison programs. It will certainly involve not only Community Corrections, but also other elements of the Department of Justice and our programs, namely things like the Aboriginal Law and Justice initiatives out in remote communities, potentially mediation and community justice programs, the itinerant programs that we have developing in the urban centres. It is a bit difficult to indicate which people within the prison system and which people outside the prison system, but still would be in the Department of Justice, would be involved.

Beyond that domain, we also have a whole-of-government approach to these types of issues. So it can potentially, via the Standing Committee on Crime Prevention, which involves Health, Education, Police, Justice, Community Development, there could be elements of an IOM arrangement that could be picked outside the Justice Department itself.

The money that is indicated in the budget is to establish some of the core arrangements within the Department of Justice to begin work on this following on a trial that we had in our prisons involving some 30 prisoners, a small trial anyway, and a number of visits we have now had where our personnel, including myself, went to New Zealand and we had the New Zealand heads of this program come to the Territory. There has been quite an exchange. So, if you are looking for a specific answer with numbers, I cannot give it to you because of the nature of the program.

**Mr MALEY:** Minister, was any of the \$0.52m paid directly to prisoners to assist them in travelling back to their communities, providing them with an allowance, or providing a prisoner with sustainable or suitable accommodation, etcetera?

**Dr TOYNE:** We do not have it yet. It is in this budget.

**Mr MALEY:** Is it anticipated that any of that money - the concern is this: you have cut the money used for the Crimes (Victims Assistance) Scheme by \$2.7m, and now we see this extra money going into an Integrated Offender Management program. I am asking: is any of that money going to be paid to prisoners either directly or indirectly? Second, is that additional money?

**Dr TOYNE:** I would not expect that type of use of money would be contemplated at all. The idea of Integrated Offender Management is to promote case management of prisoners through their time in prison and beyond into their time of release, either on parole or at the end of their sentence. The types of things we will be looking for will be enhancing prison programs, training of the prison officers and Community Corrections staff so that they understand this new approach to Corrections. I would think that the sort of money you are talking about, if indeed government was going to involve itself that, would be sourced from other programs.

I am giving you an extended answer because the ultimate aim of all this is to cut down re-offending. We believe – and we certainly had this opinion given to us by the New Zealanders - that you have to extend beyond the prison programs to have any impact on re-offending rates. They have re-offending rates down significantly in some areas, like from 25% down to 8% in the case of sexual offences.

**Mr MALEY:** Just so it is clear for people listening to this, you are saying that this \$0.52m is not money that you say is going to be paid directly or indirectly to prisoners in terms of taking them back home or setting them up in suitable lodging.

**Dr TOYNE:** No.

**Mr MALEY:** But you are saying there is funding from other programs to do that. Is that what you are saying?

**Dr TOYNE:** No. I am saying that if the government were to be involved in that at all – and I am not saying that we have committed to that at all – it would not come from this IOM funding.

**Mr CHAIRMAN:** Member for Goyder, have you exhausted that question or do you wish to continue that line?

**Mr MALEY:** I have finished that particular question.

**Mr CHAIRMAN:** It may be appropriate now to take a 10 minute break. We will be back here at around 11.12am.

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The committee suspended

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**Mr CHAIRMAN:** Thank you. We will resume the Estimates Committee, Output 3.1.

**Mr MALEY:** Minister, you will have to bear with me in terms of my terminology here, but are you able to indicate, in terms of budget allocation, how many officers and what sorts of resources were dedicated to external work programs in 2002-03? That is, the teams to go and work at places like Freds Pass and community ...

**Dr TOYNE:** I understand your question.

**Mr MALEY:** Is that the right word - 'group'? Is it external work group?

**Dr TOYNE:** Community Support Program.

**Mr MALEY:** The second limb of the question is: how has that changed compared with the previous financial year? There has been some complaint from the community that it has decreased.

**Dr TOYNE:** I don't know that I can give you the actual numbers of staff. I will give you the information I have here and we will see if that is going to do the job. The funding allocation for Alice Springs Correctional Centre's Community Work Parties was \$452 000 for three work parties for the 2002-03 year. The funding allocations for Darwin Correctional Centre's Community Work Parties was \$582 000 for three work parties for last year. I can assure you that we are trying to maintain that level of activity.

**Mr MALEY:** Time constraints being what they are, I have no other questions under output 3.1.

**Mr CHAIRMAN:** The member for Nelson has one.

**Mr WOOD:** A couple, Mr Chairman. Under 3.1, minister, Budget Paper 3 refers to prisoners who are serving more than six months being assessed and allocated a sentence plan. Can you explain what a 'sentence plan' is, and why will they go up from 20% to 50% in the next year?

**Dr TOYNE:** A sentence plan is a management plan for the prisoner while in prison and also looking at post-release or post-parole arrangements. It can involve different prison programs like anger management or vocational training. That is the core of the Integrated Offender Management methodology: for each prison officer to be trained so that they can develop these plans with individual prisoners in their care and then carry through that plan as a management exercise. They will be going up because we have funded that area to the point where we can put more activity on the ground. In other words, cover more prisoners with that approach.

**Mr WOOD:** A second question, Mr Chairman. What is the recidivism rate for adult prisoners in the Territory? Put another way, how many adults who are gaoled subsequently return to gaol?

**Dr TOYNE:** For last year, it is in the Correctional Services Annual Report, but we will round that up for you in the next couple of minutes if you can bear with us.

**Mr WOOD:** All right. Minister, you say we have more people in gaol than in the past, but under Custodial Services for 2003-04, it shows a drop of 4% to 85% of operational capacity, and a drop in daily prison utilisation from 715 to 687. Why?

**Dr TOYNE:** Where are you referring to?

**Mr WOOD:** The number of prisoners in gaol. We are actually going down, 715 to 687. You said we have more people in gaol than in the past. You must have been comparing that with last year.

**Dr TOYNE:** I will defer to Dr Dreier.

**Dr DREIER:** Mr Chairman, the performance measure for the custodial services, the daily average prison utilisation quantity measure was based in 2002-03 on the average number of people it is expected would go through the facility.

In 2003-04 we are moving, as part of this transition into what you [inaudible], we are moving to where we have known drivers, and the known driver here is the cost per prisoner per day, which is \$163 from memory. That is a figure based on the methodology used in returns to the Productivity Commission. We know the \$163 per day; we have a fairly good idea what the budget will be for 2003-04, and this is where output budgeting really gets down to its core. With that figure and with the known figure of \$163, we are able to say: 'We can handle an average of 687 prisoners per day in the correctional facility'.

**Mr WOOD:** My last question, minister, through the Chairman, is you recently announced that remand prisoners were being put into the main part of our prisons. Is there any money allocated for expansion of remand facilities to alleviate that problem?

**Dr TOYNE:** Yes, you are correct. Under the act, I have the power to make that arrangement. I remind you that it is by agreement with the prisoner, and it is only for prisoners who have been previously incarcerated and are known to the prison officers.

In terms of the overall capacity of the prisons, you are probably aware that we have had some very high prison numbers; as of May this year, we peaked at 780. The current level is about 747 or something like that. Clearly, we are getting up into the 90% range of using up the total capacity of our prisons. I have asked the department to propose some capital works options for potentially adding capacity, particularly to the Berrimah Gaol. I suppose there are a number of broad options there, but we would have to look at increasing our medium security capacity and perhaps the remand area. They are the two points that are causing pressure at the moment.

There has been a lot of work done on this in the past. There were designs brought together for both a remand centre and certain types of prison blocks that could be accelerated. We are looking at that. In the meantime, the Commissioner is looking at short-term arrangements that can be made to extend capacity. We believe that both prisons could take an extra 50 prisoners if they found themselves in that situation. So there is a short-term solution to that level, and then there is a medium-term solution that we are pursuing now through capital works.

**Mr CHAIRMAN:** Output 3.1 is complete.

#### **Output 3.2 - Community Corrections**

**Mr CHAIRMAN:** Are there any questions on this output?

**Mr MALEY:** Minister, I am mindful of the time. I know my colleague is ...

**Dr TOYNE:** Champing at the bit.

**Mr MALEY:** Indeed, he is, so I have no questions for 3.2.

**Mr WOOD:** Thank you, member for Goyder. Through you, Mr Chairman, under Community Corrections, it says that rates of successful completion of Community Correction Orders will be stable at 72%. Why won't the rate go up, and what happens to the 28% of people who do not complete their corrections orders?

**Dr TOYNE:** For a person not completing a community order, there is a very high likelihood that they will end up in gaol.

**Mr WOOD:** That was really what I was trying to get at. If people do not fulfil their Community Correction Orders, and there is no real punishment behind not doing it, then the whole system falls down a bit – not the whole system, but ...

**Dr TOYNE:** There are cases where even if a person has gone through maybe 80% or 90% of the Community Detention Order and then breaches conditions of the order, they will end up doing their entire time again in gaol. So it is quite a high prescription ...

**Mr WOOD:** Is it possible to get figures that explain what happens to that 28%? Is that broken down anywhere?

**Dr TOYNE:** I will ask Richard Coates to give you a bit of an overview.

**Mr COATES:** There are a number of outcomes for someone who does not complete a Community Corrections Order. If it were, say, a first offender and they are on a bond and they breach it, they could end up with a fine or Community Work Order. However, if it something like a Community Work Order and that is breached, then mandatory imprisonment is imposed for failing to do that; and as the minister explained, if a Home Detention Order is not completed then the person will generally be ordered, if it is a significant breach, to serve that period which was suspended in imprisonment, even though they may have done three or four months successfully prior to the breach.

**Mr WOOD:** Just quickly, following on from that, what is the average cost per day of administering or enforcing a Home Detention Order? Is there a figure for that? I was looking for that figure to compare it with keeping a person in gaol.

**Dr TOYNE:** The figure is \$15 a day for a Community Corrections Order, applicable to both juvenile and adult offenders.

**Mr WOOD:** A lot of difference.

**Dr TOYNE:** Yes, it is. It is a lot different.

**Mr CHAIRMAN:** That concludes Output 3.2.

### **Output 3.3 - Juvenile Detention.**

**Mr CHAIRMAN:** Questions for this output?

**Mr WOOD:** Minister, what is the budget allocation for Don Dale Centre, and for the Wildman River Work Camp? I have a series of questions. Shall I keep going through, or wait?

**Dr TOYNE:** I will give you the daily average cost per juvenile detainee. It is \$482, and the total allocation is \$3.71m.

**Mr WOOD:** That is for both, I presume, because Don Dale and Wildman River are the same thing. Is there any specific breakdown for Wildman River?

**Dr TOYNE:** Yes. Wildman River operates on an intermittent basis. It is sometimes closed, sometimes open, so it is a bit hard to give you a figure. It depends on the number of detainees. You might remember that we will be building the Wildman River type activities directly into Don Dale under the new capital works program so we will be looking at other functions for Wildman River, anyway.

**Mr WOOD:** I only heard a rumour that is what the holes were being dug in the ground for. That is the first I have known that Wildman might be brought into town.

**Dr TOYNE:** For those types of activities, yes.

**Mr WOOD:** Do you think that is going to ruin the very great benefit of having it out bush? I realise that for staff it is difficult, and it is probably difficult to administer, but one of the advantages of Wildman is that you get right away from the gaol mentality, and you are giving kids a chance also right away from the urban environment from which many of them come.

**Dr TOYNE:** Do not assume that we are discontinuing Wildman River. I am just saying that we will be reassessing use of that facility. There would be potential, for example, to use it for low security adult prisoners. We are reviewing all that at moment. We have had a review on the juvenile detention arrangements within the Department of Justice. We are acting on those review outcomes at the moment. What is done about juvenile detention will flow on to other options that we might have to look

at with adult detention.

**Mr WOOD:** Will that review be made public? I think it is an important issue.

**Dr TOYNE:** I am reminded of a kid's painting I once had brought to my office. It was a lovely piece of art work from about a Year two or three, and on the back of it was a full map of the Berrimah Gaol. It had been given to an inmate as a present from his daughter, so I think that we have to be a bit careful with the security implications.

**Mr WOOD:** I am not asking for that sort of detail. What I would have liked was full debate on the benefits of places like Wildman River, and being a member of the Substance Abuse Committee, we have been to some places where we felt there could be benefits having similar custodial arrangements in other areas of the Territory.

**Dr TOYNE:** Yes. I think we are probably straying a bit off the budget task.

**Mr WOOD:** We are.

**Dr TOYNE:** What I can offer you is a briefing on the general directions we are taking with that area of our policy.

**Mr CHAIRMAN:** Are you happy with that?

**Mr WOOD:** Yes.

**Dr TOYNE:** I am more than happy to do that, so maybe that is the best way to handle it.

**Mr WOOD:** I know we might be drifting off, but you gave me a bit of a shock because I presumed Wildman River was going to continue.

**Dr TOYNE:** I am not saying it is not.

**Mr WOOD:** No, but not as a juvenile place.

**Dr TOYNE:** I am not saying it is not. I am saying its function may change.

**Mr WOOD:** Do you have any idea how many Don Dale detainees return to Don Dale, or an adult prison, within, say, 12 months or two years?

**Dr TOYNE:** Look, just to clear up the information that I promised you earlier, the recidivism or re-offending rate in the Northern Territory is 29.5%.

**Mr WOOD:** Is that for adults or for everyone?

**Dr TOYNE:** For adults. The Australian average is 35.5%, so we are a bit lower. Sorry, the figures I gave you were for 2000-01. The figure for 2001-02 is 32.5%.

**Mr WOOD:** A last question, Mr Chairman. Could you give me a breakdown of, for instance, juveniles who went to Wildman River and returned to detention? That is an important question relating to the success or otherwise of the Wildman River system.

**Dr TOYNE:** I will have to take it on notice for today, or I can include it in the briefing

**Mr WOOD:** Mr Chairman, may I put that question on notice?

**Mr DEPUTY CHAIRMAN:** On notice?

#### **Question on Notice**

**Mr WOOD:** Yes. What percentage of detainees at Wildman River return to detention within – well, they would return to Don Dale I would imagine; they would not return to Wildman - 12 months or two years?

**Mr DEPUTY CHAIRMAN:** Does the minister accept that question?

**Dr TOYNE:** Yes, I do.

**Mr CHAIRMAN:** The number of the question for purposes of *Hansard* is 4.7.

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**Mr MALEY:** Minister, I am mindful of the time. I have one question relating to juveniles and perhaps the question can be taken on notice. I am asking the minister to provide a comprehensive list of the number of juvenile diversionary programs currently on foot, and the numbers of participants who have been involved in each juvenile diversion program, and their cost.

**Dr TOYNE:** You will have to ask the police minister. They carry that.

**Mr MALEY:** No further questions.

**Dr TOYNE:** Mr Chair, may I clear up one of the questions on notice at this stage? I have the answer here.

**Mr DEPUTY CHAIRMAN:** Do you know what number it was?

**Dr TOYNE:** It is Blackmore River prawn farm potential litigation. The response here is the Phelps Panizza partnership made a major claim against the Northern Territory as a result of a decision by the previous government to withdraw from an agreement to allow for the establishment of the prawn farm in Shoal Bay. That claim was settled by substantial payment by the Northern Territory, together with an agreement by the Territory to provide an alternative site at Blackmore River and use its best efforts to locate a further site for expansion. We understand the Blackmore River project is now up and running. There have been a number of further disputes with the partnership concerning the Blackmore River location and the covenant that the Territory would use its best efforts to locate a further site for expansion. The partnership has commenced proceedings seeking damages for breach of the earlier Deed of Settlement. DBIRD takes the view that it has honoured all agreements and is not liable to the partnership, so we will await the result of litigation.

**Mr DEPUTY CHAIRMAN:** Just a point of clarification, that question was not taken on notice, but the minister did give an undertaking that he would provide the answer. He has now done that so we will resume at Output 3.3. Any further questions? There being no further questions, that concludes consideration of Output 3.

#### **OUTPUT GROUP 4.0 – Community Services**

##### **Output 4.1 – Registrar-General**

**Mr DEPUTY CHAIRMAN:** Are there any questions?



**Mr MALEY:** What output group are we talking about?

**Mr CHAIRMAN:** 4.1 – Registrar General.

**Mr MALEY:** I am mindful of the time restraints and my friend here is indeed champing at the bit. I can indicate that I have a number of questions that I will put on the Notice Paper in parliament, for what they are worth, and then I can indicate that my next bundle of questions relate to Output 4.6, the Office of Crime Prevention.

**Mr DEPUTY CHAIRMAN:** Any questions for 4.1?

**Mr WOOD:** Minister, has the government given any more thought to moving the Registrar-General's responsibility for registering unit plans, subdivisions and land titles to DIPE?

**Dr TOYNE:** Yes, this matter was discussed at CEO level. It was determined that there were no significant benefits for the merger when compared to cost. The proposed one-stop-shop of planning and other land-related matters can still be achieved by other means, given the advances in IT. Further, the service levels provided by the office are at least equal, if not superior, to those provided elsewhere in Australia. A significant argument against the move was the necessity for DIPE to employ a senior lawyer to deal with urgent and at times complex legal issues arising in the Land Titles Office. Such a lawyer would only be effectively utilised part-time on legal matters because of the size of the Land Titles Office. The present Registrar of Land Titles is also the Registrar of Births, Deaths and Marriages, and holds the office of Public Trustee. So, the figures didn't add up.

**Mr DEPUTY CHAIRMAN:** Are there any further questions for output 4.1?

**Output 4.2 – Office of the Public Trustee**

**Mr DEPUTY CHAIRMAN:** Are there any questions? There are no questions.

**Output 4.3 – Anti-Discrimination Commission – Training and Public Awareness**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Mr BONSON:** Yes, Mr Deputy Chairman. What operational improvements have been made within the Anti-Discrimination Commission?

**Dr TOYNE:** The Anti-Discrimination Commission is developing an improved strategy for delivery of anti-discrimination and human rights and equal opportunity information to the outlying areas of the NT in conjunction with the Aboriginal Interpreter Service. The Alice Springs Office of the Anti-Discrimination Commissioner was opened on 5 March 2003. An ADC newsletter will be issued regularly. ADC is running competitions in Territory schools for the design of an ADC logo and an essay competition on human rights themes. Response times to complaints are now 3.5 months per complaint on average, and that represents the best turnaround time in Australia.

**Mr DEPUTY CHAIRMAN:** Are there any further questions for Output 4.3?

**Output 4.4 – Information Commissioner**

**Mr DEPUTY CHAIRMAN:** Are there any questions? There being no questions, we will move on.

**Output 4.5 – Consumer and Business Affairs**

**Mr DEPUTY CHAIRMAN:** Are there any questions? There are no questions.

**Output 4.6 – Office of Crime Prevention**

**Mr DEPUTY CHAIRMAN:** Are there any questions on that output?

**Mr MALEY:** Yes, indeed. As I said, I will put the questions I have in respect of those other output

groups on the Notice Paper, but just for time and expediency, in relation to 4.6, through the Chairman, minister, at page 94 of Budget Paper No 3 under the heading 'Strategic Issues', you state that one of the aims of your department is to develop partnerships with communities to implement the government's crime prevention strategies and working across government agencies to coordinate crime prevention activities. In developing partnerships with communities and forming forums and committees to discuss the issues of crime prevention and offending within communities across the Northern Territory, were any sitting fees, travel allowance, general allowance or fees of whatsoever kind or nature paid to those members of the community who either attended these meetings or became permanent members of the crime prevention forum for a particular region? If so, the names and how much they were paid.

**Dr TOYNE:** I will defer to my Director, Terri Robson, who can answer that question. It is really an operational matter. We will round up that answer for you.

**Mr MALEY:** Do you want me to put it on notice?

**Dr TOYNE:** No, I think we can have it within pretty short order.

**Mr MALEY:** Minister, under the output group for Crime Prevention, you talk about the capacity for this output group to provide policy advice. Could you please explain what you mean by 'capacity to provide policy advice', and why there is an anticipated increase in government expenditure on this area in 2003-04?

**Dr TOYNE:** In the area of?

**Mr MALEY:** Policy advice. I am not sure what it means.

**Dr TOYNE:** I will defer to Dr Dreier to deal with the financial or the budgetary implications. I can certainly talk about the process.

**Dr DREIER:** The increased budget to this part of OCP comes about because in 2002-03, OCP weren't fully staffed for the whole of the year, hence they didn't consume all of their budget in that area. In 2003-04, they will be fully funded up to establishment capacity.

**Dr TOYNE:** To complete the answer to your question, the Office of Crime Prevention will be, in conjunction with the Regional Crime Prevention Councils providing input from the community, developing our strategies on crime prevention and juvenile justice areas.

**Mr MALEY:** So they're developing this policy for you as a government?

**Dr TOYNE:** Well, for us as a government and, in particular, to the Standing Ministerial Committee on Crime Prevention, which meets regularly and will receive that type of output from the Office of Crime Prevention.

**Mr MALEY:** Minister, I think you have answered this question. There is some overlap, but this second category under Performance Measures, Capacity to Provide Advisory Briefings at page 106 of Budget Paper No 3, it is estimated to be \$0.98m 2002-03, increasing to a little over \$1m in 2003-04. Can you kindly explain why the Northern Territory taxpayer must pay over \$1m for advisory briefings, and when and where these briefings will occur and who will be the recipients?

**Dr TOYNE:** Sorry, can you locate that expenditure?

**Mr MALEY:** Under 106, the second heading, Capacity to Provide Advisory Briefings, the question is: What are these advisory briefings? Who are going to be the recipients?

**Dr TOYNE:** I can only suggest you read the footnote because it gives you a pretty good run down of what that involves.

**Mr MALEY:** All right. Further on page 106 of Budget Paper No 3, there is a reference to community support activities and there is \$160 000 being spent on that. Can you provide particulars as to how that money is going to be spent, and what sort of support activities will the \$160 000 be used for?

**Dr TOYNE:** Yes. That money supports Regional Crime Prevention Councils and the local crime prevention groups which, as you are probably aware from the fairly numerous statements I have made in parliament, are ...

**Mr MALEY:** That's the money to pay them?

**Dr TOYNE:** Yes. Well, we provide them with support, not pay them directly; we provide them with research and other support. That is 160 events; it is not dollars.

**Mr MALEY:** That makes it clear, doesn't it? Okay, so the grant, which is that fourth category and \$400 000, that is the money you are talking about that supports these community forums? So there are 160 events and they are paid for by way of these grants under that category?

**Dr TOYNE:** No. Again, I have pretty numerous public pronouncements on this. There are three categories in that grant program so you are aware of those. Read *Hansard*.

**Mr MALEY:** Minister, during the year 2002-03 to date, did the Office of Crime Prevention engage any consultants and, if so, the names of those consultants and the amount of money paid to those people?

**Dr TOYNE:** We have given you the global list of consultants for the Department of Justice that indicates which area they have been appointed to.

**Mr MALEY:** I have no further questions.

**Mr BONSON:** One of the major activities of the Office of Crime Prevention is to produce quarterly crime and justice statistics. How reliable are these statistics and what trends are they showing?

**Dr TOYNE:** I can say that the publication to which you are referring, these are independently compiled by the Statistical Unit of Office of Crime Prevention. They have been audited by Ernst & Young as to the methodology used and the source data, so I can say with absolute confidence that they are accurate to the data that has come directly off the Police and Justice databases.

I will say this: it is the first time in the history of the Northern Territory that Territorians have been given a clear and independent picture of levels of crime in the community. We believe that that is a major step forward in having, first of all, an informed debate about crime rather than a lot of the clap-trap that has gone on in the past, and to have informed policies to prevent crime. Money well spent, and we will continue releasing these reports.

**Mr DEPUTY CHAIRMAN:** Are there any further questions on Output 5.4?

**Mr MALEY:** I have no further questions. There are some I had to ask, but I will put them on the Notice Paper.

**Mr DEPUTY CHAIRMAN:** That concludes consideration of all output groups. Are there any non-output specific budget questions in relation to the Department of Justice? That being the case, that concludes consideration of all output groups. On behalf of the committee, I thank officers from the Department of Justice for attending today.

**Dr TOYNE:** Mr Chairman, I thank the office for the enormous amount of work they have put into the briefs that have been available to this committee today. It is a very important function in our annual cycle of government, and I thank the officers for their work.

**DEPARTMENT OF CORPORATE AND INFORMATION SERVICES**

**Mr DEPUTY CHAIRMAN:** I invite the minister to introduce the officials accompanying him, and, if he wishes, to make an opening statement on behalf of the Department of Corporate and Information Services.

**Dr TOYNE:** Mr Chairman, I would like to introduce my CEO, Sarah Butterworth, and Nick Pellissier, who is the department's Business Manager, Budgets and Commercial. I have made such remarks as I needed to in my initial statement. We will move to the questions.

**Dr LIM:** I would appreciate the minister making them again because I was not in the room at that time.

**Dr TOYNE:** I do not have that statement with me.

**Dr LIM:** Is it a different portfolio altogether.

**Mr DEPUTY CHAIRMAN:** The minister made an opening statement earlier on, so we will move on, if you like.

**Dr TOYNE:** Hang on. Look, I can assure the member that the only issue that was canvassed in my initial speech was that while we are quite happy to take operational questions regarding the DCIS contract and procurement service role, the policy issue of procurement is for the Minister for Business, so if you can just keep the questions framed on the actual processes.

**Mr DEPUTY CHAIRMAN:** Are there any questions in regard to that statement?

**Dr LIM:** No, thank you.

**Mr DEPUTY CHAIRMAN:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of Corporate and Information Services.

**OUTPUT GROUP 1.0 – Corporate Support Services**

**Output 1.1 - Financial and Accounting Services.**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Yes, thank you. Minister, suppliers to the government have encountered long delays in payments for goods and services delivered, some even going through financial hardships as a consequence of the government's tardiness. Customer satisfaction of your department is at an all time low. What processes are in place to ensure that payments are timely, rather than just promising to pay interest on accounts that are over 30 days old? As of today, how many accounts are considered current, that is less than 30 days, and at what value? How many accounts are over 30 days old, and at what value?

**Dr TOYNE:** I will defer to Sarah Butterworth. She can give you the record of the department. May I say at the outset that I do not accept your assertions at the start of that question. We should stick to the figures and leave the extrapolations out of it in terms of what people think of our department.

**Dr LIM:** Talk to business people.

**Dr TOYNE:** You present the proof here if you want to make those sort of allegations. This is not a place to slag our public servants. If you have proven assertions, then we will listen to the evidence that you produce and we will respond to it, but if we are going to just have an unsubstantiated opinion about someone you have been listening to and what they have been saying about our department, I think you had better leave it for the parliament and let us stick to the facts of the budget today.

**Ms Lawrie:** It is scrutiny of the budget.

**Dr LIM:** Respond to the question, minister.

**Mr DEPUTY CHAIRMAN:** There is only one Chair here, member for Greateorex, and the minister is responding, so we will leave it with the minister, please.

**Dr TOYNE:** I will defer to Sarah Butterworth and she can provide that information.

**Ms BUTTERWORTH:** I cannot tell you exactly what we are at this point in time of the month, because we do the statistics after the end of the month. I can tell you that for May, 75% of all payments were made within 30 days. That is 30 days from the date of the invoice to the date of payment. In March, that figure was 82%, so it hovers around the 80% that we pay within 30 days and then the bulk of the other payments are paid within 60 days after that.

That is the whole of the period, from the date of the invoice, through the agency and through DCIS. So, there may well be criticism of DCIS, but I would maintain it is not all our fault. We had a performance indicator last year of paying the accounts that come through us within 14 days. We have now reduced that, as you would see in the budget papers, to seven days. Our average, in fact, is about three days.

**Dr LIM:** Through the Chair, I find that very, very heartening. My specific questions were how many are there that are less than 30 days and to what value? How many are there that are over 30 days and at what value? Are you able to provide that on notice?

**Ms BUTTERWORTH:** Value is difficult. I can give you numbers, but value is difficult.

**Dr LIM:** If the minister, through the Chair, is prepared to take the question on notice and provide the information.

**Dr TOYNE:** What information are you asking us to provide?

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#### **Question on Notice**

**Dr LIM:** Specifically, as I asked, as of today, how many accounts are considered current, that is less than 30 days old, and at what value? Also, how many accounts are over 30 days old, and at what value?

**Ms BUTTERWORTH:** I can only advise you in relation to the accounts that have already been submitted to DCIS.

**Dr LIM:** Of course.

**Ms BUTTERWORTH:** So then there may well be accounts in agencies that are within that criteria.

**Dr TOYNE:** With that proviso, I will take that on notice.

**Mr DEPUTY CHAIRMAN:** To assist Hansard, and to ensure the minister is fully aware of the question, would the member for Greateorex please restate the question?

**A member:** For the third time.

**Mr DEPUTY CHAIRMAN:** Well, he has a proviso on it now, so if you will listen you keep up with it.

**A member:** There is no need to be rude.

**Dr LIM:** Mr Chairman, my question in total was: what processes are in place to ensure that payments are timely? I will not make the political statement. As of today, how many accounts are considered current, that is, less than 30 days old, and at what value? How many accounts are over 30 days old, and at what value?

**Mr DEPUTY CHAIRMAN:** Minister, do you accept that as a question taken on notice?

**Dr TOYNE:** Yes, I do.

**Mr DEPUTY CHAIRMAN:** That being the case I allocate number 4.8 to that question.

**Dr LIM:** Minister, the average cost per debtor invoice processed has almost doubled from \$49 budgeted in 2002-03 to \$89 budgeted in 2003-04. Explain the cause of such an escalation of cost to the department, which, I assume, is then passing on the cost to its clients.

**Dr TOYNE:** I will pass that to Nick. He can answer that for you.

**Mr PELLISSIER:** This was our first year of output costing from that perspective, and we made a mistake with our unit measure. We actually counted invoices raised and receipts done by our RTMs in our original measure of quantity. So you will see that the original target of \$50 000 per annum was revised down to \$30 000 and so if we are only talking about the actual cost of raising and pursuing a debt, that is why the unit cost went up. Obviously, the receipting budget is quite cheap and we excluded that from the cost.

**Dr LIM:** It is still almost 100% more than last time. All right, that is fine. Thank you, minister. That is fine. I have no more questions for that output.

**Mr DEPUTY CHAIRMAN:** Are there any other questions for that output? That concludes consideration of output 1.1.

### **Output 1.2 – Contract and Procurement Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** I have a question, minister. What charges will government agencies pay for each outsourced service and for each service provided directly by DCIS in 2003-04? How do they compare to charges for each of the services for 2002-03 and 2001-02?

**Dr TOYNE:** The average cost per tender managed is \$1162 for 2003 ...

**Dr LIM:** \$1162?

**Dr TOYNE:** \$1162 for 2003-04, and for 2002-03, it was \$1162. The average cost to develop a request

for tender is \$3777. The 2002-03 figure was \$3777; so both are unchanged.

**Dr LIM:** Through the Chair, are you able to give me 2001-02 figures?

**Dr TOYNE:** I am giving you the 2002-03 compared to the 2003-04.

**Dr LIM:** So you cannot give me the 2001-02 figures?

**Dr TOYNE:** We did not have one.

**Dr LIM:** I have no further questions for this output.

**Mr DEPUTY CHAIRMAN:** Are there any further questions for contracted and procurement services? That concludes consideration of output 1.2.

### **Output 1.3 – Human Resource Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Page 115 in Budget Paper No 3 indicates that there are 16 050 paid employees for 2002-03. Adding the totals from each agency within each output area, the total came to 13 835. Last year, the figure in Budget Paper No 3 was 15 300 paid employees, while the totals from each agency added up to \$13 833. On the other hand, the Public Service Commissioner's figures obtained from the Commissioner's web site shows 14 321 full-time equivalent employed as of the September quarter 2002, and 14 423 full-time equivalent employed as of the March quarter 2003. So we have three sets of numbers. Which ones do we believe? Can you explain the discrepancy and reconcile these figures?

**Dr TOYNE:** Yes. This involves methodology. I will ask Sarah Butterworth to give you an explanation of that.

**Ms BUTTERWORTH:** The figures that we have are the individuals paid. So in all of the other figures, they would usually be full-time equivalents. In ours, there would be some part-timers, some temporaries on and off, several people filling one position and so on. So ours is the actual number of pays per fortnight.

**Dr LIM:** Through the Chairman, what I understand is that is the actual number of bodies that are working there for whatever hours. Now, if I then went through this budget book and went to the first page of each agency and added up the totals, they still do not reconcile with the figure quoted on page 115, which quotes 16 050 employees paid. I did an addition, and it came to something like 13 835. I would assume that 13 835 includes all the bodies. How does that equate to employees paid 16 050?

**Dr TOYNE:** They are FTEs, full-time equivalent staff positions. They could be comprised of several part-time and hence the higher number for us, because we are actually distinguishing each individual paid, whether they are part-time or full-time.

**Dr LIM:** If, as the minister says, they are FTEs, then the FTEs do not reconcile with the Commissioner's figures of FTEs. I added up in Budget Paper No 3 to a total of 13 835, as you would say, FTEs. Then I go to the Commissioner's web site and I get 14 423 FTEs during the March quarter of this year.

**Dr TOYNE:** I listened to the committee proceedings yesterday and, from what I recall, you had a very good go at discussing that issue with the Commissioner for Public Employment. I cannot add anything more to the discussion. From what I recall of the debate, the Commissioner made an explanation as to why that discrepancy existed. There is nothing we can add to it, so let's move on.

**Dr LIM:** The Commissioner for Public Employment had the same difficulties as you do right now in that while he could reconcile two sets of figures, just like you have, he could not reconcile the three sets of figures. I am curious that in the budget book published for all of us to consider the budget allocations for this year, we get figures we cannot reconcile. How can we rely on the rest of the figures?

**Dr TOYNE:** I have been informed additionally that we include Power and Water employment in our figures. That is all the information we can give you. That is how we generate our figures. You have had a chance to quiz the Treasurer and the Commissioner for Public Employment on the various figures that you have generated through the budget papers. Nick is indicating he can ...

**Mr PELLISSIER:** The only other thing is that even if we take just our own agency, our FTE target for next year is not our actual staffing at the moment; it is our staffing allowing for some additional positions being recruited to, or, if we were hoping to reduce our staff numbers, it could be our budgeted position allowing for those reductions. So it does not necessarily align to the actuals at today's date. It is our target full-time equivalents.

**Dr LIM:** How, then, does one work out what an agency's budget allocation for salaries will be if your figures for the numbers of staff are not certain?

**Dr TOYNE:** They are allocated staffing capacity for the agency, which may or may not be achieved during the operational year. Some positions are not filled or they become vacant. It is like the whole of the budget; the appropriations are simply the intended expenditure level, which may have to be adjusted as the year proceeds.

**Dr LIM:** One last question in this output, minister. Are you able to provide us with the numbers of staff that were shifted from your responsibility into PowerWater so that we can at least reconcile that?

**Ms BUTTERWORTH:** They have not moved away. What we are saying is the PowerWater employees are not in the budget book. If you are trying to reconcile the budget book with people that we pay, we pay PowerWater. We continue to pay PowerWater, even though they are now off-budget.

**Dr LIM:** It gets more and more complicated, Mr Chairman. You are not able to give us the numbers that are PowerWater employees that you are paying? That would then help reconcile these numbers, surely. Can you do that? Are you going to take that on notice?

**Dr TOYNE:** I am happy to take that on notice, and we will provide you with that figure.

**Mr DEPUTY CHAIRMAN:** To assist *Hansard*, and be sure the minister is fully aware of the question, could the member for Greateorex please restate the question.

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#### Question on Notice

**Dr LIM:** Could the minister provide the actual numbers of PowerWater employees who are currently being paid by DCIS to assist in reconciliation of employee numbers?

**Mr DEPUTY CHAIRMAN:** Minister, do you accept that as a question taken on notice?

**Dr TOYNE:** Yes, I do. Mr Deputy Chairman, may I clear 4.7 up?

**Mr DEPUTY CHAIRMAN:** I will finish this up and you certainly may. That being the case, I allocate number 4.9 to that question. Minister.

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**Dr TOYNE:** Yes, if I could clear up that 4.7 for the member for Nelson. The question was: what percentage of detainees who go to Wildman return to custody in 12 months and two years. The answer from Corrections is that Wildman is considered no more than a program of Don Dale in which low security juveniles can be located for a time. Many are back and forth between Don Dale and Wildman during their period of detention. The figures are not kept separately. It is seen as two parts are the same program of management.

**Mr DEPUTY CHAIRMAN:** Thank you, minister. We will now resume questioning of output 1.3, Human Resource Services. Are there any further questions?

**Dr LIM:** Yes, I do have a couple of questions. Minister, in response to a question put to you on staffing numbers for the department, you responded that there were 635 staff at 29 August 2002. There again, I cannot reconcile the figures because the figure quoted in Budget Paper No 3 for 2002-03 was 665, a difference of 30. How many people are now employed by the agency? How is this number broken up into full-time, part-time, casual and contract staff?

**Dr TOYNE:** We can give you some information that you might reconcile the 665 that was published in Budget Paper No 3 2002-03.

**Dr LIM:** I want to make it easier for you to table the document because there is quite a long list of numbers.

**Dr TOYNE:** That is fine. This will give you all the wins and losses with changes in structure and I am happy to table it.

**Dr LIM:** I do not have any more questions for this output.

**Mr DEPUTY CHAIRMAN:** Are there any further questions for output 1.3? That concludes consideration of output 1.3.

#### **1.4 - Archives and Records Management Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, I am very glad to hear that at long last we have NT Archives to be developed in Alice Springs. I congratulate you for that action. It is something that Central Australia would love to have. Could you elaborate for me the nature of the Archive Service that will be in Central Australia, the size of the floor space that you intend to provide for the archives in Central Australia, and the likely commencement date?

**Dr TOYNE:** I will give you a quick rundown. The budget is, as we announced, \$267 000, which does not include the property leasing costs. The allocation will include cost of fit out and renovation of the premises to suit Archives' requirements, including a public research area and a secure archives repository with adequate shelving and atmospheric controls. Some 1500 shelf metres of Centralian Archives will be relocated from Darwin and put into the new facility. Two staff will be recruited to operate the facility and they will be tasked with collecting and securing archives from around the region, managing the existing archive collections, and providing for community access to the archival collections. We think it will be open by early November.

**Dr LIM:** Of this year?

**Dr TOYNE:** Yes. I can give you a breakdown of the operational costs if you want it.

**Dr LIM:** Yes, if you could do that.

**Dr TOYNE:** Yes. There is a P2, which is \$43 000, an AO3 at \$28 000. There is an operations budget of \$76 000. Facility renovation and set up of \$30 000. Shelving is \$70 000, and the relocation costs of the Darwin Archives is \$20 000.

**Dr LIM:** I do not have any more questions for this output.

**Mr WOOD:** Minister, you may have explained it in the reason you just gave then, but why has the average cost of collections gone up by about 30%?

**Dr TOYNE:** Where are we?

**Mr WOOD:** Page 115. Bottom line.

**Dr TOYNE:** Down the bottom, sorry. The increase in cost is the introduction of both the electronic archives management system and a new office in Alice Springs, and that has been factored into the overall division cost divided by the amount of archives.

**Mr WOOD:** Would you expect that then to come down again with new, modern IT equipment?

**Dr TOYNE:** Obviously, once the archives are established in Alice, there will be a recurrent cost and I would imagine there would be upkeep on the electronic system, particularly as where we are expecting greater activity and access to archives as a result of the *Information Act* as well. So we would expect there would be more, that the increased level would be there.

**Mr WOOD:** I thought if we had more collections, the average cost would go down.

**Dr TOYNE:** It will. I am being reassured here. We will ask Sarah to say a few things about this.

**Ms BUTTERWORTH:** It will, but the number of collections that increases each year is not enough to keep the cost at the level that it is. We are providing an improved service by having electronic access and having another branch of the Archives Office.

**Mr DEPUTY CHAIRMAN:** Are there any further questions in relation to output 1.4? That concludes consideration of output 1.4.

#### **Output 1.5 - Information and Communications Technology Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, Budget Paper No 3 at page 116 indicates that the average cost per user - and I have aggregated the average cost per user desktop plus average cost per hour of support is \$378. How is this figure apportioned for hardware, software, and support services? How many users are being supported and at what total cost? How does that compare with costs for 2002-03 and 2001-02?

**Dr TOYNE:** For that level of detail I will pass to Sarah Butterworth.

**Ms BUTTERWORTH:** I might need a reminder part way through, but I will start off. What those figures include is for the unit that manages outsourced contracts, as well as ICT policy. So we have included in there the contract management group and the site support staff who manage the interface between the agency and the contractors. We also provide in that cost for the policy. We have a centralised policy to ensure that mandated standards are applied across government. So the cost of that is also included in that.

The cost this year is \$303 per user, plus the on-site cost. Last year that cost was \$260. The reason for the increase is that we did not get our costing model quite right last year and the \$303 is more accurate.

**Dr LIM:** Through the Chair to the minister again, when you talk about apportioning costs to the

Central Support Unit and the other administrative functions, is it possible for you to provide better detail or more specific detail as to what percentage or dollar terms has been apportioned to those and what sort of rationale you use to arrive at that costing?

**Dr TOYNE:** I have been asked to ask you to repeat the question.

**Dr LIM:** I will. I know it is a fairly complicated question. When the CEO explained that out of the \$303, part of that is apportioned to the Administration Support Unit and I think there was a third group that you mentioned. I wondered what sort of proportion goes to those three specific groups and the rationale that you use to come to that proportion?

**Ms BUTTERWORTH:** I can tell you the cost of each from our pricing. The \$303 is made up of \$178 for the contracts management part and \$125 is made up of the policy part and then the on-site support is \$75 per hour.

**Dr LIM:** Thank you. I do not have any more questions for this output group.

**Mr WOOD:** Minister, I notice the government is still working on options to eliminate the ghosting problem for television in the northern suburbs. I know we are also sending satellites to Mars at the moment. Can you tell us why a solution has not been yet found?

**Dr TOYNE:** It has been found. The draft of the final report from the consultant was provided on 2 June this year, and that report is yet to be accepted but it is certainly with the department. We do not have the recommendations up to Cabinet as yet, but the broadcasting environment within the Darwin area is consistent with other capital cities in terms of the availability of signal. We have a particular problem with the ghosting effect of NT House reflecting transmissions from the tower over at Stuart Park there. It is bouncing off the building and going off and making its own transmission service alongside the real one. We are looking at some options now with the \$120 000 that we have allocated in the current budget about how best to fix that - whether it is by looking at the antennas in households in the most affected areas or whether that is going to involve analogue or digital arrangements. We are on the track. It will be done forthwith. We are getting plenty of calls, so do not worry, we are up to the mark on it. But, yes, we think we know how to fix it and we will be moving to it fairly quickly.

**Mr DEPUTY CHAIRMAN:** Are there any further questions in relation to output 1.5? That being the case, that concludes consideration of all output groups.

#### **OUTPUT GROUP 1.0 – Data Centre Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** No, no, before that we have questions that involve more than one output group.

**Mr DEPUTY CHAIRMAN:** That is a typographical error.

#### **OUTPUT GROUP 2.0 – Property Management**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Yes. Referring to page 113 of Budget Paper No 3, Property Management allocation went from the estimated actual of \$35.791m for 2002-03 to a budgeted \$37.892m for 2003-04. The explanatory notes listed the departments involved. What other departments are involved with the relocation, and what are the specific costs per department to make the total of \$2.101m?

**Dr TOYNE:** That variation is comprised of \$463 000 in CPI and EBA increase nett of the efficiency dividends; \$1.388m in the rent increase, which includes the cost of consolidating DEET from four locations in the Darwin CBD, and the cost of establishing the new police headquarters and relocating

from the temporary police station in the AANT building; and \$250 000 for the dental clinic - costs associated.

**Dr LIM:** I have not had a quick run through my calculator, but \$463 000, which you grouped into a CPI and EBA and efficiency dividend, which I understand is 2%. So with a CPI of 2.5% and an EBA potentially of 3%, how does that work out: \$463 000 as a percentage of \$35.791m?

**Dr TOYNE:** Nick has pulled out his calculator. We will get you to compare notes.

**Mr PELLISSIER:** Is the figure you are querying on the \$35.791m?

**Dr LIM:** Yes.

**Mr PELLISSIER:** Which works out to be about 1.3% increase.

**Dr LIM:** So that is well below CPI and your EBA considerations? Can I make the assumption, minister, that this is in effect a cutback on DCIS?

**Dr TOYNE:** I am informed that many of the rent reviews are coming in at zero, so we are seeing that pattern at the moment.

**Dr LIM:** Very fortunate, rent review being zero.

**Dr TOYNE:** No, good management. Economic and budgetary.

**Dr LIM:** Or it may be that you are encouraging more philosophies than you really need.

**Mr DUNHAM:** On that, you have got a 6% increase next year, that is correct, isn't it?

**Dr TOYNE:** To the?

**Mr DUNHAM:** Properties group.

**Dr TOYNE:** I do not know of the figure.

**Mr DUNHAM:** Approximately. Let's see how good my maths is. You are coming in at \$35.79m and you are going to spend \$37m, an increase of 2.1. That is about a 6% increase, and that is attributed in the main to the new police station, rent reviews that have gone up, particularly for DEET where they have been amalgamated. Is that correct?

**Dr TOYNE:** Yes.

**Mr WOOD:** Minister, on page 116 of Budget Paper No 3 are performance measures for Property Management. It says in the footnote: 'Although the lease quantity measure now includes 14 000m<sup>2</sup> controlled by DIPE, this area is not included in the calculation of the average cost measure'. Why not? If it were included, what would the average cost measure be?

**Dr TOYNE:** I will ask Sarah Butterworth to answer that.

**Ms BUTTERWORTH:** The reason is because we have included in the lease space increase the whole of the hardstand area at Armidale Street, which is the bus depot and the fleet depot. If we were to include that in the rent, it would distort it; it would make it much lower than it should be. I do not have the figure to tell you what that might be. So we have left the rental space for office rental space

as the cost, but it includes all the leased space.

**Mr DUNHAM:** The budget papers, particularly *The Economy* paper, mention Chinatown in several places. There is a clip I have on my desk dated early March that talks about Chinatown to start next month. Can you tell me when it is expected that public servants will be taking up office accommodation space in Chinatown?

**Dr TOYNE:** I will bring you up to date on what we know of the negotiations. You will be aware that it is in the commercial domain. It is a matter of Lee-On Consortium finally securing their deals, particularly with hotel chains and with other people who will go into that centre. The developer, Lee-On, has to date been unable to finalise arrangements with their financiers for this project. The primary cause is that there has been a delay with the developer's conclusion of a deal with Accor Hotels. The government has approved an extension to the original arrangements with the developers that would have required them to secure finance by 30 June and commence the project by 31 July, with completion by early 2005. As recently as yesterday, the developers assured NT Property Management that these deadlines would still be met. Given that the prospective tenants are currently occupying premises already leased by government, no rent will be payable in Chinatown until the construction is complete. The only cost to government thus far has been the administrative costs associated with the original expressions of interest.

**Mr DUNHAM:** Is there some parity in the cost of rent from those areas they will be vacating to the take-up of the new accommodation in Chinatown, or will there be a differentiation hitting from about 2005?

**Dr TOYNE:** I will ask Sarah to answer that.

**Ms BUTTERWORTH:** There will be an increase in 2005. The Chinatown accommodation will be a much higher standard accommodation than what the agencies are currently in. The same situation applied with the Mitchell Centre.

**Mr WOOD:** Through you, Acting Mr Chairman ...

**Mr DUNHAM:** Is this on the same thing?

**Mr WOOD:** Yes. Well, relating to it.

**Mr DUNHAM:** The commencement of Chinatown includes 10 000 m<sup>2</sup> of office space, but I note that in *The Economy* paper it says that, unless net absorption picks up, a major over-supply is likely to develop, leading to an increase in vacancy rates and forcing office rents and values lower. Essentially, what this is saying is that Chinatown will force all its competitors to charge lower rates, and we have just heard an answer that the government will, in fact, be paying a higher rate. Is this something that the government intended to do?

**Dr TOYNE:** Let us fix up your figures first. The original expression of interest was for 9000m<sup>2</sup>. We then halved that on advice that we received on the very thing you are talking about, the impact on the market value of office space in Darwin. The current vacancy rates for commercial office space in Darwin is 12.55%, according to the information we have from the Australian Valuation Office. With the proposed developments over the next 12 to 24 months, which include Chinatown, the Mitchell Centre, TIO, and Old Admiralty House – that vacancy rate will be expected to rise from 20% to 24%. We felt that putting further office space out on the market at the time we made the decision about the Chinatown development would have glutted the market with that type of accommodation, and would not have been in the best economic interests of the Territory. Beyond that, the point has already been made by my CEO, it is not apples for apples. When you look at what we would be paying, say for accommodation at Mitchell Street or Chinatown, that would be state of the art current standard accommodation; it could not be equated with some of the other buildings.

**Mr DUNHAM:** Given the volatility of the market over the next couple of years, and the fact that it will trend down, how long have you signed into the rate from 2005 onward for accommodation for public servants in Chinatown?

**Dr TOYNE:** It is a 10 year lease but with rent reviews every two years, which applies to all properties.

**Mr DUNHAM:** So you have flexibility on a biennial basis?

**Dr TOYNE:** Yes. These projections based on the square meterage and current use in terms of the Australian Valuation Office estimates. It is a pretty moving feast, as you can appreciate, but with these gas projects coming into Darwin there will probably be quite a change in demand even from that alone. So, I think you have to take a guess of where the best balance point is between, not guiding the market, but wanting to promote development and that is what we tried to do with the ...

**Mr DUNHAM:** Okay, so from 2005 you are locked in for two years and then you have rent reviews?

**Dr TOYNE:** Correct.

**Mr WOOD:** How is DCIS involved then with Department of Education, the five floors that it is going to occupy? Is DCIS involved in that, or is that purely the Department of Education?

**Dr TOYNE:** DCIS through property management arranges all government leasing arrangements. It is the core agency that deals with that, no matter what agency is taking the space.

**Mr WOOD:** The \$3.7m that was revoted to the new Mitchell Centre, that is purely out of the Department of Education's budget? It is to do with fitting out and those sorts of things?

**Dr TOYNE:** Yes. That is for fit-outs.

**Mr CHAIRMAN:** Are there any further questions?

**Dr LIM:** Not for this output group.

**Mr CHAIRMAN:** That concludes Output Group 2 and we will now move on.

#### **Non-Output Specific Budget Questions**

**Mr CHAIRMAN:** Are there any questions in respect to non output specific budget questions, otherwise known as global?

**Dr LIM:** Yes. Minister what are all the specific variations and the quantum of each variation to the total operating expenses allocated to DCIS in the 2002-03 budget of \$59.637m in Budget Paper No 3, and the estimated actual for 2002-03 of \$56.994m in Budget Paper No 3 for 2003-04? There is a significant variation, and I cannot find it listed anywhere as to why the variations are there, the rationale for them and the quantum of each of the variations.

**Mr PELLISIER:** This is a question between opening 2002-03, according to last year's budget paper, and the latest 2002-03, or between 2002-03 and 2003-04?

**Dr LIM:** If you go back to last years budget papers, you budgeted for \$59.637m. For total output, you had \$96.687m and your estimate for 2002-03, which is going to end in a couple of days, is \$92.785m. There is a huge variation of maybe \$4m. I am asking what is the variation made up of.

**Mr CHAIRMAN:** You are asking the question to the minister?

**Dr LIM:** Yes, I am asking the minister what is the variation made up of and if he can give me the specifics of them and the quantum of each of the variations.

**Dr TOYNE:** It would take probably half an hour to go through all the items on this. I will table it.

**Dr LIM:** How much of the allocation, minister, were you given in 2002-03 that was not spent on the specific allocation for which it was intended both in operating expenses and capital expenditure? Detail those areas where this occurred and the reasons it was not spent.

**Mr PELLISIER:** I am not sure that I understood the question.

**Mr DUNHAM:** Well you spent \$4m less last time. How come?

**Dr TOYNE:** We have told you how come. We have given you a full list of the explanations and the variations.

**Dr LIM:** When I see that list – well I might revisit this question because - this is capital expenditure that I am talking about. Obviously, the other one might be ...

**Mr PELLISIER:** I did not think – we would not have had much money in capital expenditure.

**Dr TOYNE:** There is hardly any.

**Dr LIM:** I am asking the question, Mr Chairman, I do not know.

**Dr TOYNE:** Can you take us to the line item or page that you are referring to in terms of capital expenditure?

**Dr LIM:** You can use the same figures if you like. Through the Chair to the minister, you have obviously underspent by some \$4m. Without looking at this list, I am not able to ascertain whether it is operational, whether it is capital underspent, and I am asking the question as to what are those variations, the rationale for them and the quantum of them.

**Dr TOYNE:** I will ask Nick to deal with that one.

**Dr LIM:** Sorry, I did not quite catch that, minister.

**Dr TOYNE:** I will be asking Nick to answer that question for you.

**Mr PELLISIER:** The paper we have given you breaks it up by output in terms of where the variations were and your question related to whether it was operational or capital. \$1.697m was a reduction in employee expenses; \$2.582m was a reduction in operational expenses; there was no reduction to capital expenses.

**Mr DUNHAM:** Can we just clarify that? I thought you were appropriated \$86m and you anticipate coming in at \$79m this year, capital expenditures?

**Mr PELLISIER:** No, that is not capital expenditure. That is our output appropriation. That is for the government purchasing our services.

**Dr LIM:** Okay, I will move on. Minister, what allocation is provided in 2003-04 for outsourcing of ICT services? Can you provide cost by outsource item and how do they compare to 2002-03 and 2001-02?

**Dr TOYNE:** Sarah has bravely said she is going to have a go at that.

**Dr LIM:** I am sorry if some of these questions sound complicated.

**Ms BUTTERWORTH:** The question you are asking is the costs in DCIS for outsourcing?

**Dr LIM:** For outsourcing of ICT, yes.

**Ms BUTTERWORTH:** The costs will be for the figures that we discussed previously, about \$303 per person. We have no additional costs this year in relation to outsourcing from what we had last year.

**Dr LIM:** Was I given the global figure as well for that? Or only \$303? How many units are there being serviced to give a global figure?

**Ms BUTTERWORTH:** 9630 is the number of users that we calculate on.

**Dr LIM:** Through the Chair again, if I multiply that by \$303, I will get the right figure?

**Ms BUTTERWORTH:** Yes, including policy. So if you actually multiply it by 178 plus the amount for the hourly rate.

**Dr LIM:** Minister, under the outsourcing contract arrangements with Computer Service Corporation, what parties in the original consortium are no longer involved in the arrangement? What are the remaining parties in the consortium? Of the remaining parties in the consortium, are these parties participating at the original level in the outsourcing contract? I am happy if you just say: 'Yes, yes,' or whatever.

**Dr TOYNE:** Sarah will answer that.

**Ms BUTTERWORTH:** There has been no change. It is the same parties. There was a requirement for CSC to identify the values of the contracts that went to the local members of their consortium. One of those, in fact, is getting slightly more than was originally specified in the contract. In relation to the larger international players, there was no requirement for CSC to detail that, so I cannot answer that.

**Dr LIM:** So we have happy partners.

**Dr TOYNE:** They look happy to us.

**Ms BUTTERWORTH:** It is a contract.

**Dr LIM:** How much was spent on consulting services in 2002-03? Detail the individual contracts. That is, to whom they were awarded, at what cost, for what reason, and how they are awarded. That is, either by competitive tender or with a Certificate of Exemption, etcetera. How much is estimated to be spent on consulting services in 2003-04? I ask you to detail the individual contracts; that is, to whom they were awarded, at what cost and for what reason.

**Dr TOYNE:** Yes. I can give you a list of the over \$10 000 contracts, which will cover, I think, the scope of your question.

**Dr LIM:** With the \$10 000 contracts, will they all have been competitively tendered, or were there Cs of E as well?



**Dr TOYNE:** We will have to get back to you on the issue of the Certificates of Exemption, but we will table the basic information.

**Mr CHAIRMAN:** So for *Hansard* records, member for Greateorex, quite apart from what the minister is now providing, do you want to ask a question in respect of the other part?

#### **Question on Notice**

**Dr LIM:** Accepting that the minister has tabled documentation to respond to part of my question, I ask the minister to provide such information as may be available to detail those contracts that were awarded through Certificates of Exemption and those without.

**Dr TOYNE:** The question is accepted.

**Mr CHAIRMAN:** That is accepted by the minister and that becomes question 4.10.

**Dr TOYNE:** If I could just clear up another of these questions - I will try to clear as many as I can before we finish the session - Power and Water paid staff that we continue to pay: Darwin is 552 and Alice Springs is 132, total 684 employees as of Pay 26 this year.

**Dr LIM:** What continuing legal consultancies have been required for outsourcing programs, minister?

**Dr TOYNE:** I am sorry? You snuck up on me with that one.

**Dr LIM:** I will repeat the question: What continuing legal consultancies have been required for outsourcing programs?

**Dr TOYNE:** To the best of our knowledge, nothing.

**Mr CHAIRMAN:** Before you go on, member for Greateorex, I just want to clarify something. I understand that you asked a question, which was numbered 4.9. I now understand the minister has tabled the answer to your question. Is that correct?

**Dr LIM:** Yes, that is correct.

**Dr TOYNE:** If I could also clarify in answer to the accounts paid ...

**Mr CHAIRMAN:** Do you have the number there minister? Question 4.8

**Dr TOYNE:** We can confirm that 84% of the accounts were paid within 30 days as of today for June; 84% for June up to today.

**Dr LIM:** My next question to the minister is: What litigation costs were incurred by the department in 2002-03?

**Dr TOYNE:** None.

**Dr LIM:** None. For 2002-03, detail the expenditure on reports commissioned by the minister and through the department or agency that have been outsourced or contracted out. What was the purpose of the reports? Who and what organisations prepared the reports and at what cost? Have the reports been tabled or presented to the Assembly? What has been the outcome of these reports?

**Dr TOYNE:** We will have to take that on notice. We do not have that information here.

**Mr CHAIRMAN:** Again, for *Hansard* purposes, member for Greateorex, would you like to repeat that question?

#### Question on Notice

**Dr LIM:** For 2002-03, detail the expenditure of reports commissioned by the minister, and/or the departments or agencies that have been outsourced or contracted out. What was the purpose of the reports? Who or what organisations prepared the reports, and what was the cost? Have the reports been tabled or presented to the Assembly? What has been the outcome of those reports?

**Mr CHAIRMAN:** Minister, you have agreed already, so that becomes question 4.11.

**Dr LIM:** Minister, one of the pre-election promises of your government was that you would reduce the expenditure on consultancies from outside the NT Public Service. What is the reduction in the consultancy budget for 2003-04 for DCIS?

**Dr TOYNE:** I am informed that we do not allocate within that category. Appropriations for DCIS are allocated to the output groups, and if there are consultancies involved in that, they are done within those allocations. There is not a separate tally kept of that.

**Dr LIM:** Wouldn't DCIS have an overarching sort of monitoring role as to what is happening within the whole of the department, rather than just per output group?

**Dr TOYNE:** We know what is happening in the department, but it is organised in these output areas. It is just that we are not looking specifically at that across the whole department.

**Dr LIM:** Are you able to provide that sort of information, minister?

**Dr TOYNE:** We are using consultancies in a reactive way, not in a proactive way of setting a particular level, and then laying on consultancies to the value of that amount of money. As an issue comes up that do not have internal expertise to deal with, we bring consultants in who help formulate the response we are going to take. It is not easy to answer the question in the terms you are putting it, which is: do we target a reduction in that level. It is a reactive area.

What we have done, as whole-of-government, one example would be, say, the in-house arrangements that we brought back for legal services, where we have reduced the amount of money being used for consultancies with outsourced legal services as a direct reduction of the use of consultancies. It is not easy to answer the question you have put.

**Dr LIM:** Minister, I will look at the list that you have tabled and, if need be, I will put further questions.

**Dr TOYNE:** Draw your own conclusions, yes. Okay.

**Mr BALDWIN:** Just on that, though, you would be able to tell us what consultancies you had totally in 2001-02 compared with this list you have given us today, 2002-03.

**Dr TOYNE:** I would imagine that information has already been tendered to last year's committee.

**Mr BALDWIN:** Do you know if it is a reduction?

**Dr TOYNE:** I have no idea.

**Dr LIM:** I do not recall seeing a list such as this previously. My next question is: explain the difference in estimates of agency revenue between 2002-03 and 2003-04. What are the sources of that revenue [inaudible]?

**Mr CHAIRMAN:** Member for Greateorex, would you like to clarify that?

**Dr LIM:** If you go back to page 111, Agency Revenue. All it explains in Note A is that agency revenue equals opening revenue less output revenue and profit/loss on disposal of assets. You have a figure of \$10.722m for 2002-03 estimate, and you have \$11.184m in 2003-04 budget. It does not explain anything at all. You have two sets of figures. So, where is the revenue coming from? How do you build that number?

**Mr PELLISSIER:** I thought the question referred to a reduction in revenue. It is about the increase in revenue.

**Dr LIM:** It does not matter. You are earning money from somewhere.

**Mr PELLISSIER:** Our agency revenue is derived by our charges to government business divisions for the full cost of services delivered to them, and in the case of our agency that includes both the cost of providing them office accommodation as well as the cost of specific payment of accounts, raising of invoices, letting of tenders, services paying the staff, whatever we may do for them. The estimated figure for 2003-04 is based on the emerging trend of usage towards the end of 2002-03, so at the time we were putting in the budget estimate. This usage is at a level we think we can achieve, \$10.7m, next year without any increase in price.

**Dr TOYNE:** If you are still pursuing the same point, keep going and I will ...

**Dr LIM:** The next point is: if your revenue is going up, your services to agencies are increasing. Are agencies being provided with extra funding to offset what you are going to earn, because it is all within the same government budget.

**Dr TOYNE:** We only charge government business divisions, not government agencies, so they have to earn the revenue to cover that.

**Mr BALDWIN:** Just on that, through the Chair, minister, last year you budgeted to have a revenue take of \$11.559m and it is estimated to come in at \$10.722m, so you have not reached the budgeted estimate of last year's budget. Can you be sure that you are going to reach the 2003-04 of \$11m?

**Dr TOYNE:** I will pass that to Nick.

**Mr PELLISSIER:** There are a couple of issues as to why that number was not achieved. One of the functions that we were billing GBD clients transferred to DIPE. That was our registry services and that was some \$488 000 worth of revenue associated with that, and some of our other estimates related to funding we expected to get from the Commonwealth, which, in some cases, we actually received early like 29 June or something. So whilst the budget showed we would receive them this year, we actually got them last year, so we had to reduce our estimate of what we would get this year.

**Mr BALDWIN:** So that some \$800 000-odd

**Mr PELLISSIER:** From the Commonwealth?

**Mr BALDWIN:** No, total between what you were expecting to raise in revenue to your estimate of this year, whatever that is.

**Mr PELLISSIER:** \$488 000 alone related to that registry function. \$382 000 of it was received on I think 29 June 2002 and was actually budgeted to be received by us in 2002-03. So between them, that is a bit over \$800 000.

**Mr BALDWIN:** Yes, so now you expect to increase it in this next financial period by about \$400 000, and where do you expect that increase?

**Mr PELLISSIER:** Primarily the increase is simply related to demand for services. We do not target any specific client. We are just saying, based on the latest figures we had at the time the budgets were being prepared, the levels of demand indicated that we would achieve more than currently budgeted. In fact, we expect to exceed the current year's budget based on the levels of demand that we are experiencing.

**Mr BALDWIN:** The current year's budget?

**Mr PELLISSIER:** Budgeted revenue. We expect GBDs ...

**Mr BALDWIN:** \$11.599.

**Ms Lawrie:** 2002-03.

**Mr PELLISSIER:** No, the revised 2002-03 estimate of \$10.193m or other agency revenue. Yes, we would expect to exceed that figure.

**Mr BALDWIN:** Right, okay.

**Dr TOYNE:** Mr Chairman, may I clear two more of these questions taken on notice?

**Mr CHAIRMAN:** Minister, do you have the number reference?

**Dr TOYNE:** Yes, we do, 4.3 is the first of the two. That concerned the number of warrants that have been issued in the Magistrates Court and the number executed. The answer to that is 2648 warrants were issued and 691 warrants were executed.

The other is question 4.4 regarding the outcomes of coronial matters. I will read the answer here that has been provided: when the estimate of 2002-03 was done in the budget papers for 2002-03, the latest figure available for finalisations of coroner's matters within six months was over 80% as per OCA 2000-01 Annual Report. Hence, the figure was set at 81%. When the figure was set for the budget papers for 2003-04, the latest figures available were 62% actual, which came from the DOJ 2001-02 Annual Report, and the December 2002 quarterly output figures indicated 71%. Hence, the figure was revised downwards to 71%. This indicator has historically fluctuated widely - 43% in 1999-2000; 84% in 2000-01; 62% in 2001-02; 71% year to date, December 2002 - and is subject to a number of the external influences such as the nature and types of death, where they occur and the availability of police and pathology services. As such, it does not necessarily provide an accurate indication of the performance of the office.

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

**Dr TOYNE:** Sorry, we will get back to the member for Greateorex, if you want to resume.

**Dr LIM:** Yes, I will. This question may have been answered in part. What is the increase in budget allocation for CPI increase of 2.5% and the wage growth increase of 3%, and where is that demonstrated in the budget for 2003-04?

**Dr TOYNE:** For DCIS, the efficiency dividend is a reduction of \$1.69m which was 2%. CPI is an increase of \$1.33m. The EBA is \$1.16m and the nett of those figures ...

**Dr LIM:** I am sorry, EBA is?

**Dr TOYNE:** \$1.16m and the nett of those three figures is \$800 000.

**Dr LIM:** Minister, in reference to promotional activities of the department, what promotional activities, publications, advertising in any media have been undertaken by the department or your office or any other office or agency on behalf of your department or yourself in 2002-03?

**Dr TOYNE:** We did not do any of that. I like to be a very anonymous person. No, there is no expenditure of that type.

**Dr LIM:** So there is nothing at all?

**Dr TOYNE:** There is operational expenditure on advertising to do with the normal functions of the department, but nothing that had that element to it.

**Dr LIM:** So, no other office advertised on your behalf with your picture on it, or anything like that at all?

**Dr TOYNE:** No.

**Dr LIM:** Not even the Chief Minister?

**Dr TOYNE:** No, not as an expenditure item in the Department of Corporate and Information Services. We are not like you mob.

**Dr LIM:** No publications of any kind from DCIS? How much was spent on advertising, promotion or dissemination of policy issues and provision of information that included yourself or your photograph and a message from you within an individual breakdown for print media, television, radio or brochure, including direct mail by the minister's office or through DCIS, electoral office or any other agency or minister's office on behalf of the minister's department?

**Dr TOYNE:** My understanding is that question was put to the Chief Minister last night as a generic question to be answered on behalf of all agencies. I can reiterate that DCIS advertising was entirely about general advertising, Gazette advertising for CAPS, IT advertising, tender advertising and marketing advertising of the History Awards and IT. That is it. The other is recruitment. It is not something that would have me on it.

**Dr LIM:** Thank you. That completes my questions for this output.

**Mr CHAIRMAN:** Are there any other questions in regards to the non-specific output? That being the case, that completes consideration of all output groups.

#### **OUTPUT GROUP 1.0 – Data Centre Services**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, what developments or break ups are occurring in mainframe services provided by DCIS, and what is the intended fate of mainframe services?

**Dr TOYNE:** I can answer the intended fate, and I will ask my department to answer the break up. The

intended fate is the subject of a consultancy that is reporting back to us. That has been asked to look at various options, such as the future of the mainframe arrangement we have at the moment compared to mid-range options. We will be looking at it when we have the results of that consultancy up to Cabinet. I can only say that it is an open question.

The consultancy was awarded to DMR to review the future of the Data Centre and it will be reported in August. The review is prompted by two key considerations: whether the Data Centre should be outsourced, like other areas of ICT, and the increasing trend away from mainframe technology. We are actually losing the number of agencies lodged on our mainframe at the moment. Clearly, that increases the unit costs for those that remain. Each option is going to be framed against best value for money, cost, skill retention in the Northern Territory, best use of technology and the maintenance of service levels. They are the key indicators that we have asked the consultant to come back with. Can you repeat the other part of the question?

**Dr LIM:** The developments or break ups that are occurring with the mainframe is what I was asking for.

**Ms BUTTERWORTH:** There are a number of things being looked at in the Data Centre in terms of trying to reduce the costs. There are actually two machines called 'the mainframe'; we have two mainframe services, and we are looking at whether we can reduce costs by distributing the licences differently, by which applications we have on which mainframe. So that is the mainframe, essentially. The server management is somewhat of a growth area at the moment. Several agencies are putting their servers in the Chan Building.

**Dr LIM:** I will come to the incremental cost in a minute, Mr Chairman. Minister, there is concern that, with the break up of the mainframe, or the likelihood of it, that services could be transferred elsewhere, perhaps even interstate, hence us losing local input, local expertise, attrition of people who are able to do this sort of work in the Territory. Is there any policy direction that you might be giving that says, no, you have to stay in the Territory?

**Dr TOYNE:** I share your concern with the loss of capacity from within the Territory. That is a key criteria that we put in front of the consultant, skill retention in the Northern Territory. I would also refer you to the very publicly announced and pursued part of our policies, which is industry development for the Northern Territory ICT industry. You would have to say that we have been very active in that area. We are certainly not wanting to step back from continuing to develop capacity in the Territory. We will see what the consultant comes up. Clearly, that is the quick and dirty way of doing it, just dropping the data bases into a mainframe somewhere else, but all the jobs go with it and we are not very keen on that.

**Dr LIM:** Surely, the minister can articulate a political will that data services will remain in the Northern Territory, and your consultant will hence provide you with a report based on the Data Centre staying in the Territory. Has the minister articulated such a view?

**Dr TOYNE:** I can say that here and now: yes. That is what we have decided is the broad course of action. We have to figure out the best way to achieve that with the other criteria I have already given you from the consultancy. It is a starting point that the consultant has been given.

**Dr LIM:** Good, thank you very much minister, which means we can look forward to having the data services staying in the Territory, unequivocally, and the consultant's report will work around that basis, and not having something outsourced into New South Wales, or Victoria or Queensland.

**Dr TOYNE:** Although you know you are very thin ice there, because I believe the patient records in the Health department ended up initially in New Zealand, and then they went to Nebraska or somewhere.

**Dr LIM:** Did we bring them all home?

**Dr TOYNE:** Sorry?

**Dr LIM:** We are bringing them home?

**Dr TOYNE:** We have to find out where you put them first. Mr Chairman, may I clear up another of these in my never-ending battle to keep up.

**Mr BALDWIN:** May I ask something on that? Is this relevant to this output group, or ...

**Dr TOYNE:** Sure, let's finish this one.

**Dr LIM:** With the break up of mainframe services, as we talked about just now, and the minister alluded to it, there will be an incremental cost per unit of service delivered, with a decreasing pool of expertise within the service. Who, or what, entity will take up the provision of the mainframe services and where will it be located? I hear your assurance that it will be in the Northern Territory, that is fine.

**Dr TOYNE:** I think we have answered your query already. I have already indicated that we will be looking to retain the database in whatever form it is within the Territory. I presume you phrase 'the break up of the mainframe' as basically agencies leaving the mainframe, is that what you are saying?

**Dr LIM:** That's right. It will increase the unit cost of delivery, surely?

**Dr TOYNE:** I can only say that that is exactly why we got a consultant in to have a look at this in detail, as to what the actual inherent costs are, because sometimes you win on the swings and lose on the roundabouts in these sort of things. We will have a look at what the recommendations are, and the arguments behind the recommendations. I will certainly be sharing that through parliament.

**Dr LIM:** I do not want to sound repetitive, but on one hand you say, yes we are going to retain data services in the Territory, and then a few minutes later you say, we are looking at it. Are you definitely going to keep here, or are you still looking at it?

**Dr TOYNE:** What we are looking at is the best way in terms of technology, the local application and development of skills to maintain that database activity.

**Dr LIM:** In the Territory?

**Dr TOYNE:** Now, what I am not saying is that it has to be in the existing form of a mainframe based database services. That is what we are saying.

**Dr LIM:** Continuing on, minister. How much of the agency's revenue is attributable to payments from other government agencies? In your response to a similar question at last year's estimates, you advised that \$18.904m was the agency's revenue attributable to payments from other government agencies, yet in the printed document, the budget estimate for 2002-03 was \$19.025m. In Budget Paper No 3 for 2003-04, as it turns out, you anticipate receiving \$19.05m this financial year, whilst the budgeted amount for the coming year is \$18.59m, or nearly \$0.5m less. Can you explain the discrepancies in this or the difference in these numbers?

**Dr TOYNE:** I am just going to find them first.

**Dr LIM:** Page 123.

**Dr TOYNE:** I will pass that to Nick.

**Mr PELLISSIER:** The budget variance on page 123 in revenues from \$19.005m to \$18.590m ...

**Dr LIM:** More importantly, if I may interrupt Mr Chairman, the minister, in his response to a similar question in September last year advised in that it was \$18.904m, and that is a written response from you. It is not in your budget book, it was in a written response, that \$18.904m was the agency's revenue attributable to payments from other government agencies. Then you look in this book, and it was recorded as \$19.025m. There is the discrepancy. Second, as it turns out in the blue book, this year's book, you are estimating \$19.085m and now you are budgeting before 2003-04 \$18.59m. I am trying to reconcile all these figures.

**Dr TOYNE:** In terms of what I advised last year, it would have been the advice given to me by the department at the time. I certainly would not have made up the figure by myself.

**Dr LIM:** I am not suggesting that you did.

**Dr TOYNE:** I will still pass it to Nick to see if he can give a picture of what is happening with this revenue.

**Mr PELLISSIER:** I do not know the time of the written response you refer to, saying that the ...

**Dr LIM:** September last year, estimates.

**Mr PELLISSIER:** September last year, so after the year was ended, we told you the actual figure was \$18.9m for 2001-02?

**Dr LIM:** No, 2002-03.

**Mr PELLISSIER:** We told you the estimated figure for 2002-03 was ...

**Dr LIM:** No. If I can explain ...

**Mr CHAIRMAN:** I think you should.

**Dr LIM:** In budget 2002-03 you provided a figure of \$19.025m. The minister then came along and said it is \$18.904m that we would receive from agencies. In this year's book, you have an estimate of \$19.45m. I see three different figures for the same year. I cannot reconcile that.

**Dr TOYNE:** Can I suggest that you give Mr Pellissier the chance to answer the question, and then if it is inadequate you can ask further.

**Mr PELLISSIER:** I will try and answer that portion of it. \$19.025m is a figure calculated in about March, which we publish in the book as our best estimate at the time. If in fact in September we told the minister our best estimate was \$18.9m, then that was the figure. That was our best estimate at the time. By the time we get around to publishing this book in March, our best estimate was \$19.085m.

In all cases, we would be quoting you a best estimate and, to some extent, revenue depends on client demand. If not all of our charges are fixed, the mainframe access and mainframe software are largely predictable and fixed, but the number of servers clients want us to look after, the number of data bases they want us to manage, etcetera, varies from time to time, and we would always provide you with the most up to date figure. So there would be, naturally, some movement in that during the year. We monitor it all the time during the year for a commercial enterprise.

**Dr LIM:** So I suppose what I am trying to do, minister, is say: 'Okay, you gave me these three figures', and trying to reconcile that. Then I look at this budget book for 2003-04 and now you are saying that



the budget for 2003-04 will be \$18.59m, which is some \$495 000 less than your estimate. So what you have done is you budget for a high-ish figure. You have done a lot better with the current estimate. Aren't you anticipating that with all the responses you have been giving me so far that agencies have been asked to do more that your budget should be in fact higher.

**Dr TOYNE:** There is a variance included in that \$18.590m figure which is a reduction of \$495 000 that are mainframe fixed costs, which are apportioned to agencies based on prior year useage, and adjusted to ensure that the mainframe does not become too expensive for any agency to use. The WIS DEET system and the LIS DIPE system is coming off the mainframe, so there is that adjustment inherent in that figure.

**Dr LIM:** That answer is fairly complicated for me. So you say that \$495 000 that is recorded here as a decrease in the budget is because of ...

**Dr TOYNE:** It is because two systems are coming off the mainframe, the DEET system and the DIPE system, and that comes up to \$495 000.

**Dr LIM:** The sheet you have just given me with all the consultancies in here, does that include the Data Centre as well?

**Dr TOYNE:** No, it does not.

**Dr LIM:** If it does not, then my question is, minister, again, the government promised to reduce expenditure on consultancies outside the public service. What is the reduction in consultancy budget for 2003-04 for Data Centre services.

**Dr TOYNE:** My advice is that the mainframe activities are maintained through a series of contractors that work on short term consultancies. Arrangements have been put in place not because we like the consultancies, but because we have to keep flexibility while we are assessing what we are going to do about the mainframe or its replacement arrangement. So it just gives us the ability to change the arrangement fairly much at will.

**Dr LIM:** Through the Chair, do you have a list of the consultants, or contract workers who are looking after the Data Centre?

**Dr TOYNE:** Yes, we can provide that . I will take that on notice.

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#### **Question on Notice**

**Mr CHAIRMAN:** Would you like to repeat the question?

**Dr LIM:** I ask the minister to provide a table or a list of consultants engaged to manage the Data Centre for 2002-03 and compare that with 2001-02.

**Mr CHAIRMAN:** That is question number 4.12.

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**Dr LIM:** I do not have any more for this output, Mr Chairman.

**Mr WOOD:** Minister, has any evaluation or comparison been done linking costs with performance prior to the outsourcing of IT functions and after? Are we getting value for money under outsourcing, or should the functions come back to the department? If that is too big, I will put it on notice.

**Dr TOYNE:** We would probably need to give you a briefing on that one, too. That is pretty much out of the scope of the division we are talking about here, but each of those contracts will come up to its term, and at that stage we will obviously want to assess what we have in terms of value for money back to government, and then either renew the contract along similar lines or reform the contract or decide that we do not want to go that way any more. That will not all happen in one fell swoop; it will be a process applied to each of the five areas as they come towards full term.

I do not want to go too heavily into all the ins and outs of this, but it is fair to say that some of the contracts have had a bumpy start and have settled in. We are only just starting to see a stable enough situation across government so that we can actually make some assessments about what sort of coverage of government agency interests are being delivered.

The other thing that has had to happen is that agencies have had to come to terms with the full cost of an ICT function because a lot of it was sunk into staff time that was never costed out before, so people are now starting to see within the agencies the full cost of using ICT.

All I can say is that each time a contract comes up for renewal there will be a very thorough assessment of its efficacy and whether it is still the best way to be going. We are not ideologically tied to it or against it; we are pretty pragmatic about it.

We do benchmark reviews, comparing the costs here to the cost generally within the industry of delivering those types of products and services.

**Mr CHAIRMAN:** Thank you, minister. Consideration of this business line is now complete.

#### **OUTPUT GROUP 1.0 -Government Printing Office**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, this is a generic question. The 2003-04 budget allocation has cut \$2.536m on 2002-03 to \$2.527m. That is not taking into consideration the CPI increase of 2.5% and wage growth of 3%. In view of the increasing trend for agencies to make use of electronic methods for information distribution thus reducing printing requirements, does the minister intend to reduce the level of staffing for the GPO?

**Dr TOYNE:** The GPO is very important. To put another dimension to your question, having visited the GPO and seeing the enormous training effort in terms of apprentices and so on, it is very valuable, not just for DCIS or our part of government, but also for the Northern Territory school base as a whole. We are weighing up other reasons for the GPO being there, as well as the figures you see in the budget.

I would be very concerned if the GPO started to accrue larger and larger losses over time, but the picture has been relatively stable for a number of years now, where it hovers around break-even for most purposes. The inherent government culture that is imbued in that printery is of great value. We see that every year with budget papers being printed and other sensitive documents that we want to have some control over. I do not think the printing industry here is big enough to – I mean, it would be dominated by Colemans as the biggest player in the private sector without the GPO actually being a counterbalance to that. They are the types of issues that we are taking into account.

**Dr LIM:** So the staff numbers have remained fairly stable, minister?

**Dr TOYNE:** It was 45 last year, 43 this year. Much of a muchness.

**Dr LIM:** Is this going to be a situation where the staff is getting smaller, the GPO is getting smaller, agencies are not using them as much, and suddenly your unit cost for printing is going up, desktop

publishing is now increasing.

**Dr TOYNE:** The counter argument to that is that there could well be a case for some of the work that is currently being done in-house around the agencies, such as high volume photocopying for example, would be more efficiently done by the GPO on its high speed copiers. We are exploring that with a survey that we have done around the agencies. I do not accept the premise that we are going to see a real plunge in the amount of work that will go through the GPO. It has been stable for quite some time, and as long as it remains on that relatively stable level, I do not think we would be revisiting the GPO's future.

**Dr LIM:** Minister, I recognise that, over the last few years, in fact, many agencies are doing in-house photocopying to produce whatever reports they need to do, and probably as a consequence of that action, the GPO has a reduced workload. How are you going to reverse that trend? The trend is going towards desktop publishing and photocopying. How are you going to reverse that trend unless you have a governmental edict that says we have to use the GPO again and rebuild the facilities?

**Dr TOYNE:** The first step is to do a cost-benefit on how things are produced across government, which we have done. We have identified areas that are currently done in-house, and other agencies where it could be done more efficiently by a specialist printing operation. That is the first step. The second step is to work out how we promote the uptake of GPO services within the agencies. We are very committed to that, for very good reason. It is a more efficient way to get the business of government done. You will appreciate that to swing from an in-house arrangement to a GPO-based arrangement is not necessarily just a case of sending the copy down to GPO. There is equipment that has been invested in. We will work on that case by case and see what we can do.

**Dr LIM:** I can take heart from that: whilst there is only minimal staff reduction, it is not the first indication of the government privatising the GPO, or selling it off or anything like that.

**Dr TOYNE:** No. We would need infinitely stronger reasons to change our position on the GPO.

**Dr LIM:** My final question: what were the costs and date of completion of work performed by the Government Printing Office for ministers and ministerial offices?

**Dr TOYNE:** I would have to take that on notice.

**Dr LIM:** I am happy to repeat the question.

**Mr CHAIRMAN:** Yes, please do, member for Greateorex.

**Dr LIM:** What were the costs and dates of completion of work performed by the Government Printing Office for ministers and ministerial offices. I refer to the years 2002-03 and 2001-02 for a comparison.

**Dr TOYNE:** I will qualify that. The ministerial office costs have already been covered by the Chief Minister last night. We will take the question, if you are talking about other areas.

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#### Question on Notice

**Dr LIM:** Through you, Mr Chairman, I am in possession of the Chief Minister's tabled documents, which do not provide any such detail at all. My specific question was that I am looking for completion of work, costs and dates, performed by the GPO on behalf of ministers and ministers' offices.

**Dr TOYNE:** I am prepared to take on notice the costs of work. I do not see what the completion dates have got to do with anything, as long as it is clear which budget they belong in. I will take that on notice. I will give you the costs of any work that has been done there of that type and the costs of them.

**Dr LIM:** Well, works in progress, obviously it is not completed ...

**Dr TOYNE:** Look, I will give you the basic information you are requesting, but I am not going to ...

**Mr CHAIRMAN:** Are you prepared to accept that, member for Greateorex?

**Dr LIM:** Well, the minister will respond according to his own desires, and I will have to work the best way I can around it.

**Mr CHAIRMAN:** Thank you. That is Question 4.13. That now concludes consideration of NT Government Printing Office.

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**Mr Baldwin:** Was that your last question?

**Dr Lim:** No.

**Mr CHAIRMAN:** Sorry? The reason I said that was because, member for Greateorex, you indicated to me that we should continue.

**Dr LIM:** I said it might be the last question, but, yes, yes, I am happy for you to go along.

**OUTPUT GROUP 1.0 - NT Fleet**

**Mr CHAIRMAN:** Are there any questions?

**Mr DUNHAM:** Yes, I have one. Minister, I note with the government's new procurement policy there is an undertaking that open and effective competition does not allow utilisations of supplies from such agencies or instrumentalities where they are reasonably available from the private sector without the prior approval of Cabinet. Will this be revisited by Cabinet, the provision of vehicles through NT Fleet as a government business division?

**Dr TOYNE:** No.

**Mr DUNHAM:** So it is your intention to keep it as a government business division?

**Dr TOYNE:** Yes.

**Mr DUNHAM:** Are you aware that the substantial yield from this division, before tax and dividends, would render it a very attractive proposition for a commercial concern?

**Dr TOYNE:** It may well be, but the current arrangement is seen as the most appropriate arrangement by us, and there is no plan to revisit that arrangement.

**Mr DUNHAM:** What I am asking is: who is advantaged by the current concern if it is able to be done in the private sector, if it is attractive to the private sector? Why don't you consider outsourcing it to the private sector?

**Dr TOYNE:** Because we believe that current arrangements are both adequate and most appropriate for us.

**Mr DUNHAM:** Are you aware, then, that you are obliged under the *Fiscal Integrity and Transparency Act* to look at several factors prior to making a decision like that, including the effect it would have on

employment, the economic prosperity and development of the Territory? Are you satisfied that those requirements on you, under the act, have been met?

**Dr TOYNE:** Yes. In terms of your assertions about this being a wonderful cash cow that the private sector would snap up, it is a \$65m investment. To gain the types of margins that are reported, it is not a particularly lucrative area by the normal return on investment.

**Mr DUNHAM:** Are you saying that because you would prefer not to test it, or are you saying that because you understand the business environment in which it works?

**Dr TOYNE:** No, I am saying that because that is what the figures say.

**Mr BALDWIN:** Minister, you are saying that the returns on that investment, that capital investment, which is roughly 10%, is not good enough?

**Dr TOYNE:** What I am saying is that Treasury has indicated that as an additional reason for our current position is that it would cost us more with a private sector arrangement to provide that resource to government agencies than doing it ourselves through an in-house arrangement. We are staying put.

**Mr DUNHAM:** Are you happy to concede now that the value that the previous government put on it at \$50m was, in fact, conservative?

**Dr TOYNE:** I would say that the other thing that was very conservative was the budget deficit that you were actually projecting ...

**Mr DUNHAM:** There is a link, of course. We can go there.

**Dr TOYNE:** Well, there is because that was the Mike Reed version on how to get the bank card back under control. This was going to be pulling money off that blowout that we subsequently saw happen. We are not making decisions on government arrangements and resources based on that cowboy mentality.

**Mr DUNHAM:** But you have made a decision, haven't you?

**Dr TOYNE:** Our position is that we are retaining NT Fleet.

**Mr DUNHAM:** But that is a decision because the previous decision was to sell it.

**Dr TOYNE:** By you.

**Mr DUNHAM:** You have in effect made a decision ...

**Dr TOYNE:** Not by us, mate.

**Mr DUNHAM:** Yes, you have. You have made a decision not to sell it.

**Dr TOYNE:** Yes.

**Mr Baldwin:** He is right that it was our decision.

**Mr DUNHAM:** Yes.

**Mr KIELY:** A point of order, Mr Chairman. He has answered the question. Now we are hearing a statement rather than a question. If he wants to frame it in to a question, and the minister takes ...

**Mr Dunham:** I can understand you being sensitive about it.

**Mr KIELY:** ... but what we are hearing here is a statement.

**Dr TOYNE:** I am not sensitive about this at all. I am very clear on our position.

**Mr DUNHAM:** Okay, so the first question is: you are aware this is a policy decision you have already made to overturn a previous government's decision? You are aware of that, aren't you?

**Dr TOYNE:** Yes, that is fine. You wanted to sell it; we don't.

**Mr DUNHAM:** You are aware that in making that decision, you are now constrained by a new act of parliament called the *Fiscal Integrity and Transparency Act*?

**Dr TOYNE:** Go for it.

**Mr DUNHAM:** Are you aware of that?

**Dr TOYNE:** Well, keep going.

**Mr DUNHAM:** So you are aware that the decision you are making has to have imperatives to do with the economic development and prosperity and good economics in this place? Is that correct?

**Dr TOYNE:** Look, I do not see where this is getting us. We have made a decision. Our position is that we are retaining the NT Fleet. If you feel that it in some way compromises the provisions under that act or any other framework that you want to mention, bring it into the House and we will have a talk about it.

**Mr DUNHAM:** No, I am not alleging that it is compromised. I am saying that you are required to have those conditions foremost in your head to adhere to the act. Given that you have a new procurement policy, which would seem to point to the fact that government would prefer not to go head to head with the private sector, I am asking you whether you will ...

**Dr TOYNE:** Well, your premise is (a) that we are going head to head with the private sector, that they would love to jump in and take up this service under whatever conditions we might offer. You are assuming a whole lot of things about figures that might be laid out in a proposal like that for which there is no basis. You are assuming that we have simply taken this decision for some sort of flippant reason, whereas in fact you have Treasury advice. I have just been advised that Treasury has, indeed, as I indicated earlier, looked at the comparison of a privatised versus an in-house arrangement. They have come back and said that it is very definitely a more efficient way, in terms of government expenditure, to keep it in-house ...

**Mr DUNHAM:** What was the date of that advice?

**Dr TOYNE:** ... and that analysis was done within the terms of the *Fiscal Integrity and Transparency Act* and advised that we should not do it, the costs are higher. So that is ...

**Mr DUNHAM:** So there has actually been a second advice to that which was provided to the Public Accounts Committee.

**Dr TOYNE:** The advice was given in late 2001 as these notes fly across the desk at me.

**Mr CHAIRMAN:** I remind members that we have one minute remaining.

**Dr TOYNE:** Mr Chairman, I would like to indicate I have two more questions on notice to respond to. Is it possible to do that?

**Mr DUNHAM:** So ...

**Dr TOYNE:** We are not selling it.

**Mr DUNHAM:** I know that. I am just asking if you have adhered to your act. In your answer you said that ...

**Dr TOYNE:** Treasury has told us that we have adhered to our act.

**Mr DUNHAM:** The question then is are you confident the value is now \$65m?

**Dr TOYNE:** That is what I am told, yes. I generally believe the advice of my agency.

**Mr DUNHAM:** Make a big hole in \$107m.

**Dr TOYNE:** Mr Chairman, there are two Questions on Notice I would like to quickly answer.

**Mr CHAIRMAN:** Certainly, minister.

**Dr TOYNE:** Questions on Notice 4.5 and 4.6 regarding the Anti-Discrimination Commissioner and the ...

**Mr BALDWIN:** Can I raise a point of order, Mr Chairman?

**Mr CHAIRMAN:** Yes, you may.

**Mr BALDWIN:** Minister, in relation to questions, and I thank you for trying to provide them in a timely way, but if they are in an output that has long gone, I think it would be more appropriate to table them because we cannot revisit that output.

**Dr TOYNE:** I am quite happy to table them.

**Mr CHAIRMAN:** The minister has indicated that he is prepared to table question numbers – what were they minister?

**Dr TOYNE:** 4.5 and 4.6 relating to the Anti-Discrimination Commission. The other one relates to the Office of Crime Prevention and the regional forum costs. I will table them.

**Mr CHAIRMAN:** That concludes consideration of these three areas. I would like to thank Sarah and Nick for their attendance here today, and to you, minister, thank you.

**Dr TOYNE:** Mr Chairman, could I just thank my agency staff for the fantastic job they have done on putting this information together for the committee.

**Mr CHAIRMAN:** Order! What I propose to do is to reconvene the Estimates Committee at 2.10pm.

The committee suspended.

**MINISTER HENDERSON'S PORTFOLIOS  
TREASURY**

**OUTPUT GROUP 4.0 – Commercial Services  
Output 4.2 – Procurement Policy**

**Mr CHAIRMAN:** Thank you, everyone. I welcome the minister and I note on the schedule that prior to consideration of your main portfolio responsibilities, you are available to take questions on Output 4.2, Procurement Policy, which sits within the Treasury portfolio. Minister, are you prepared to do that and to make a short statement and introduce the officials.

**Mr HENDERSON:** Yes, I am happy to do that, Mr Chairman. As minister responsible for the procurement as of February this year, procurement has seen some quite significant changes, with a new government policy enunciated in the last month. Responsibility for procurement prior to the 2002-03 financial year was spread across government. Around September of 2002, the procurement group within Treasury came together. Staff from other agencies were seconded to that group, and that is why there was not a specific line item for procurement policy within Treasury last year. It is there as a revised amount for the budget papers this year with a \$49 000 increase in allocation for the 2003-04 budget. The increased allocation is going to provide for the establishment of the Government Procurement Council and revised Procurement Review Boards including sittings fees and expenses for private sector members. So this is a new area of responsibility for Treasury and this is the first full financial year for that grouping within Treasury.

I would like to welcome Under Treasurer Jennifer Prince and Mr Brian Gallagher, who is the Director of Procurement of the Procurement Reference Group within Treasury. I am happy to take questions on this new unit.

**Mr CHAIRMAN:** Are there any questions?

**Mr DUNHAM:** Yes, Mr Chairman. You just said in your opening statement that you expect to have an extra \$49 000 primarily for the setting up of the new board next year. Where are the funds allocated for the training of public service, the \$800 000-plus? Where are they?

**Mr HENDERSON:** That allocation is not going to be held within Treasury. That is part of the overall training allocation that each agency carries. We have identified as government policy that that is the sum total and it will be apportioned agency by agency in terms of the profile of that agency and the number of procurement officers to be spent on training. So it is not a central holding within this division, but it is part of the overall training budget that all agencies carry and that amount of \$850 000 has been identified as the requirement to train those officers.

**Mr DUNHAM:** So is it a notional allocation within an already allocated training budget, or is it new money?

**Mr HENDERSON:** It is an allocation within the existing training budget. So we are saying, as government, this is a priority. We see it as a real priority area for training in terms of upskilling the public servants in this area.

**Mr DUNHAM:** Okay. So, for instance, in Health and Community Service, which is a big procurer of services and a big trainer, which has a budget with, we would argue, no growth in it, what the government is actually asking them to do is to put training as a high priority in the health sector, rather than giving them new money to do it. Would that be right?



**Mr HENDERSON:** We are saying that procurement in terms of the \$780m-odd a year that government procures from the private sector in terms of goods and services, that best practice in terms of adhering to government procurement policies is a priority, and that training – there is very little training, if any – going on with procurements and we are saying yes, it is a priority.

**Mr DUNHAM:** Okay. So, essentially it is still the prerogative of the accountable officer to assume that priority and fudge that training into his already existing training programs?

**Mr HENDERSON:** Hopefully it will not be fudged, but in terms of how the Treasury might coordinate that and ensure that money is being spent for that purpose, I might hand over to Jennifer or Brian.

**Ms PRINCE:** Thank you, minister. The plan that we have for training is for the Procurement Reference Group in Treasury to both negotiate specific training packages and with providers in this area, expert providers, and to talk with agencies about the sort of procurement training that they require, given their procurement profile. We would be looking at tailoring that to the extent that is possible and also as part of that training, to establish levels of competence within particular agencies according to their purchasing profile. We will be monitoring that quite closely and developing the training program in consultation with agencies.

**Mr DUNHAM:** I suppose the point I am making is that there is already a significant training effort going on. This training will be rendered compulsory because people who are purchasing will have to have these competencies and the effect will be that other training, for instance, in specific health operational areas, will be put on hold while staff are brought up to speed on how to procure. There is no new money, is there?

**Mr HENDERSON:** I accept that. It is a priority of government to make sure that in terms of the \$780m-odd that we purchase from the private sector every year, we have consistency across government, that procurement takes place within the Procurement Policy Guidelines and legislation. It has been explicitly identified as sadly lacking across governments and, as government, we have determined it is a priority.

**Mr DUNHAM:** I note, minister, that you have tabled a substantial statement plus an audit of August last year that was undertaken by Treasury to provide some assistance to the opposition with this particular budget line. I note in your key notes relating to this policy area that you have talked about using procurement to encourage new industry to the Territory. Can you tell me how you will ascertain which new industries have been encouraged by this new policy and, indeed, how you will report that to parliament?

**Mr HENDERSON:** I suppose the whole structure for procurement has been changed. One of the key changes in the procurement strategy of government is the new Procurement Council, which will have an identified six members from the private sector. As well as ensuring that government policy is adhered to, it will have some self-referring powers in terms of changes to government procurement policy over time. It is a priority of government all the time to grow the economy, to seek new investment, to diversify the economic base of the Northern Territory not only through procurement policy, but industry policy that we released at the same time. Where government is purchasing goods and services over and above \$5m, we will be expecting local industry participation plans to be presented with those tenders whereby proponents who are applying for those tender opportunities identify how they are going to grow local employment, investment in training and, hopefully, as the economy grows, attract new business to the Northern Territory.

It is going to be evolutionary, rather than revolutionary. Obviously part of the Treasury Annual Report will report back in terms of achievements against policy. I am sure, through the annual report process, if we succeed in attracting new investment and new industries to the Territory as a result of procurement policy, it will be highlighted in the annual report.

**Mr DUNHAM:** And we shall applaud, minister. We are in accord with the policy direction. We just want to know how we would measure your success or not, and thanks for providing that. In your

procurement policy, you have talked about tenderers having the right to a full and frank debriefing. While they might have that right, how will they exercise it?

**Mr HENDERSON:** In terms of procurement, it is always going to be contentious. In any tender, there are winners and losers and as exists now, there is an opportunity for an unsuccessful tenderer to make application to the agency for a debrief in terms of why they were not successful in that tender. Part of the concern among the private sector has been that - and again it is very hard to put your finger on it specifically, but perceptions are very important in this - on a significant number of occasions, the debrief process was less than full and frank and, essentially, businesses felt it was a bit of a brush off.

Now, part of the training provisions are going to go to what is expected of an agency when debriefing an unsuccessful tenderer because at the end day, we want to improve the quality of tender responses that come to government. If a tenderer is unsuccessful in part due to the lack of quality of information that they may have provided in their bid, it should be identified so the next time they bid for government work, their opportunities of achieving a successful result are enhanced. So it really goes to training of those people in terms of debriefing.

**Mr DUNHAM:** Yes, minister, but surely it has to be more than just counselling. In the case of ITS, a local company that missed out on a contract worth in excess of \$1m to an interstate non-compliant, more expensive company, while they had the capacity to have a debrief, if you like, that really does not provide any remedy for them in circumstances which would, on the face of it, appear to be patently unfair.

**Mr HENDERSON:** I am aware of the generality of that example. I am not aware as to whether the Ombudsman has concluded his inquiry into that. No, not yet. I suppose we have to see what comes out of the Ombudsman's report.

What we have to do through policy is to ensure that we get best value for the Northern Territory dollar that is spent on procurement. Part of the new guidelines in terms of the tender documents that did not apply in this instance is an identification of value, and that identification goes to jobs in the Northern Territory, investment in training in the Northern Territory, investment in a capital base for the company in the Northern Territory. That has to be identified and we will take those issues into account when identifying value.

Once a contract has been awarded, it is too late to overturn that. Without knowing the specifics of that case, Mr Dunham, I would like to think that under the new guidelines in terms of value for money those sort of examples will not recur. I cannot guarantee that they will not, but we would certainly hope that they do not.

**Mr DUNHAM:** I think we are in accord with this one. I agree with you. It is too late once the contract is awarded because of legal and other issues, but I would like to see the government consider some capacity to provide a remedy to this company. It is a local company. Their tender, as I understand it, was compliant in the face of the other, which was not, and it was cheaper. I do not think that remedy will come from the Ombudsman and I do not think it will come from our procurement policies. I would ask you to take that on board as something that could be considered perhaps by way of a Certificate of Exemption or some such measure to give this company a remedy.

**Mr HENDERSON:** The commitment that I can make, and I am happy to brief you on it and work through it, is when the Ombudsman does report, dependent on the recommendations in that, government may choose to take action, but, really, it is hard to make a commitment now outside of that Ombudsman's report, but I am happy to report back to you on that.

**Mr DUNHAM:** Thank you. For procurement of \$250 000 and over, the minister responsible for procurement, after coming through the accountable officer and the agency minister, has to approve the Certificate of Exemption for public tenders. Are you able to table all such certificates that you have signed in the last financial year, or give details?

**Mr GALLAUGER:** Certificates of Exemption have been the recent subject of an audit by the Auditor-General.

**Mr HENDERSON:** Again, excuse me if I am wrong, but don't we provide details of all Certificates of Exemption? They are published ...

**Mr DUNHAM:** In the *Gazette*.

**Mr HENDERSON:** ... in the *Gazette* and in the *NT News*. So anything over \$250 000 that has been published during my time as procurement minister I would have signed off on.

**Mr DUNHAM:** I am asking for an aggregated copy so that I do not have to buy every copy of the *NT News*, obviously. I know they are public. I know it is not hidden from view. I am just asking if I can provided with an aggregated copy.

**Mr HENDERSON:** I am advised that the detail would be in the annual report every year in terms of Certificates of Exemption awarded during the course of the year.

**Mr BURKE:** Numbers or by firm?

**Ms PRINCE:** We have not considered the form in which that would be published. Currently, all of the details are published in the *Gazette*. It would be something we would consider in preparing the annual report, whether we would produce the full list or an aggregated list.

**Mr DUNHAM:** The reason I ask is that it would appear, according to the audit, anyway, that this has been a growing area and it has been abused, potentially, to the extent that perhaps they should have been more open tenders rather than Certificates of Exemption.

**Mr HENDERSON:** Picking up on that comment, I can say that I have been, as minister, very rigorous in terms of Certificates of Exemption that have come up me. I am not going to specifically name examples, but I have sent a number back. The Certificates of Exemption really have come up more for expediency purposes in terms of purchasing requirements rather than a real requirement for a Certificate of Exemption. Due to lack of planning in agencies, I think there has been a culture evolve that, you know, we can get through the back door by the Certificate of Exemption based on urgency. It is not something that I am prepared to tolerate.

**Mr DUNHAM:** Thank you. That is good. I go now to conflict of interest, and I quote from the paper, *Northern Territory Procurement Policy and Strategies*, at page 19:  
*The following circumstances must be disclosed in writing to the accountable officer:*

*Delegated officers having any indirect or direct interest which might reasonably be thought to be in conflict with their duties...*

I am aware that the Chief Minister has been in the print media recently about 400 public servants that have conflicts of interest, or potentials for conflict of interest. At that time, she gave an indication that there would be some modifications to the code of practice for public servants. I am wondering how you are going to achieve this, whether that will be done centrally through you, or whether it is a matter for accountable officers, and whether would could have details on the 400.

**Dr TOYNE:** I will hand over to the Under Treasurer.

**Ms PRINCE:** The issue of conflict of interest is being taken up by the Public Service Commissioner in looking at the requirements of the Code of Conduct and any other documents that would support that. The Commissioner is developing a policy. That policy will be implemented by each accountable

officer, and it will be the accountable officer's responsibility to put in place appropriate guidelines within that agency in reporting and so on. It will not be something that the Procurement Reference Group deals with particularly because, as I understand it, the conflict of interest can extend more broadly than simply procurement matters, and so it would not be appropriate that it would sit within the Procurement Reference Group.

**Mr DUNHAM:** Through the minister, how will it change from what is in place now, where all those requirements are currently in the Code of Conduct?

**Ms PRINCE:** My understanding is that the Commissioner is working on a more fully documented process and declaration forms and the like. The policy is not finalised, and I think it would not be appropriate for me to go to the details of a policy that is not finalised, nor is my direct responsibility.

**Mr HENDERSON:** In general terms, it is just a case of tightening up the provisions. There were examples highlighted in the media earlier this year. Not only does government and its employees obviously need to be transparent in terms of their commercial dealings, but seen to be transparent and well understood. So I think it is just a general tightening of those provisions and the Code of Conduct. I am absolutely confident that in 99.9% of cases that public servants do deal appropriately and declare conflicts of interest. There are obviously allegations that have been made, references have been made, innuendo, and it is an opportunity to tighten up the code and make sure people are aware of their accountabilities.

**Mr DUNHAM:** Well, in relation to the allegations and references, they were made to Stephen Moo, and he was totally exonerated. The way I read the Chief Minister's media release is that the circumstances in which he found himself would not be allowed in the future. So this is a marked departure where no public servant can engage in business, as I understand it, rather than having declared that and the declaration of interest not being influential in their place of work, that they could continue to have a business relationship, for instance. So can I just confirm that what you are calling a loophole is to forbid public servants from any relationship with business in any way, shape or form?

**Mr HENDERSON:** That decision and determination has not been made and the new Code of Conduct or whatever the provision with the Commissioner for Public Employment can come up with, will obviously go to the minister. If there was a recommendation for such an extensive change, I would expect that that would come to Cabinet. So that is not the policy position of the government. The broader issue of conflict of interest and how the public service deals with people in the public service who have not only commercial interests, but may have shareholdings in companies, how we can ensure that through our *Public Sector Management Act* and through the Code of Conduct that underpins that, we are seen to be as open and transparent as possible and any significant changes either (a) to the act or (b) to the Code of Conduct would go to the minister and would come to Cabinet. That has not occurred yet and it is not a policy directive of government.

**Mr DUNHAM:** Is it possible to obtain details of the 400 public servants?

**Ms LAWRIE:** Through the Chair, I just query whether this is actually an issue of procurement. I would assume it is the Office of Public Employment.

**Mr DUNHAM:** It is procurement policy and we have been told this is the minister who will deal with it.

**Ms LAWRIE:** Conflict of interest is not procurement ...

**Mr HENDERSON:** It is not a specific issue for me. I would be very loath, Mr Dunham, to come in here and put on the public record the names of 400 public servants who may or may not have a conflict of interest in their roles. People are innocent until proven guilty, and I state quite categorically that I believe in 99.9% of the cases people do observe, and rigidly observe, those.

The public needs to have confidence in the system and we are looking at that. We are looking at the

Code of Conduct and the act and if the Public Service Commissioner and the minister determine significant changes required, they will bring that to Cabinet in the usual process. There has not been a directive from government to mandate that no public servant can have commercial interests.

**Mr DUNHAM:** I agree with you wholeheartedly, by the way, that it is potentially unfair on the public servant, that it can judge them before – and that is exactly why I am so angry about what happened with Stephen Moo. I would hope that that is something the government can pursue and I will be talking to other ministers about that.

The government's Procurement Policy and Strategies deals with utilising services from agencies where they are available in the private sector being only authorised and endorsed by Cabinet. That is, that if a government agency is a service provider, that if agencies want to use that service provider, they have to first get the prior approval of Cabinet. I can quote it in its entirety if that is unclear: *Open and effective competition does not allow the utilisation of supplies from such agencies or instrumentalities where they are reasonably available from the private sector without the prior approval of Cabinet.*

Given all the government business divisions that all provide services to everybody, including government, and given that at least half of those have competitors in the field, is that a policy that will be reviewed by government?

**Ms PRINCE:** Mr Dunham, the policy and practice that is in place at present is the same one that has been in place since about 1995 when government business divisions first came into being. What has progressively happened is, for reasons of economies of scale and expertise, that a number of functions that were being performed in agencies have been centralised through DCIS, through other specialist areas, NT Fleet, Government Printer. That has been one action. Agencies use those services because that is the way that they can be provided most efficiently and with the highest level of expertise. What we do not have is those business divisions operating within the private sector against private sector providers unless there is an express approval of Cabinet to do that.

**Mr DUNHAM:** Perhaps if I put it in a different way: if NT Fleet can provide a tractor and a tractor can also be provided through the non-government sector, does it need Cabinet approval for agencies to go outside the monopoly provider to government, or can it say: 'Given that this service is available from three other contractors, I am choosing not to use NT Fleet, and I will use...' on your basis '...a more efficient provider.'?

**Mr HENDERSON:** My expectation would be, if we take the tractor analogy, that depending on the pricing threshold, that they would go to tender for a tractor as they currently do.

**Ms PRINCE:** Just taking that example a little further, NT Fleet has a prescribed range of services that they provide; so that they provide the light vehicle fleet. A couple of years ago, in the late 1990s, they moved into heavy vehicles. I can recall that items such as tractors that were equipment on research farms where those research farms formerly would have purchased and maintained that equipment themselves, they negotiated with NT Fleet that Fleet would take over that responsibility and add it to the range of products that they managed. NT Fleet, as the central purchaser, will go and buy those vehicles, heavy vehicles or light vehicles, from another private sector provider. They would go to tender for those things, then Fleet would provide a financing or leasing arrangement to agencies for those particular vehicles and generally manage the maintenance of them. All agencies are doing in that regard is using NT Fleet as their own in-house expert provider, whether they are doing that from within NT Fleet or a special cell within an agency.

**Mr DUNHAM:** We could argue it longer, but we won't. Minister, only a week ago today, you made a statement to the parliament about this very issue, procurement. There was an item there that I had not previously encountered when talking to the industry. I can read the quote. That is, in conjunction with the government paying within 30 days, which is applauded and I think a very good measure, there is a requirement on contractors also to pay their subbies within 30 days. If I can read it to make it clear:

*Another issue that the government is looking at is the security of payment legislation. The Department of Justice has carriage of this. I am absolutely committed on behalf of small business in the Territory to prove security of payment for sub-contractors and suppliers. Prime contractors will be required by law to pay subcontractors and suppliers within 30 days.*

So, you will be introducing to parliament a range of legislation that enables inspectors to go and inspect the books of contractors who are in receipt of government money to ensure that they are paying their subbies within 30 days? Or how else would you achieve it?

**Mr HENDERSON:** The detail has not been worked through. A number of threshold issues and consultation with industry has to occur first. Now, the first threshold is the home builders licensing provisions that are being negotiated through DIPE with the industry at the moment. Depending on how that works out, whether it extends from home building to commercial, there have been strong submissions from industry that it should, but a final position in terms of what sort of building registration and legislation will commence in regard to that stated government objective, there is not a final decision yet. The Minister for Infrastructure, Planning and Environment has carriage of that.

Dependant on that threshold issue, we then look CAL and its role to accredit builders who bid for government work. There is a whole series of regulations that CAL works to. The principle, as enunciated in my statement to parliament, is that we will want to see, if government is paying accounts within 30 days, that on a government contract, particularly in the building industry, if we are paying the prime within 30 days, we would expect, contractually, that they will pay their subcontractors within 30 days.

The policy objective is security of payments for subcontractors to see cash-flow circulating through the private sector, and the nature of how that will be regulated, enforced - I am not going to say we are going to provide have inspectors doing that; we might have CAL take on that role for us. Those details have not been worked through. They will be worked through in terms of builders licensing, which is coming through this year, a review of CAL to complement that, and then legislation introduced into the House that puts a whole package together.

We will be doing this in close consultation with industry. How it is going to work, the detail of enforcement, penalties, that detail is not there yet. However, the principle is we pay our primes within 30 days; we would expect them to pay their subbies within 30 days.

**Mr DUNHAM:** So from what you are saying, you are not absolutely committed to legislation; you could do it by way of clauses in the head contract.

**Mr HENDERSON:** Yes, within the head contract and through CAL. We have to work that out, but the principle is to get some cash-flow moving through the economy. Local members know, and in their previous lives as ministers, that we receive complaints all the time, with people scared to go either to CAL or to the primes with subbies waiting 60, 90, 120 days for payment, and it is not good enough.

**Mr DUNHAM:** Okay. In Treasury's audit, which was completed in August last year, there are a number of findings that required government to move on, and I applaud the fact that you have moved on many of them. Was it an issue of concern to you that when Risk Management Services went to the several agencies, at least two totally ignored them, one being the Department of Justice, which gave no response at all to Treasury, and the other was the Department of Community Development, Sport and Cultural Affairs, which is quite a large consumer of contracts who, and if I can quote from here: '...after numerous requests have not received any information'. Is that indicative of the malaise that was in the public sector about this time?

**Mr HENDERSON:** No, not a major concern. It goes to show, and I think Mr Burke made reference to it in parliament, that the culture around some sectors of the public service in regards to procurement is probably not as sensitive to business and industry demands as they should have been. As a result of lack of training and planning within agencies, a fairly sort of *laissez faire* attitude had developed in some sectors of the public service. What has happened with the enunciation of government policy is

the establishment of the Procurement Reference Group within Treasury and the fact that now all agencies have to produce procurement plans for the financial year. We have procurement champions identified by CEOs of all agencies to work within that agency to see policy achieved. Those agencies that you mentioned now see that procurement and the expenditure of government dollars is something that is important to the business community.

**Mr DUNHAM:** Thank you. I am glad you mentioned champions because, given that in these sectors there was a *laissez faire* attitude and a lack of acknowledgement of the importance of the issues, who are these champions? What is their delegation formally? Are they picked from the *milieu* of the very same people who had this *laissez faire* attitude, or are you going to be exporting people from good departments who knew how they did it into departments that were a little bit delinquent, like the ones that were mentioned here, or just how will you implement this policy of champions?

**Mr HENDERSON:** I will hand over to the Treasury people in a minute. I am not casting a broad brush by saying there was a *laissez faire* attitude across government. In some sectors, that was the case.

In terms of the procurement champions, it is my understanding that chief executive officers have nominated those people to those positions, I assume, agency by agency, it has been a consultative process, and people who were committed to achieving the policy objectives are in those roles. Brian, I might hand over to you in terms of specifically how those appointments have been made and the accountabilities of those officers.

**Mr GALLAUGHER:** In general, they are individuals who are nominated by chief executive officers. It is probably true to say that about half of them are around EO1; it goes down to about AO7, AO8, roughly that level. It is also fair to say that we have a degree of work to do in making it abundantly clear to CEOs what the full extent of the procurement reform program is, and ensuring that CEOs are convinced and satisfied themselves that they have the right people assigned.

As a matter of interest, you mentioned CDSCA not responding to queries. It is perhaps a quirk of coincidence that the author of the report is now employed directly by that agency in a senior position.

**Mr DUNHAM:** Seconded by Treasury. Can I stay on the champions for a couple of more questions? So, you have somebody carrying this mantle of champion, I am not sure if it carries statutory delegations or not. They are at AO6 level. They are going to go to the Deputy Secretary of the department and say: 'We do not like the way you are doing this, and you really need to take advice from me, buster'. Do you really think this is going to work? I mean, to be quite serious, they may carry a lot of expertise, and they may carry this mantle of champion somehow, in some shape, but there is a lot of procurement goes on at levels above them. They are going to have to have the capacity to call in some power to be influencing those decisions, you would think.

**Mr HENDERSON:** Again, before I hand over to Brian for more detail, my understanding is, as Brian said, the majority of these people at executive level within government. The AO6, AO7 example would probably be within some of the smaller agencies. So in the key agencies where the bulk of the procurement occurs - there are other checks and balances for CEOs in terms of acknowledging the importance of this issue for government, one of them being the requirement, in terms of variations over and above 10% going to the Procurement Review Board for endorsement. That is a reportable occurrence, and myself, as Minister for Procurement, will be seeing those statistics as they are produced. In terms of a quality measure, and in terms of ensuring that when tenders go out, they are detailed, they are specific, and bids are assessed against those tender documents so we do not see under-bidding for work and countless variations coming through. That is a performance measure.

There are performance measures there that CEOs will be assessed by in relation to commitment to the procurement policy, and I am sure that all CEOs will want to ensure that their agency is successful, does comply and therefore puts the right people into these roles to ensure that, essentially, the chief executives are not exposed through the accountability measures.

**Mr BURKE:** May I ask a couple of questions about NT Fleet in terms of open and effective

competition, and the improvement objectives that you have in place? Are you aware, or do you have the information available, of the distribution of vehicles by make and type that NT Fleet holds, and the disproportionate nature by one or two particular makes that might be in NT Fleet?

**Mr HENDERSON:** The first point is that I am not the minister for NT Fleet, so I personally do not have that level of detail. However, if you wish to assert that there is some sort of bias in terms of their purchasing and contracting arrangements, I am happy, through my officers, to look into the issue. But in terms of that detail, I do not have that.

**Mr BURKE:** I make that assertion on behalf of business in that in some jurisdictions there is a requirement that a government business division such as NT Fleet would be required to hold by similar type vehicle 25% Ford, 25% General Motors, 25% Toyota and 25% other makes, where they can fulfil a similar function. That does not happen in the Northern Territory. It is a continuing concern by, I know, one major dealer who feels that he is not treated equitably.

In terms of use of procedures that favour the lowest or any tender, I wonder if that is something you would be prepared to look at in terms of the procurement process, because it is an extant problem that has been there for some time and it has not been adequately explained, in my opinion.

**Mr HENDERSON:** Well, I am happy to look into that and we are taking some notes here. To my knowledge, we have looked at general issues in terms of NT Fleet with a specific complaint to government from an individual dealer in regard to this particular issue hasn't been brought to my personal attention. The broader issues about NT Fleet and should we have NT Fleet and should we have the Government Printing Office, those are issues that have been battered around for many years, not just in the term of this government.

So the commitment, Mr Burke, is that we will look into that particular issue and if you would like to get a briefing on it in a month or two's time, I would be happy to give you one.

**Mr BURKE:** As a general question in terms of procurement, now that National Competition Policy is taking hold more and more in the Northern Territory, could you give an opinion as to whether or not you believe Territory businesses are being advantaged or disadvantaged by NCP requirements?

**Mr HENDERSON:** An interesting question. I suppose what we can see and what we are trying to do through the current procurement reforms, given NCP requirements that were signed up to by all states and the Commonwealth post the Hillmer Report many years ago, governments signing off on the Australian and New Zealand Government Purchasing Agreement, the principle we all understand. How have Territory businesses fared under that? I would have to say that, to my understanding, the vast majority of Territory government procurement still goes to Territory businesses.

There are notable examples, and Mr Dunham mentioned one of them. But in terms of maturing of the Australian economy and ensuring that our businesses are best able to compete within the national economy and globally, as a pure economic rationalist argument, I think if you see Australia's increasing reliance on trade and exports, even though they are declining, the value of the dollar is obviously a key part of that, the jury is probably still out. But, I suppose, it is something that all states have signed up to and explicit preferencing through government purchasing for local business is prohibited. We believe that we have achieved the right sort of balance within these reforms in terms of value for money, specifically looking at jobs locally, specifically looking at the amount investment companies are prepared to put into training locally and establishing a presence locally will see that Territory business is supported by government expenditure, but interstate business is not disadvantaged in terms of bidding for government work. What they have to show is a commitment to this community in terms of local employment, local training and establishing a presence here.

I have just been advised that in terms of the overall government spend by the Territory government in 2001 – 02, 84% of all purchasing went to local, Territory based businesses, and 16% interstate. By value, that's \$860m-odd, the same percentage. So I think we can still see that government purchasing is supporting local business and we think the value for money definitions we are putting into our



tender documents will support local business even further.

**Mr BURKE:** It also goes to the heart of why CAL is criticised so much and a definition of what is a Territory business. So those statistics in themselves don't tell the whole story.

**Mr HENDERSON:** That is why looking at CAL, we have to look at CAL again in regard to whatever comes out of the builders' registration and licensing system. But we will work those issues through with industry.

**Mr WOOD:** Minister, in the paper *Building Territory Business*, it says that amongst five principles there are two principles of the Northern Territory Government Procurement Policy. Those two are environmental protection, and ethical behaviour and fair dealing. I do not know whether you mentioned it in your ministerial statement last week, but what measures in the procurement process will guarantee environmental protection and ethical behaviour? For instance, the department awards a contract and the contractor just goes on with it. What prevents the contractor from behaving unethically?

**Mr HENDERSON:** I might hand over to Mr Gallagher for the specifics as to how those measures will be monitored, and I did mention those in my statement last week, Mr Wood. I would not have missed them.

**Mr GALLAUGHER:** The specifics on environmental issues are generally written up requirements under contract. The issue about ethical behaviour and fair dealing is a requirement under the Northern Territory Procurement Code, and particularly with respect to construction contractors and the CAL process. It is a requirement of contractors who hold CAL accreditation to sign an agreement to comply with the code. If there is any instance of non-compliance, the issue is then with CAL to consider that in terms of their continued status under that or in any application for renewal.

**Mr WOOD:** One more question. Minister, it also says in this document that the Procurement Reference Group will lead a much needed shift to outcome-focussed procurement. What does that mean and how will it differ from past practice?

**Mr GALLAUGHER:** In the ...

**Mr HENDERSON:** I might hand over in a moment. We have very keen procurement people who are doing a great job, Mr Wood. The whole principle is really defined in terms of better outcomes, in terms of value for money so we are looking at the whole life cycle of whatever goods or services are being procured rather than just the bottom line price. So what levels of ongoing service; for example, if we go out to develop an IT application, can the service provider provide to government in terms of ongoing enhancement support; the number of people they are committed to in terms of taking on new graduates or training; what other value for money principles are embedded in the bid, as opposed to purely purchasing on price. That is really the reform that we are trying to achieve. It is subjective, and it is going to take time to work with the business community to build those things through. But, with ongoing pressures with government budgets, you do see agencies more and more just purely purchasing on price. That may not be in the best interests of the tax payer in terms of the long-term value of that particular product or service that is being procured.

**Mr CHAIRMAN:** Thank you. That completes output 4.2 I would like to thank the people from Treasury for their attendance here this afternoon.

#### **BUSINESS, INDUSTRY AND RESOURCE DEVELOPMENT**

**Mr CHAIRMAN:** I now invite the minister to introduce officials that accompany him. As I understand it, the minister wishes to make a statement on behalf of the Department of Business, Industry and Resource Development.

**Mr HENDERSON:** Mr Chairman, I have a prepared statement here, and I will be brief with it. The

Estimates Committee hearings provide us with an opportunity to engage in an effective and open exchange, and I am keen to make this process work well today. For the purpose of clarity, therefore, I would like to make a statement on how I will be dealing with questions relating to the Business, Industry and Resource Development portfolio.

During these hearings, I will address policy and political issues and senior public servants present here will deal with operational matters. Mr Chairman, I will introduce the public servants that are present today, but first I must note the absence of the Chief Executive of the department, Mr Peter Blake, who is currently recovering from extensive knee surgery. In Mr Blake's absence, I welcome Acting Chief Executive John Carroll and also in attendance are Mr Phil Vivian, Chief Finance Officer; Mr Doug Phillips, Acting General Manager of Business and Trade Development; Mr Neil Almond, Director Commercial Services; Marj Morrissey, Executive Director of Policy Development and Coordination; and Mr Bob Adams, Acting General Manager Minerals and Energy.

I am the senior minister responsible for the Department of Business, Industry and Resource Development, but I share that responsibility with my colleague, the Honourable Chris Burns, Minister for Primary Industries and Fisheries. I therefore will be answering questions on Output Group 1 and Output Group 2. Minister Burns, on the other hand, will be answering questions on Output Group 3.

Mr Chairman, grants and sponsorship to Industries and Business come under Output Group 1. Two programs under that category are the Fertiliser Freight Scheme and FarmBiz. Clients of these two programs are in the primary industry sector. Consequently, any questions on those programs should be directed to Minister Burns.

The department has fully revised its outputs and performance measures during the course of this year and I am very pleased with the results. The *Working for Outcomes* framework is still very new and we are all still developing our systems and reporting to support this new financial management system. The new DBIRD outputs framework is simpler and more robust, as it aligns the outputs quite closely to the organisation and structures of the department.

The department has also produced an enhanced suite of performance measures that will be able to be compared over time and benchmarked with other similar service delivery agencies. I am pleased that we have been able to recast this year's activities and expenditure to these new performance measures, and this will enable comparison over time as a result of greater accountability.

A significant component of the department's performance measurement framework is the surveying of its customer base. Whilst a lot has to be done to perfect the use of customer surveying techniques, this year's survey has delivered positive outcomes from which the department will learn and adapt its delivery and management arrangements.

Mr Chairman, I am happy to answer any questions from the committee, and I would like to thank all the officers of my department who have done a huge job on this budget and for their ongoing work with the department.

**Mr CHAIRMAN:** Thank you, minister. Are there any questions in respect of the minister's opening statement?

**Mr DUNHAM:** I go to the document *Building a Better Territory*, which informs business here in the Northern Territory about government's strategy and priority actions. It includes timelines, some of which have not been met, but nonetheless they are in here. I assume there is some articulation between the various budget documents that are in front of us.

There is also a ready reckoner, a small *Building a Better Territory* dot-point job. Under 'Our Vision', it includes a description of the core industries. I will start there, minister, given that mining and minerals processing, primary industries and fisheries, and tourism sit there. While I am aware that two of your colleagues carry the latter two, they nonetheless have a big impact on our economy in terms of

employment, revenue throughput and various other indicators.

Between the two documents, there is a need for some reconciliation. One needs to go, therefore, to last year's budget documents, this year's budget documents to trace at least some of the agencies that used to be departments, for instance, Mines and Energy. I wonder if the minister could tell me the name that department assumed within DBIRD in last year's budget papers?

**Mr HENDERSON:** I am happy to answer the questions, Mr Dunham, but just a point of clarity in terms of how we are going to progress this because the output group number two is the minerals and petroleum services. If we are going to ...

**Mr DUNHAM:** I am just talking about impact here. Later on we can go to the innards of mines, but as a contributor to the economy and to business, it is really just so the actual operational sector of what used to be mines I can talk about in the next sector.

**Mr HENDERSON:** So, specifically the question again is?

**Mr DUNHAM:** The question is: in the documents on DBIRD last year, what was Mines and Energy rebirthed as?

**Mr HENDERSON:** Within the budget papers, mining and petroleum resource management and regulation service is part of the Resource Management Services portfolio or area. Phil?

**Mr VIVIAN:** Another part of the department was picked up in the information on Territory resources. So we were spread across the outputs in a different way than it is in this particular ...

**Mr DUNHAM:** And it has two new names in this budget, and they are?

**Mr HENDERSON:** Minerals and Petroleum Industry Services is Output Group 2 that the majority of that group sits under.

**Mr DUNHAM:** Right. Do they track exactly, what used to be Mines and Energy, then changed into that big long name, plus information on Territory resources, now tracks into the two items that we are discussing here in these outputs.

**Mr VIVIAN:** It does not track exactly, no. The output structure, indeed, the three of last year had a matrix arrangement in place where many of the organisational units within the department contributed to the range of outputs in the budget papers. We have moved to what we think is a simpler output framework for Budget Paper No 3 of this current year, and the organisational break-up of the agency fits more neatly into the outputs.

**Mr CARROLL:** In Output 1, there is Mining and Petroleum Support Services that is not in 2 and 3 this year. Also, some of the old Mines and Energy Department went to the Office of Territory Development and the Chief Minister's department. So if you are tracking back where it used to be, some of it has gone to Chief Minister's, some of it has gone to Output 1, but most of it has gone to 3 and 4.

**Mr DUNHAM:** Can I tell you there is not a person in the mining sector who would be able to tell you what the name of it was. While we use mining and minerals processing and words like that, I do not think there is anybody at all who works in the sector that would be able to answer those two last questions I gave you. They were very convoluted. They are not descriptive and they have changed twice in two years. I run this little quiz myself, I do not think anybody out there that mines has a clue other than it is in DBIRD and it has a funny name. That is certainly an issue for an icon resource that earns 22% of GDP to be obscured in such a way within a department. The question I have for you, minister, is: if your vision is that mining is a core industry, why have you cut it by \$1m in one sector and \$2.8m in the other output group this year? What would cause you to cut?

**Mr HENDERSON:** Mr Chairman, in terms of process, I am happy to answer the questions, I thought we were going to work through these output by output. I am not trying to be difficult, but we would like to keep a handle on the process. We have the answers to that question, but it does not go to Output Group 1.

**Mr DUNHAM:** Well, I will put it this way. There are three core industries you have described: mining and minerals processing, which has been cut; primary industry, which is in decline almost throughout; and tourism, which is not only in decline but we would argue has been cut. As the business minister, given that these are your core industries to drive this economy, do you not believe there should have been increases across these three core industries?

**Mr HENDERSON:** Again, without getting to the details in the output, I would deny there has been a cut to those areas of budget. There is an explanation for those variations to those output groups, and I am happy to get to them when we get to the output groups, but just for the point of the exercise, Mr Chairman, we are in to Output Group 2 without looking at Output Group 1.

**Mr CHAIRMAN:** Yes, thank you, minister. We have been through this issue before and I think it is very important that we do comply in respect of process as we have done for the best part of the deliberations thus far. So, member for Drysdale, I now propose to go into ...

**Mr DUNHAM:** No, I will stay with 1.1, Mr Chairman.

**Mr CHAIRMAN:** Sorry?

**Mr DUNHAM:** I am happy to stay with 1.1 and revisit it later.

**Mr CHAIRMAN:** I think you can do that, but I would now like to go into the actual outputs and to consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of Business, Industry and Resource Development.

#### **OUTPUT GROUP 1.0 – Business, Trade and Industry Development Services**

##### **Output 1.1 – Business, Trade and Industry Development Services**

**Mr CHAIRMAN:** Member for Drysdale, you might have some questions.

**Mr DUNHAM:** Minister, when you are assessing the state of the business economy, and industries and resource development - you have already told us that you have capacity to have an audit on customer satisfaction in the previous portfolio area - do you use ABS data in the main?

**Mr HENDERSON:** Treasury provides information and the majority of that data is via ABS, which is an historical measure, not a specific and accurate measure of the state of the economy, but Treasury provides advice. That is supplemented by departmental advice as the main area of government that deals with the private sector. We have our officers in government in constant contact with industry sectors. As minister, I spend a lot of my time out and about in the business community. The nature of that advice is informed through official government statistics, whether they be ABS stats or other statistics the Territory government holds, as well as information gleaned through officers of the department working in those industry sectors, so it is a combination.

**Mr DUNHAM:** The discussions we have had with Treasury have shown that there is a capacity for a large variation. Certainly it has been the case with revenue from the Commonwealth, from CPI, taxation revenue they have been very erratic with, they have had great difficulty trying to assess GSP, they have had some fairly radical mistakes with population. I wonder, therefore, whether we should be confident with the figures we are getting from Treasury as an accurate reflection of how our economy is going here in the Northern Territory.

**Mr HENDERSON:** I do not whether that is a specific question, but picking up on the debate, I disagree that Treasury is the sole measure and barometer of economic performance. We all live here in the Northern Territory. It is a fairly small community. Departmental officers, as I have explained, are integrally involved with those industry sectors. The barometer in terms of the health of our economy I would deny is solely dictated by Treasury statistics.

**Mr DUNHAM:** All I am asking is how big a margin for error should we take? There are a lot of figures, for instance, that are out by factors of 100% and 200%. I note, for instance, that mining and petroleum revenue, which was anticipated at \$36m has come in as \$41m, and while it is good that we have reaped an extra \$5m, I wonder how a mistake of that magnitude could find its way into the budget documents.

**Mr HENDERSON:** I would have thought that you would have addressed that with Treasury. In terms of mining and petroleum revenue, royalty collections and revenue from the Commonwealth, when you are talking about the resource sector, to be accurate about the profits that companies might make when virtually the entire product is exported, and profits in a large part derived through the value of the Australian dollar, what is happening in global markets and the value of resources, the price of gold, the price of oil, if you had a crystal ball that you could predict accurately and very specifically, you would be a very rich person.

**Mr DUNHAM:** Yes. I guess if we are go to those core industries and we go to *The Economy*, which is the document that business would be most likely to pick up, with those three core industries we find that mining fell 28% in 2001-02 and is forecast to increase by 6.3%. One wonders if one can have confidence in that. Tourism, which is another core industry, is flat across all sectors. The rural industries are a mixed bag, but certainly the cattle industry was up, which is good, 24%. New export markets have decreased by 22%. Horticulture is down 6%. The horticulture outlook has declined by 6%. Fisheries has fallen by 18%. Which sectors, minister, are you going to be most reliant on to drive the economy into the future?

**Mr HENDERSON:** Picking up on the comments that you made about Treasury being able to accurately predict where the growth or decline in those sectors is going to be, if we take tourism, for example, who could have predicted the SARS outbreak and the impact that that was going to have not only on the Territory's tourism market, but globally? In terms of the mining industry, yes, there has been a decline of operating mines in the Northern Territory for many years, and that is why we are working so hard to get explorers on the ground to spend money on exploration, to identify new resource bodies for development.

In terms of the growth in the economy, obviously the oil and gas sector is going to provide enormous growth in its contribution to the economy, particularly with the Bayu-Undan project coming on board. We have the development of the Bonaparte Gulf Gas Fields being projected to be developed. That offshore sector and industry development onshore is going to drive the economy. I am very keen, as Mines Minister, to get explorers access to land. I am sure we will have that debate a bit later. But we can see, as a result of the railway, for example, opportunities for reserves such as the garnet reserves out there at Harts Range, the manganese at Bootu Creek, and access to actually get those deposits out into the market place. Mining will continue to be a very important part of our economy.

Tourism, obviously, will rebound when the international and local tourism markets recover. We still have the icon status in the Northern Territory in terms of our key tourism attractions. I know that my colleague is working very hard to develop new opportunities. Government is pursuing, and hopefully will be in a position to make some sort of announcement around August this year regarding a convention centre facility for Darwin, for example. Obviously the primary industries are very important. Continuing growth in our live cattle trade is good to see. Existing sectors are obviously critical, but, most importantly, the key growth drivers are going to be from the oil and gas industry.

**Mr DUNHAM:** Yes, that is our hope, too.

**Mr HENDERSON:** It is not a hope, it is happening, Mr Dunham.

**Mr DUNHAM:** Given that we have 4000 fewer jobs than we had 12 months ago and we are now heading for the highest unemployment in Australia, I hope that it kicks in soon. It would appear that budget cuts in some of these areas are certainly not an indicator of great urgency on the government's part. I am happy to move to the next sector unless there are any other questions, Mr Chairman.

**Mr BURKE:** With your indulgence, Mr Chairman, I asked a couple of questions of the Chief Minister with regards to freight forwarders in the new industrial park. Is it appropriate to ask you those questions?

**Mr HENDERSON:** I do not have the specific detail, Mr Burke, but I am happy to give you what I have.

**Mr BURKE:** Can you tell me: are there any specific incentives being offered to attract those freight forwarders to that park?

**Mr HENDERSON:** My understanding of that issue is that detailed negotiations are taking place and there is a strong level of interest from those national freight forwarders to establish their presence there. That is a negotiating position. The freight park is a new facility. Obviously, government wants blue chip tenants there. We are progressing those opportunities. Specifically what is being offered as an incentive, as a bargaining position, well, they would be commercial details being negotiated through OTD and DIPE. I do not have access to that information. There is strong interest and my understanding is we are hopeful of concluding some deals very soon.

**Mr BURKE:** So in this output area, this is Trade Industry Development Services, that objective is being handled exclusively by the Office of Territory Development?

**Mr HENDERSON:** Yes. As Minister for Trade I am obviously kept abreast of those things, but they have the lead in those negotiations.

**Mr BURKE:** Are you aware of any freight forwarders who have rejected going to that park, that were targeted?

**Mr HENDERSON:** I am not specifically advised of specific rejections. The last time I had a brief on this issue, which was coinciding with Bruce McGowan's visit to the Northern Territory a couple of weeks ago, was that negotiations were progressing with a number of freight forwarders.

**Mr WOOD:** Minister, the latest BIS Shrapnel figures show a surplus of 3000 dwellings in the Territory. Who provides the government with residential vacancy rate figures that show it is approaching equilibrium?

**Mr HENDERSON:** My understanding, and I stand to be corrected if anybody behind me wishes to correct me, but the figures that government receives would come from the Real Estate Institute of the Northern Territory who provide pretty accurate figures to government. We are supporting them, not only in terms of their capacity to analyse and provide statistics on residential vacancies, but also commercial vacancies, and we're working with them on that issue.

**Mr WOOD:** Maybe I had a conflict of interest there but, minister, the same section of the budget goes on to say as a shortage of stock develops, the upturn in residential construction will gather momentum. Every week, further development applications are lodged for unit developments and yet our population is declining. You also have the figure of 3000 surplus dwellings. The Army is going to build about another 400 dwellings in the next few years, and we have the Wickham Point LNG plant, the Bechtel camp at Palmerston, not using private rental accommodation. Can the government claim that a shortage of stock will develop in the short or even medium term?

**Mr HENDERSON:** The BIS Shrapnel figures certainly came as a surprise not only to the government, but to the real estate industry. The figures I have off the top of my head might not be accurate to the exact percentage point, but about 12 months ago in the Northern Territory, we had a vacancy rate in our unit market in Darwin and Palmerston approaching 20%.

The latest figures that I have from the Real Estate Institute, going back maybe a month or so ago, it was down to about 7%. So the timeframe that the BIS Shrapnel picture was looking at was certainly conflicting with what was, and is, happening in the market place in Darwin and Palmerston.

Certainly, developers and builders and people who put investment into that construction industry in terms of unit and housing development certainly have other barometers, apart from BIS Shrapnel, as to whether they are going to get a return on that investment. So I am fairly confident in saying that we will see continued growth; continued residential construction activity as a result of the pick-up in economic activity; and population growth.

We did talk to Bechtel about the requirement for that workers camp in Palmerston. We wanted to see, when we had initial discussions six, seven, eight months ago, what was the requirement for that, given there was a pretty large occupancy rate in the residential unit market. The work was done with government, the Real Estate Institute, Bechtel and, certainly, with only a 7% vacancy rate at the moment, there is a need for temporary accommodation for a section of the workforce that is going to fly in to build that LNG plant.

Also, there will be significant demand for private residential accommodation in the rental market from the likes of ConocoPhillips and Bechtel and probably more of the engineering and professional disciplines associated with that plant. So the private residential sector will see an uplift as a result of that project.

**Mr WOOD:** Minister, at page 142 of the budget paper, it says that \$440 000 worth of loans have been written off. Is that figure more or less than in the previous year? Is the government still providing loans to businesses?

**Mr HENDERSON:** I might have Mr Vivian answer that in terms of the specific details of the history of those loans portfolios. Certainly, a lot of those loans are historical in nature - BTEC and the Katherine flood. In terms of business loans and assistance we, as a government, are not in the business of providing loans to the private sector. A lot of these loans have been on the books for many years, and there is a process by which loans are written off in the event that people either go bankrupt or demonstrate severe difficulty to pay.

I might hand over to Mr Vivian for some more specific detail, but we are not providing commercial loans to the business community, and have not done since we have come to government.

**Mr VIVIAN:** Just to add to that, there has been one loan given this year, which was a drought loan, specifically for drought purposes. I need a repeat of the question that you are seeking further information on.

**Mr WOOD:** On page 142, it says that \$440 000 worth of loans have been written off. Is that figure more or less than in the previous year?

**Mr VIVIAN:** In terms of the write-offs for this year, there were 448, as you said. One of those is a write-off of a flood loan, and that was for \$72 000. Another is conversion of a loan to a grant, \$148 000. It was an agreed settlement in relation to an interim cropping advance. Another loan convertible to a grant of \$60 000, and a third loan convertible to a grant of \$90 000. \$11 000 was also written off in relation to an irrecoverable debt. I do not have figures in terms of last year's write-offs.

**Mr WOOD:** Are we able to get a copy of that here, especially of loans converted grants?

**Mr VIVIAN:** Yes, the annual report will provide those details.

**Mr WOOD:** Minister, last year your department provided this committee with a list of industry development and business growth grants. Among the largest were \$100 000 for Plant Investments, that is the company's name; \$92 000 for Upstream Petroleum; and \$50 000 for Capricornia Mining and Resources. Can you tell us what these companies do and what they used the money for?

**Mr HENDERSON:** Yes. May I have those company names again?

**Mr WOOD:** Plant Investments, Upstream Petroleum, Capricornia Mining and Resources.

**Mr HENDERSON:** I know who they are but in terms of specific details.

**Mr WOOD:** I will take it on notice, Mr Chairman.

**Mr VIVIAN:** Can you just repeat the year that you were talking about, Mr Wood?

**Mr WOOD:** Last year.

**Mr HENDERSON:** Right, so you are talking about the 2002-03 budget, what were those grants provided for in the 2002-03 budget, is that the question?

**Mr WOOD:** Yes.

**Mr VIVIAN:** I will have to check that, I am not aware of them being provided in 2002-03, Mr Wood.

**Mr WOOD:** All right.

**Mr VIVIAN:** Could we just check that, are you getting that information from the annual report?

**Mr WOOD:** Yes, the summary of financial assistance.

**Mr VIVIAN:** That would have been 2001-02 data.

**Mr WOOD:** I have last year written here. Can we still have ...

**Mr HENDERSON:** With due respect, Mr Wood, we are supposed to be looking at the 2003-04 budget, and if we are going back to grants that were provided in 2001-02, I am happy to get the information.

**Mr WOOD:** Well, did they use the money for ...

**Mr HENDERSON:** Was it acquitted? Is that the question?

**Mr WOOD:** That's right, yes.

**Mr HENDERSON:** Without taking it officially on notice, it is outside of this particular budget. I am happy if you shoot me a letter or we will take a note to get back to you on that.

**Mr WOOD:** Okay, we will do that. On page 142 of Budget Paper No 3, the \$2.5m in grants under Renewable Energy Rebate Programs will be disappearing. Is this the end of the scheme?



**Mr HENDERSON:** The explanation there is that this is a Commonwealth program that funds dollar-for-dollar with entities, whether they be indigenous communities, pastoral stations, road houses, for the conversion of essentially diesel-fired power to solar. Those grants run for another six years. It is a six year program. The reason we have a zero-based budgeting exercise each year is that we do not know what applications are coming through year by year. Last year, there was about \$2.4m. We do have an active program through the department to consistently push this scheme, it is a very good scheme, out to indigenous communities, pastoral stations and roadhouses. It is not disappearing. It is a Commonwealth funded scheme, but we run a zero-based budgeting exercise because we just do not know year on year how much is going to be applied for and how much is going to be approved.

**Mr WOOD:** One last question. Do railway stations come under your area, or does it come under ...

**Mr HENDERSON:** Mr Vatskalis. He has some good plans; I have seen the drawings.

**Mr CHAIRMAN:** Thank you. As I understand it that concludes questions in respect of Output Group 1. We are now moving on to Output Group 2.

**OUTPUT GROUP 2.0 – Minerals and Petroleum Industry Services**  
**Output 2.1 – Minerals and Petroleum Resource Development Services**

**Mr CHAIRMAN:** Are there any questions?

**Mr DUNHAM:** Minister, you have said you will be proposing changes to the *Aboriginal Land Rights (Northern Territory) Act* to facilitate exploration and mining. What are those changes, and will this legislation be better than other states?

**Mr HENDERSON:** Mr Dunham, the detail of those changes are not being proposed by me. Carriage of this policy area has been with the Office of Territory Development, but obviously my department has been closely involved in terms of the Part IV provisions of the *Land Rights Act*, which go to access and exploration access on Aboriginal land. I am not in the position to provide you with detail of those legislative changes because discussions are still taking place, but we are very close to reaching an agreed position in terms of proposals that will go to the Commonwealth, and as soon as all the signatures are on that document, then we are more than happy to brief the opposition. The exact detail I cannot go into. How it compares with other states, we are talking about Part IV of the *Land Rights Act*, which only applies in the Northern Territory. So whilst that remains the case, other states do not have the issues that we have.

**Mr DUNHAM:** Can you give an assurance, minister, that you will involve the mining industry in this important matter?

**Mr HENDERSON:** Absolutely. The mining industry has, through the Minerals Council, been in close liaison with my department, my office as well as well as the Office of Indigenous Policy in Chief Ministers. There have been strong and robust discussions, as you would expect with the Minerals Council on behalf of the industry. Also, we have sought specific responses to proposals by the major mining companies in the Northern Territory. So as well as the peak body, we have gone to the major companies affected by ALRA.

**Mr DUNHAM:** Minister, as a suggestion, will you consider putting a case to your Labor compatriots in Canberra that only those with an direct interest in this act, which is obviously the Northern Territory politicians, should be able to thwart your government intentions?

**Mr HENDERSON:** In terms of the politics of the Senate, which I think is where you are heading, Mr Dunham, once we have an agreed position, we certainly will be seeking the cooperation of the Labor Party in the Senate. We will be providing a full briefing to all parties federally about the proposed changes. My hope is that if we can achieve consensus between government, the land councils and the Minerals Council in terms of initiatives and amendments proposed, it is going to be very hard for the Commonwealth Parliament to knock back those amendments. Now, that is my hope. I know we

have been there before, but I think the difference this time is that we will be going to the Commonwealth with an agreed position as opposed to significant stakeholders being outside of the position of government. We are seeking consensus here. If we can get consensus in the Northern Territory, I think it would be pretty hard in the Senate or the Lower House to deny the Territory's aspirations in terms of amendments to this act that only apply in the Northern Territory.

**Mr DUNHAM:** Minister, why have you reduced expenditure in this industry given its significance to GSP?

**Mr HENDERSON:** Again, if we just look to the budget variations, and the variation of -\$2.486m, there is a description of that. I will do the high level, and if there are further questions, I will hand over to our Chief Financial Officer. If you start with the ons and offs, there was a reduction of \$4m for the conclusion of the four year geological survey initiative, which was funded for four years, so that is the off there. There is a fall again in terms of a zero-based budgeting exercise we do of \$2.4m in regards to the renewable energy program. I have just explained how that operates to Mr Wood. Then there has been an increase of \$3.55m under this output group, which is the new *Building the Territory's Resource Base*, and an additional \$250 000 for that goes to output 3. So, essentially, there have been no cuts to this area. The main difference is \$4m for the other geological survey initiative, \$3.5m for our new suite of initiatives, but \$250 000 of that going to Output Group 3. The main differential there is the zero-based budgeting for the energy rebate scheme and that is applied to these numbers because we just do not know what is going to come through during the year.

**Mr DUNHAM:** You touched on the replacement program which you called ...

**Mr HENDERSON:** *Building the Territory's Resource Base*. It is a fine program.

**Mr DUNHAM:** How much per annum do you believe that \$15.2m program will cost you?

**Mr HENDERSON:** \$3.8m.

**Mr DUNHAM:** And you have included \$3.5m?

**Mr HENDERSON:** Yes, because \$250 000 of that goes to the Titles Division, which is part of Output Group 3, to put on four additional staff to process the grant of exploration titles. So it is split across those output groups.

**Mr DUNHAM:** And your priority areas will be?

**Mr HENDERSON:** In terms of?

**Mr DUNHAM:** Geophysical, geoscientific data.

**Mr HENDERSON:** The priorities are the Geology Division receives \$3.25m to ...

**Mr DUNHAM:** No, no. Prospective areas?

**Mr HENDERSON:** The prospective areas. The areas that we are talking there are the Central Australian area, the current Granites area. I am not a geologists. Our geology people might want to talk to us. The formation from Tennant Creek through to that Central Australian area ...

**Mr DUNHAM:** Arunta.

**Mr HENDERSON:** The Arunta Block, yes, that is what I am grappling for. That area and the Tanami are prospective areas to which significant money will be going in. Integrated multi-discipline and

geoscientific programs including drilling in the Tanami, West Arunta and Musgrave geological regions and major exploration of geochemical database development in the Arunta region.

**Mr DUNHAM:** These priorities, minister, were chosen on the basis of their prospectivity, or were they chosen on the basis that there were companies that were agitating for this data, or how?

**Mr HENDERSON:** My understanding is that it is prospectivity. I might invite Mr Bob Adams, who has many years of knowledge in this area, to address the committee. I am sure you all know Bob. It is certainly my understanding because of the prospectivity.

**Mr ADAMS:** It is based on a number of aspects. First, the prospectivity and where the industry is actually working, and where there are gaps in the information for the industry working in that area that can be best filled in a regional sense by the Geological Survey and the work we do. There are also some areas in the Territory that the Geological Survey recognises as having a lack of information. Should we develop the information in those areas, it may attract exploration into that area.

One of the key areas in relation to that is the area between the Wiso Basin to the west of Tennant Creek and the Tanami area, which is hidden below huge thicknesses of Wiso Basin sediments and is expensive for companies to get in and do the regional work. The aim of some of this project is to fill in those gaps. There will be a broad geophysical and geological research effort put in on that over the next four years.

**Mr DUNHAM:** So can I ask, minister, then, this is a program for four years, or does it have the capacity to change and be modified in accordance with emerging needs and finds and geological knowledge?

**Mr HENDERSON:** Yes, absolutely. Of course. At the end of the day, the government principle here is to ensure that we are developing the resource base, so if opportunities emerge that require an intensive effort in terms of geological, geophysical survey then this program and funding will be flexible, but I defer to the experts in my department. May I say that anyone I talk to in the industry reflect that the officers in this department and the work that they do are among the highest regarded in Australia, and they do a great job on behalf of industry.

**Mr DUNHAM:** I agree. If some people did not have exploration tenements in that area, obviously they would feel that their competitors were getting an advantage, but if they can put a case and persuade the government, I guess there is a chance that that could be modified to look to other areas.

**Mr HENDERSON:** There has not been a case put, but we would be responsive to that. This is building on the data sets we currently hold, a more intensive drilling program that gets right to the core of the structures, making that data freely available.

**Mr DUNHAM:** I have one more question, Mr Chairman. It relates to Exploration Exemption Certificates.

**Mr HENDERSON:** I wondered when you were going to get to that.

**Mr DUNHAM:** You know that your colleague has given what he considers to be a fulsome answer to this question in the parliament, but I would ask, minister, if you are aware of your obligations under the *Fiscal Integrity and Transparency Act*, which require you to make policy decisions based on the employment, economic prosperity and development of the Territory. I am convinced by the mining industry that this is contrary to these interests in that while the Treasurer seems to have the opinion that it is really for exploration in the Territory, the industry is telling me in a most convincing manner that these certificates are to encourage people to buy local. So as the Resource Minister and Business Minister, can you give me some persuasive advice I can take to them that counters your colleague's arguments in this area?

**Mr HENDERSON:** Yes, it was a very interesting lunch that we both attended when the industry did raise this point explicitly. What I can say – and I am not sure how my colleague the Treasurer responded to this yesterday – but in terms of detailed examination, the scheme was always about – and I believe we have complied under the *Financial Management Act* – an incentive for exploration and to get people on the ground in the Northern Territory. That was the underlying policy principle. It was not a general business support scheme. It was about providing a financial incentive for explorers to explore in the Northern Territory.

Now we can debate whether that has been successful or not, and I did hear and watch my colleague's response yesterday and that is the official government position. In terms of the local content, there is no explicit requirement when Treasury issues a EEC for the company that the exploration company has an invoice from to be a Territory-based company. I will give you a specific example. In the Central Australian region, an exploration company that was exploring in the Northern Territory under the current scheme can contract a drilling rig from Kalgoorlie to come and drill an exploration hole in the Northern Territory; the drilling rig can be crewed by Western Australians who live in Kalgoorlie. The company that has contracted that work, because the hole was drilled in the Northern Territory, can trot off to Treasury with a receipt for an exploration certificate to cover that drilling effort. There is no requirement under the current regime, nor would it be allowed under National Competition Policy, for Treasury not to issue that certificate because the work was undertaken in the Northern Territory, and to say: 'Sorry, if you had contracted a local Alice Springs drilling contractor, you can get your certificate, but if you contract a drilling company from Kalgoorlie, you cannot'. Under the current regime, the hole was drilled in the Northern Territory, you have your certificate issued.

The corollary to that is that when that core sample is sent to a geological laboratory in Melbourne for analysis, because the analysis work was performed in Melbourne, then the Treasury would not issue an exploration certificate because it was conducted outside of the Northern Territory. The perception, and I acknowledge from the industry, given that there are good days and bad days as a minister, as you would recall, and that was not one of the best, but we are working the issue through. The perception is it was to support local business. The reality is, in most instances, that exploration companies will procure goods and services and supplies from within the Northern Territory because it is cheaper to do so, and they are offset by an EEC, but an explicit mandated requirement that as long as the work is undertaken in the Territory, Treasury will issue an EEC. The specific analogy of the drilling rig from Kalgoorlie is one that does apply and has applied. So we are explaining that to the industry, and I believe, even with the heat on the EEC scheme, we have made a concession to the mining industry, as the Treasurer identified yesterday, but in regards as a specific government incentive to promote the exploration industry, that scheme was not working. There are winners and losers, and I accept that, and some exploration companies, particularly the gentleman at the lunch the other day, are going to lose out.

However, in terms of government policy and a significant amount of revenue foregone promoting minerals exploration in the Territory, it was not helping. Only seven companies out of 140 that were eligible to claim last year did so, and we believe the new scheme we are putting in place, and all of the money that the mining industry is providing to Treasury through increased royalty payments and reduced subsidies to explorers that, in essence, there were nine companies involved in exploration in the mining industry in the Territory who benefited last year. There were some 160-odd companies, probably more, involved in exploration in the mining industry did not benefit last year, but all of the additional revenue to government by way of increased royalty payments and reduced subsidies to explorers are going into this new scheme that we are running for the next four years. We believe, as a policy position, that is more in the best interests of the industry than the existing scheme.

**Mr DUNHAM:** My final question, minister: would you consider holding this measure in abeyance until such time as you get an actuarial perspective that is not solely Treasury-based and therefore revenue-oriented? There are plenty of good people in the field. I know when Neville Wran, on the committee on Darwin, did some analyses of the economic impact of mining on the Territory, there were people who were engaged who were able to provide that. I have a copy of it. I think it is something where, possibly to placate the industry, we could make an undertaking it will be held in abeyance - as you know, it is being phased in anyhow - and provide some resources to the Minerals Council so that they can obtain some independent economic advice that might put this matter to bed,

given that there is definitely a divergence of opinion on the two sides of this debate.

**Mr HENDERSON:** I accept where you are coming from, Mr Dunham, but Treasury does have the information in terms of the economic facts of this, because Treasury issues the certificates. They know who they issued them to last year and to what value. Also, they have the information in terms of royalty offsets that are claimed by mining companies against those certificates.

So in terms of the analysis of economic impact, Treasury has provided that analysis to Cabinet. I am not in the position, and you would expect me not to divulge those companies specifically, those tax issues are specific to those companies. Cabinet has not been advised by Treasury of which companies we are talking about on the mining side. I think most people who are involved in the industry would guess who that are.

On the exploration side, one company has identified itself, but the analysis has been done and sometimes you have to take a bit of pain in terms of getting a more equitable scheme that is going to advance the industry as a whole, as opposed to particular players in the industry. We think we have achieved that and we are not going to go back on the decision to cease issuing exploration certificates from 1 July.

It does create an opportunity for the companies out there. Treasury will contact each of the companies that hold exploration certificates who have not been able to find a market for them because essentially, those two companies that have been using these certificates to offset royalties have been working through a broker and there has almost been a monopoly position in terms of explorers selling to companies - nothing illegal, nothing wrong - market forces.

There are 220 million of these things sitting in the bottom drawers of companies that are of some value, but there is no market. As a result of these changes and out until 2010, Treasury will be contacting these exploration companies advising them of the change and the mining companies involved will be going more broadly into the market place looking for these certificates, as opposed to just purchasing for one or two companies as they have traditionally done.

**Mr WOOD:** Under 2.1, minister, on page 90 of Budget Paper No 2, it says that in the Territory there is a significant of off-lease mining exploration. What is off-lease mining?

**Mr HENDERSON:** Would you repeat the reference?

**Mr WOOD:** Page 90, Budget Paper No 2.

**Mr HENDERSON:** Bear with us, Mr Wood. I might hand either to Bob Adams from the department, who can answer that.

**Mr ADAMS:** The reference to off-lease exploration is where a company will spend money and explore over areas over which it does not have its own lease and, in fact, there may be no exploration license at all. It is entirely legal and we tend to call it 'free-range exploration'.

**Mr Henderson:** Like free-range eggs, Gerry!

**Mr ADAMS:** One of the issues that the department deals with in this is that the data collected by the companies that do this work is very valuable data. We are very keen to obtain that data for our own resources and then add it to the information base of geology and geophysics for the Northern Territory.

So one of the things that we would like to do is to put into place policies which allow us to collect that data from the companies. Usually, it is just an agreement with the company that they will provide it for us either free or, in some cases, we may contribute a little bit to the collection of the data.

**Mr WOOD:** Second question, minister. I know you call yourself minerals and petroleum industry and I suppose one of the sad things that has gone is the word 'energy', because I presume you do look at other forms of energy. You will remember I made a speech on the geothermal energy prospects in the Northern Territory. I am wondering if the department has done any preliminary investigation on that source of energy in the Territory?

**Mr HENDERSON:** I have asked the department for a view in terms of your comment. One of the things that we are doing this year is developing an energy policy for the Northern Territory and a specific reference from myself in terms of the development of that policy to look further than the traditional sources, and to look at renewables. I did make mention of your adjournment debate to officers who are looking at that policy this year. I am expecting a draft of that, I think in about July or August, Mr Carroll?

**Mr CARROLL:** I think it was September, minister.

**Mr HENDERSON:** September. Shortly! I have made sure that the issues you raised in the adjournment are looked at, but I have not had a specific brief back from the department yet.

**Mr CHAIRMAN:** Thank you. Output 2.1 is now complete.

#### **Output 2.2 – Minerals and Petroleum Resource Management Services**

**Mr CHAIRMAN:** We now move to output 2.2. Are there any questions?

**Mr WOOD:** Minister, will it be the government's policy to continue to allow extractive mining in Middle Arm Peninsula?

**Mr HENDERSON:** The answer to that is yes, but under existing requirements and the public requirements for accountability and environmental management and issues out there in Middle Arm, concessions or changes have been made in terms of how close to the shore line the extractive industry operators can pursue their legitimate leases. I think we are 1 km back from the shore line now. I will hand it over to Bob for the details.

**Mr ADAMS:** The conditions of extractive operations in Middle Arm Peninsula are that, in agreement with the Department of Industry or DIPE, the mining cannot go down to a level below 8 m AHD or above sea level. It certainly cannot impact on any of the mangrove areas, and at the end of mining, appropriate drainage and control of erosion and sedimentation is required, and it is left in a position whereby, according to government policy, it can be utilised for industrial use at a later date.

The bulk of the material that is being taken extractively from that area is being used for port development and rail development in the immediate vicinity of Middle Arm.

**Mr WOOD:** Through you, Mr Chairman, there are no rehabilitation requirements?

**Mr HENDERSON:** There certainly would be.

**Mr ADAMS:** There are.

**Mr HENDERSON:** Each – no, I will leave it to Bob. Mining management plans do have a requirement for a rehabilitation plan that we implement, but Bob, over to you.

**Mr ADAMS:** Before somebody commences mining, they are required under the *Mining Management Act* to submit a Mining Management Plan, which incorporates environmental conditions applying for that mine, and includes final stage rehabilitation. Those plans are approved prior to any mining proceeding, and certainly there is end-stage rehabilitation required in that area, keeping in mind its

final end use, in due course, of industrial development.

**Mr HENDERSON:** In the Mine Management Plan, there is a requirement, and it is determined by the department, for the company to put up a Rehabilitation Bond to secure their commitment to a rehabilitation effort, and that is calculated. But, as a result of the new changes, companies have to actually put money up front that goes into a trust account that is only redeemable once the rehabilitation has taken effect to the satisfaction of the department.

**Mr WOOD:** Notwithstanding that the land is still zoned Future Uses, notwithstanding that the government has not rezoned the land for development, and notwithstanding that the land is being classed as going to be Industrial by the department, I do not believe there is any rehabilitation occurring at all. I will stand corrected, but my knowledge of those sites is that because the intention is for it to be Industrial, they are becoming weed infested gravel pits. Is that true, or isn't it?

**Mr ADAMS:** The mining activity in that area has really only been going on for about two years and it is still very active. There has been extractive there for longer than that, but the intensive extractive is associated with the port and the rail development in the near vicinity. I would suggest that, at this stage, they are still active and that the rehabilitation is ongoing. There is still work to be done in that area.

**Mr WOOD:** Considering that was a large area of Litchfield Shire zoned Extractive, which is the area next to Robertson Barracks, is there any reason - Native Title, for instance - that that land, which has been used for extractive in the past, and is close to the port was not used instead of Middle Arm?

**Mr ADAMS:** The area adjacent to Robertson Barracks?

**Mr WOOD:** Yes, between Howard River and Robertson Barracks, presently, under existing zone, is zoned EX, extractive.

**Mr ADAMS:** There is extractive industry going on there at this time, and the area immediately adjacent to Robertson Barracks is being intensively mined for extractive material at the moment. The reason for that is that it is due to be handed over to the Commonwealth as a close training area, and the Commonwealth generously allowed us to allow extractive work to continue in that area until, I think it is the end of December 2006. So that is the area immediately adjacent to Robertson Barracks.

Further out to the east, there are active extractive industry operations in that area, and there are zones further over that are currently being used as sites for extractive industry. The department did some significant research work in the last couple of years to identify extractive resources in the vicinity of Darwin and there is a major report that is being released on sand and gravel resources. This was the basis for the zoning that you are referring to. It has guided the industry in where they should apply for extractive mineral permits, and they are following that through.

**Mr HENDERSON:** Thanks, Bob. With due respect, Mr Wood, I am more than happy to provide you with a detailed briefing in regards to these issues. If you have specific questions, we will provide you with a detailed briefing. It is hard to see the relevance of these issues in terms of the budget papers, fascinating though they are. I can take questions, but I am happy to provide a detailed briefing.

**Mr WOOD:** You are the Department of Business, Industry and Resource Development and one side of your department is, I believe, ruining a future industry, that is tourism. I think it is a relevant question.

**Mr HENDERSON:** That is fine. I am offering, in a spirit of co-operations, a detailed briefing.

**Mr WOOD:** Thank you. I will accept your offer, minister.

**Mr CHAIRMAN:** That concludes Output Group 2. As the minister said previously in respect of Output Group 3, which incorporates right down to 3.3, those matters will be addressed by Minister Burns on 27 June. All that I am now required to complete is non-specific budget questions. Are there any?

**A member:** No.

**Mr CHAIRMAN:** There are none, so that concludes this output. I would also like to thank John Carroll, Phil Vivian, Bob Adams and everyone associated with your department, minister, for their attendance today. There has been a suggestion that we take a five minute break now, as opposed going right through.

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The committee suspended.

### **POLICE, FIRE AND EMERGENCY SERVICES**

**Mr CHAIRMAN:** We will commence matters in respect of the Northern Territory Police, Fire and Emergency Services. I invite the minister to introduce officials accompanying him this afternoon, and to make an opening statement.

**Mr HENDERSON:** Thank you, Mr Chairman. With me today is Police Commissioner Paul White, who I am sure you all know, Chief Fire Officer Darryl Pepper, Audrey Ko, who is the Director of Finance for the department, and Rose Hallett who is the Assistant Director of Finance.

We have a unique tri-service in the Northern Territory with Police, Fire and Emergency Services operating together to deliver a better and more efficient service to Territorians. It has been my pleasure to have responsibility for this portfolio, and I welcome the opportunity to meet with many of the outstanding people who work in these three services.

The budget for Police, Fire and Emergency Services is \$146.312m this financial year. Funding has been allocated in 2003-04 in line with the government's commitment to increase the Fire Service by 16 extra fire officers over its first term. This increase of 10 officers from 2002-03 and six in 2004-05 will ensure the Fire Service has the appropriate staff in place to maintain an effective service to the community.

Since July 2002, the Fire and Rescue Service has increased its staffing establishment by 10 positions. This includes five positions that were fast tracked to the 2003-04 financial year. The remaining six, making up the total of 16, will be recruited in 2004-05.

It is important to understand the context of the 2003-04 Police, Fire and Emergency Services budget, particularly in relation to police. It has been framed in the knowledge that government will be releasing the Independent Review into Police Resources conducted by Mr Jim O'Sullivan, and the government's response to it, in early August of the 2003-04 financial year. The government is committed to honouring recommendations made in the independent assessment for extra police numbers. There will, of course, be other recommendations requiring resources to which government will respond.

In line with the government's commitment to provide 50 additional police members over the four year term of government, more funding has been made available this year financial year. That is 10 in 2001-02, 10 in 2002-03, 10 in 2003-4 and 20 in 2004-05. The budget, though, did present an excellent chance to correct areas of historical and severe under-funding. Additional recurrent funding of \$3m has been allocated to rectify identified under-funding for public sector personnel to support the police. This funding will help ensure that police are able to focus on operational issues with an appropriate level of technical and administrative support. The \$3m will enable the Northern Territory police to maintain the additional 32 civilian staff including vital roles like police pilots, forensic workers and so on, which were not funded under previous arrangements. The budget ends the practice, and



will mean the end of rediverting funds from other areas to pay for these vital positions. The funds currently expended on these civilian staff will be used to employ 22 additional police officers to achieve the authorised strength. I look forward to the committee's questions on this initiative.

The current funding of \$1.5m has been allocated for the ongoing maintenance of the Police Realtime Online Management System, PROMIS. This compares to \$380 000 previously allocated. This underfunding of PROMIS is certainly one of the reasons for the frustrations experienced by police with this system.

This financial year, 99 people have been recruited to the police force and 36 more will be coming through in August. This will further increase the number of police in the Northern Territory, which is excellent news and we are up on the actual police versus establishment figure.

The key measure which supports the effectiveness of the work police do in our community is the crime statistics released through the Office of Crime Prevention. These statistics show that crime is coming down. The overall picture is encouraging with drops in all major categories of crime across the Territory over the last 12 months including a 28% drop in house breaks; 7% drop in break ins to commercial premises; a 1% drop on assault; and a 5% drop in sexual assaults. This downward trend and the overall drop of more than 1700 offences in the March quarter this year compared to the same quarter last year is good news for our community, although there is a lot more work to do. But the statistics do demonstrate the good work of the police and the effectiveness of government policy. I am happy to take questions.

**Mr CHAIRMAN:** The committee will proceed to consider the estimates proposed expenditure in the Appropriation Bill 2003-04 as they relate to the Northern Territory Police Fire and Emergency Services.

**OUTPUT GROUP 1.0 – Community Safety and Protection**  
**Output 1.1 – Community Safety, Prevention and Support.**

**Mr CHAIRMAN:** Are there any questions?

**Mr BURKE:** Minister, I assume you have anticipated this question because you mentioned police strength. I am happy to take the tabulated data. My question essentially is: what are the numbers of police for the end of the financial year 2002-03, assuming this point in time is the end, compared to end of financial year 2001-02; compared to the end of the financial year 2000-01 by sworn, unsworn, auxiliary and civilian in terms of categorisation? I can take that tabulated data.

**Mr HENDERSON:** I have it; I do not know if we have a photocopy version of it here, but just for the record, what is the process for distributing these things? We can table that. Essentially, if we go to 2000-01, the establishment was 940 and actual was 967. The reason for that in that financial year was that an additional recruit squad was put on in June of that financial year, and those recruits were counted against the establishment even though they were actually in the college. In 2001-02, the establishment was 950 versus an actual of 937; and this financial year, for 2002-03, the establishment is in line with the 10 additional positions that were funded, an establishment of 960 with an actual of 974. So, a significant increase between last year and this year, reflecting the 99 new officers who have come through recruit squads.

**Mr BURKE:** Global figures are one thing. What I am interested in is sworn, unsworn, auxiliaries and civilians who make up those numbers. We are looking for sworn operational police in real terms.

**Commissioner WHITE:** Reading from the chart you have in front of you, Constable and above, actual 742; Police Auxiliary, 121; ACPO, 41; Recruits, 70; PCEU, that is Police Civilian Employment Unit, 202. They are the actual numbers, and you can see that they are against the establishment for the same year, that is the current financial year.

**Mr REED:** Through you, Mr Chairman, that paints a somewhat different picture than the minister has

just advised us, inasmuch as constable and above is for this year 742 as opposed to 741 last year. The pictures are not quite as glowing with 727 in 2000-01. So they are fully trained, fully fledged police officers, you might say?

**Commissioner WHITE:** Yes.

**Mr BURKE:** Do you have the strength by the same categories posted as against establishment for each of the police stations across the Territory? It was given last year.

**Commissioner WHITE:** Yes, we do.

**Mr BURKE:** May I have that tabled too, please? Could I just confirm, in terms of the increased effort in police numbers in the Northern Territory in real terms, there is one extra policeman between last year and this year?

**Mr HENDERSON:** The numbers that are in the college in terms of the recruits, the particular date that this snapshot was taken, we have 70 in the college this year and a significant effort in terms of recruitment this financial year; 99 people going through, but we are not counting those against those constable positions until they actually graduate.

**Mr BURKE:** Yes, but you made claims before that in previous years recruits were counted in. We are now counting them out. In real terms, against the government saying that we have more police, more police, more police, the real figures are that there is one extra sworn policeman on our streets in the last 12 months. That is correct?

**Mr HENDERSON:** Yes, but let us put this into context. When your government was in office, you were putting recruit numbers against those constables in terms of ...

**Mr BURKE:** You did in your statement.

**Mr HENDERSON:** No. We are saying they are not part of that 742 number and we do not count those in until they have completed their course.

**Mr REED:** Minister, this is all your own work. We are not talking about who may or may not have done whatever in years past.

**Mr HENDERSON:** I am sure you do not want to go there, Mr Reed.

**Mr REED:** The fact is that notwithstanding all of the breast beating that you have been doing over the last year, you have one more policeman on the beat now than you did this time last year. Territorians in fact have been told a completely different story, that there are more police than there have ever been. In fact, if you look at that over the last 12 months, there is one more and there are 17 more than there were in 2000-01.

This is clearly partly as a result, at least I would suggest, of the fact that - was that last year? - there were no police schools conducted, no intakes taken for some months. In that context, can I also ask if you can provide us with details as to the attrition rate, that is the number of police who have resigned over the past 12 months and the previous 12 months?

**Mr HENDERSON:** It is fascinating to get this into context; 36 police officers will be graduating in August.

**Mr REED:** They are not on the street protecting Territorians now. That is August.

**Mr HENDERSON:** Mr Chairman, let me answer the question. There are 36 graduating in August and another 34 in December. In terms of the history of recruits and graduations year on year, in the year 2002, there were two recruit squads that graduated, 25 in October 2002; 27 in May 2003. There is another recruit squad that will graduate in August 2003 of 36, and a further recruit squad of 34 in December 2003. Let's go back to a previous term of government. In 1998, we had one recruit squad of which 25 ...

**Mr BURKE:** When? 1998!

**Mr HENDERSON:** Let's just take the numbers through. In 1999, 25 and in those years, only one recruit squad. Now what we are foreshadowing is a significant increase in recruit squads per year. We will be 99 constable recruits and five schools of 24 next year, making a total of 120 for the next 12 months. So there has been a significant increase in effort to ensure that our police force is actually at that establishment level as opposed to diverting money that should have gone to achieving those establishment levels to pay for civilians that have previously been under-funded. This is going to be rectified. We are currently 14 above that establishment level.

So there has been a significant budgetary issue that has had to be dealt with here. There is significant effort going into recruitment. We are talking about the biggest recruitment for many, many years: five schools next year, 120 in the next 12 months, and another 70 between now and December. That, in large part, will be achieved through the additional \$3m that we have provided in this budget to secure an appropriate baseline for the police to allow them to recruit and maintain strength, as opposed to diverting and siphoning scarce funds off to pay for civilian positions because previous governments did not fund them.

**Mr REED:** Mr Chairman, through you to the minister, if you have to go back to 1998 to try and paint a good picture ...

**Mr HENDERSON:** And I will.

**Mr REED:** ... that shows us how desperate you are. The fact is that with all the effort that was put into telling Territorians over the last 12 months that they are going to have more police, with the flyer that you put out in relation to this budget – more resources for police – in one year, in a full year, you have been able to achieve one extra policeman on the beat. I draw your attention to the graph that has just been circulated. Alice Springs Police Station is 14 under staff; Alyangula, 6 under; Casuarina, 7 under; Katherine station, 7 under; Tennant Creek, 2 under. Does not this demonstrate that there is a crisis in terms of police trying to do their job, a lack of resources, a lack of police?

I draw your attention to the last point of my last question in closing, could you also provide us with the attrition rate for police over the last 12 months and the former 12 months?

**Mr HENDERSON:** We can provide that and get you those details in a moment, Mr Reed. Let us look at the genesis of the issues here, and base funding, and the fact that it does take nine months, Mr Reed, as you would well know, to train a police officer from the beginning ...

**Mr REED:** You have had two years.

**Mr HENDERSON:** ... to graduation school and through to being out on the street. The issue for police has always been, going back to 1997, a level of base funding to allow the police to recruit and maintain strength at establishment levels. In terms of identifying that shortfall and government responding to it, there has been some very extensive research and effort go in through a new government, two ministers, a new Police Commissioner, to understand what are the issues in terms of the base level funding for the police to allow the police to recruit to establishment levels and maintain operational strength.

Mr Reed, you would recall, in a question in parliament last week, that we have been doing some

research in terms of the history of this issue. I would like to table, for the committee, correspondence between the former Police Commissioner and the Under Treasurer, dated 12 November 1998, that really goes to the core of this issue and supports the additional funding that we have put into the budget to allow these figures to continue to improve and allow police to maintain their operational strength. So I table this letter that goes to the core of this under-funding of police that this government has responded to. I will quote from sections of this letter because it is very illuminating, Mr Chairman. If we also understand that the member for Katherine was the police minister at the time, this shows how deceptive previous governments have been in regards to funding for police, and the deception that has been rectified in this budget.

I will read a part of the letter. This issue goes to post- the 1977 election when the then government promised Territorians an additional 150 police officers, and how they were to be funded:

*This increase of police, with no funding ...*

**Mr BURKE:** A point of order, Mr Chairman. I just wonder about the relevance. This is 1997.

**Mr HENDERSON:** November 1998.

**Mr BURKE:** It is one thing to try and mount a defence, but even in its extreme, some ministers have refused to deal with issues that dealt with the year 2000-01, some have not. We are now mounting some sort of an argument that goes back to 1998. This is supposed to be a budget ...

**Mr CHAIRMAN:** There has been a degree of flexibility in terms of the whole process. I remind the Leader of the Opposition that the member for Katherine did ask the minister a question, and the minister ...

**Mr REED:** Nothing about 1997.

**Mr HENDERSON:** 1998. November, 1998.

**Mr REED:** Nor 1988.

**Mr CHAIRMAN:** With respect, member for Katherine, as I said, you asked the minister a question, and the minister may respond.

**Mr REED:** He might give me the attrition rate then, while he is having a chat.

**Mr HENDERSON:** We will give you the attrition rate in a moment.

**Mr CHAIRMAN:** You can deal with that either now or later but, please, minister, continue.

**Mr HENDERSON:** This is directly related to the budget because it is the reason why we have allocated an additional \$3m in the budget this year: to secure an appropriate base level of funding for police to allow them to recruit to establishment. I will read a section of this letter because it goes to the total under-funding and the complicit nature of that under-funding by the previous administration and police minister.

*This increase of police with no funding for an increase in civilian support staff has continually posed a problem, as already mentioned, without adequate funds for civilian support staff. Police will have to carry out ...*

**Mr DUNHAM:** A point of order, Mr Chairman. A paper has just been tabled that would appear to be a confidential budget paper between a CEO and an Under Treasurer marked 'Confidential'. Neither of those people are available to tell us whether they gave authority for it, but I understand it is the normal protocol for papers such as this not to be divulged. If they are, I wonder if they would be divulged for this year as well?

**Mr CHAIRMAN:** The member for Drysdale, I will seek some advice.

**Mr HENDERSON:** May I speak to that before you rule? This is not a Cabinet paper; this is correspondence. We have checked with people about the protocol of tabling this documentation. It is not a Cabinet submission or Cabinet deliberations; this is correspondence. With Freedom of Information effective on 1 July, it will be interesting to see what other gems we uncover.

**Mr REED:** Just one other point. In the early stages of your ...

**Members** interjecting.

**Mr CHAIRMAN:** We have a ...

**Mr REED:** I thought the minister attributed this letter to me. In fact, it is not from me ...

**Mr HENDERSON:** No, I did not. No, no.

**Mr REED:** Okay, let us hear it; get it over and done with. A bit of history.

**Mr CHAIRMAN:** The minister has a right to ...

**Mr Reed:** Waste time.

**Mr CHAIRMAN:** The minister has a right to respond to a question. Minister, please proceed.

**Mr HENDERSON:** Thank you. I am not sure why ...

**Mr Reed:** Because it is not relevant.

**Mr HENDERSON:** I know why the member for Katherine is so sensitive. I will continue to quote. For clarification, this is ...

**Mr Reed:** I am not concerned about the letter; I am concerned about the lack of police on the streets today.

**Mr HENDERSON:** This goes to the very heart of it, member for Katherine.

**Mr Reed:** It does not.

**Mr HENDERSON:** I will continue:

*Police will have to carry out more administrative duties to the detriment of their operational duties. I again restate that the only civilianisation carried out to date has occurred by leaving police positions vacant but retaining the establishment numbers on paper. I have previously addressed this particular aspect in briefings with both the Chief Minister and my current minister.*

Mr Chairman, this goes to the heart of the deception that the previous administration was advised time and time again that for increasing numbers of police, there had to be appropriate funding for a subsequent increase in administrative personnel. That funding was never forthcoming and never applied to the base of the police budget. For the police to be able to fund those administrative positions, they had to take funding away from operation policing areas, leaving police on paper but not in the recruit colleges or out on the street. This issue was raised time and again with the previous government, which refused to act or to fund those positions.

It is very instrumental in the course of this budget, where we have allocated \$3m to fund the silent 32 positions within Police, Fire and Emergency Services that the previous administration failed to fund, and, as a result of that funding, police will now be able to recruit an additional 22 police officers every year to make sure that they can recruit to establishment and strength levels. Any critique of the police budget from the former administration is hypocritical in light of this correspondence that shows deliberate under-funding of the police, acknowledged by the minister at the time, by a government that refused to put in the effort where it was required. What occurred as a result was paper police.

We are not satisfied with paper police; we want police in the college, on the street, and for the police to be able to recruit and maintain establishment. We put an additional \$3m in the budget this year to do so, and we have committed that whatever O'Sullivan comes up with regarding increased resources and police personnel, we will also account for, and funding has been held back for that. This is all about the police having secure base-line funding to be able to budget for recruit squads throughout the year. There will be five squads next year; 120 personnel come through. We will not play trickery with police figures as did the previous administration.

**Mr Dunham:** Bullshit!

**Mr HENDERSON:** This correspondence really goes to the heart of the matter in terms of the under-funding that the police service has had to endure for many years in the Northern Territory. We will give the numbers in terms of attrition ...

**Mr CHAIRMAN:** Before you go on, minister, if I may, during the course of your response, the member for Drysdale made a comment that I believe to be totally unparliamentary.

**Mr Burke:** I did not even hear it.

**Mr Kiely:** I heard it!

**Ms Lawrie:** I heard it.

**Mr Henderson:** I think I heard it.

**Mr CHAIRMAN:** Member for Drysdale, you know that is inappropriate and unacceptable. Will you please withdraw?

**Mr DUNHAM:** I withdraw the word 'bullshit', Mr Chairman.

**Mr CHAIRMAN:** Thank you. Minister.

**Mr HENDERSON:** In regards to the attrition rate, 2001-02 the resigned rate total constables and above was 50; 1 July 2002 to 31 May 2003, the number is 61.

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#### Question on Notice

**Mr REED:** Minister, you can paint history as much as you like. You are not going to worry me about what you might say in that regard, but the fact is that today, you are the minister, and over the last year, all of your efforts have produced one extra policeman to protect Territorians and their properties. Further, I refer you to your sheet of manning levels at police stations across the Northern Territory. In the year 2002-03, the total is 589, plus on the following page of the Drug Squad and what have you, 143, which adds up to 732. Could you please explain the variation between the first sheet that you tabled, which says there are 742 on the streets, and this table which tells us there are 732. What is the difference of the 10?

**Mr HENDERSON:** I will hand that over to the Commissioner who can explain that.

**Commissioner WHITE:** I point out that the tabulated document you have in front of you relates to Operations Command, and is the total for Operations Command. The second document is Crime Command, but we do not have a total in respect of the Services area, or in fact those parts of Crime Command that incorporate the Tactical Response Group and the Marine and Fisheries Enforcement Unit and the Police College.

**Mr REED:** Thank you. Through you, Mr Chairman, to the minister. So, the picture in fact is worse! There are not 742 police protecting Territorians and their property, there are in fact 732.

**Mr HENDERSON:** No, wrong!

**Mr REED:** Well, provide us with the numbers if you could then. Let's have some fact in relation to the statistics that you are providing at least that can be substantiated. I do not mind if you can provide the numbers, but if we ask you for the number of police that are sworn and are out working hard to protect Territorians and their property, we would appreciate the numbers, not the incorrect numbers.

**Mr HENDERSON:** I thought that the Commissioner answered that question in terms of the supposed missing 10. I am not sure whether the Commissioner has the detailed breakdown of those.

**Commissioner WHITE:** Minister, I do not have the details. I have before me Crime Command, but that does not include the support areas of Crime Command - or all of them, I should say - and the Operations Command. The total for the police department, the establishment of 789, is across all of the commands and I do not have all of that information before me. I can take that on notice.

**Mr REED:** Could it be provided please?

**Commissioner WHITE:** I can take that on notice.

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**Mr REED:** Minister, you criticised me severely some time ago for raising the issue of an under staffing at the Katherine Police Station, and said that the number of police there were to establishment, and that I was creating mischief by raising the fact that the station is under-manned. It is currently under-manned by seven. Now, seven officers in a region as large as it is, with the high work level - and I hope I do not have to explain to you the high work levels at the Katherine Police Station and throughout the district. Will you now accept that the Katherine Police Station, together with Alice Springs Police Station, Alyangula, Casuarina, Tennant Creek to name a few, are under staffed to a critical level in terms of the numbers minus, and that Territorians are not receiving services from you as a police minister, that you and your government have been misleading Territorians in terms of the numbers of police in stations around the Northern Territory, and the evidence is now before us and proven in relation to those numbers and the hard work that police are doing - that is, those who are left in the police stations?

**Mr HENDERSON:** Mr Chairman, the false anger from the member for Katherine is absolutely palpable.

**Mr Reed:** Oh, is it?

**Mr HENDERSON:** Allocation of staffing to individual police stations across the Northern Territory is obviously an operational issue for the Commissioner. In terms of ...

**Members** interjecting.

**Mr CHAIRMAN:** Order! Can I have some order here? Minister, please proceed.

**Mr HENDERSON:** In terms of the scenarios that the member for Katherine has painted, those ...

**Mr Reed:** They are your numbers.

**Mr HENDERSON:** They are our numbers, and it is good to see how open and accountable this government is because you certainly would never provide those numbers and the same staffing profiles for our police stations across the Northern Territory have been consistent for many years. If we were to go back to the previous governments, going back any years numbers in and out ...

**Mr Reed:** We are talking about your government.

**Mr HENDERSON:** ... and the Commissioner ...

**Mr CHAIRMAN:** Member for Katherine!

**Mr HENDERSON:** ... operational staff. Now, what we are doing in this budget is to rectify the under-funding, which will allow the police to put on an additional 22 within the existing budget, 22 that you previously denied Territorians by deliberately underfunding the administrative area.

We are resolving that issue in this budget. When Mr O'Sullivan reports, and he will be reporting shortly, the commitment from this government is to provide additional resources. It does take a significant amount of time to recruit, train and deploy staff. There has been a strong recruiting effort since October 2002, an additional 120 this year. When we finish this term of office, we will have an appropriately staffed police force, having to fix up the under-funding that has predominated in this agency for many years.

The number of 742 and the allocation of those resources across the Northern Territory are operational issues, and the Commissioner and his team use their judgement about deploying resources where they are most needed. The commitment from this government is additional police who will be fully funded, as opposed to funding syphoned off from the police to pay for the clerks and the administrators that previous administrations would not fund.

**Mr CHAIRMAN:** Before I allow the next question, and it is probably very much my fault but, member for Katherine, you asked a question in respect of attrition. The minister indicated that he would take that question on notice.

**Mr HENDERSON:** I did give those numbers the answer was 50 last year and 61 this year.

**Mr CHAIRMAN:** I think you were after the total numbers. It was your previous question - not the one just now, the one prior? Perhaps the Commissioner might be able to assist.

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#### Question on Notice

**Commissioner WHITE:** Yes I said I will take that on notice and supply the figures.

**Mr CHAIRMAN:** So what we are asking, member for Katherine, is you to ask the question for *Hansard* purposes.

**Mr REED:** I see. You want to record it. Sorry. That was in relation to the overall attrition.

**Commissioner WHITE:** My understanding was you wanted to know the overall numbers of the police department in addition to what you had before you.



**Mr REED:** Oh, yes. The difference between the numbers that appear on page 1 of the document that was tabled, that is 589; page 2 of the document 143; and the total that was provided on a formerly tabled document 742, the difference of 10 and the Commissioner has undertaken to provide that information. So I ask if that could be put on notice, please.

**Mr CHAIRMAN:** And you are prepared to accept that?

**Mr HENDERSON:** Yes, I am prepared to accept that.

**Mr CHAIRMAN:** So we will allocate that as question 5.1. I am sorry for missing that.

**Mr REED:** Thank you. I just make the point that this is all your work, minister. We can hear as much as you want to verbal on about other things, but it is a tragic circumstance that so many police stations in important locations are understaffed, and you can blame the Commissioner by ...

**Mr HENDERSON:** A point of order, Mr Chairman! I do not appreciate being verballed by the member for Katherine. I have not blamed the Commissioner. I know we have Standing Orders applying here, but I certainly do not take kindly to being verballed by the member for Katherine.

**Mr REED:** I am happy to rephrase it, for the sensitivities of the minister, and I can understand why he is sensitive.

**Mr HENDERSON:** The sensitivity is the Commissioner.

**Mr REED:** The minister has said that it is up to the Commissioner to allocate resources as he sees fit. It is up to you, minister, to provide sufficient numbers of police through funding to ensure that the Police Commissioner has adequate resources. I draw your attention to the fact that the establishment for the Alice Springs Police Station is 134, and it is currently 14 under at 120. So the Police Commissioner cannot do his job as effectively as he would like because you are not performing in your job. It ill-behoves you to say that the Police Commissioner has to apply the resources as he sees fit. He has got to see fit because you are not performing and he is straddled with your under-performance.

**Mr HENDERSON:** In response – and that was not a question – but I will respond, the budget goes a long way to addressing those shortfalls by the provision of an additional \$3m to enable the Police Commissioner to fund administrative personnel who are vital to the Northern Territory Police Force, where previously the funding was robbed from the operational areas because previous governments would not acknowledge the fact that those positions needed to be fully funded. We have evidence of that. Your own Commissioner at the time has specifically mentioned ‘paper police’. That was what your government delivered: police on paper. We were going to have an extra 150 police, you told Territorians. What did we see? 22 of those police were only paper police because they could never be funded because of the drain on the operational areas of the budget, and then a commitment to 150 police in the same letter. The financial year that this was being framed for would have been the 1999-2000 budget. I will be proposing to the minister that the 49 additional police personnel be made up as follows: the total actual police personnel establishment numbers would then be 917, rather than 929. However, the mix has changed to include a higher proportion of ACPOs and auxiliaries who are cheaper to train and support than police officers. So the palpable dishonesty of the previous government in terms of coming out with a number of 150, failing to fund 22 of them, and further, watering down the commitment through cheap police officers through ACPOs and auxiliaries. The member for Katherine has no credibility. We will be judged at the next election by outcomes, and the \$3m in the budget this year fixes up the fraud perpetrated on the people of the Northern Territory by allowing the police to fund those civilian positions and stop robbing money from the operational areas.

**Mr BURKE:** Minister, given this government's stated policy on improving the quality of life in

Aboriginal communities, including attending to law and order issues, how come your ACPO strength has dropped by 10 from when my government left office and now?

**Mr HENDERSON:** This issue is one being addressed in the O'Sullivan assessment. I am aware that there is an active audit of that program in looking to strengthen that into the future and, Commissioner, I might hand that over to you.

**Commissioner WHITE:** Yes, there is. The explanation I would offer is that it is a rather long process to recruit ACPOs and run a course. We are in the process of a recruiting campaign, but there are difficulties in recruiting ACPOs who meet the entry criteria from their communities.

**Mr BURKE:** So, in real terms, if we are talking about the real capability of the police, you would have to wash out police auxiliaries and recruits in terms of operational capability, some capability operation for ACPOs, not as much as the sworn policeman, but on the numbers given, in overall strength of that operational capability, you are down nine since 2001. Is that correct? One sworn and nine ACPOs.

**Mr HENDERSON:** That is the case, but this is an area on which O'Sullivan will be providing recommendations to government. I know that through the Police Association and the Commissioner's office, there is a commitment to upgrade that scheme; it is going to require resourcing. If the Commissioner chooses to allocate some of the additional \$3m to additional ACPOs, that is his call.

**Mr BURKE:** Yes, it is a sad reflection, minister, to hear you say that it is a difficult process to recruit ACPOs, and criticise the previous government when the historical fact is that it was the previous CLP governments that established the whole concept of ACPOs in the Northern Territory - and Australia, I might add.

**Mr HENDERSON:** We will be strengthening that. I credit the previous government for the scheme, but it does need revising and updating. I believe, as police minister, there needs to be a clearer path for those ACPOs to progress from the ACPO scheme into the fully-sworn service ranks of police. That is something that is being worked on at the moment.

**Mr CHAIRMAN:** Minister, if I may interrupt you for a moment, as I said previously, I have been fairly flexible in how we approach this Estimates Committee. However, I have noticed over the last few minutes we are actually getting into statements as opposed to questions. I remind the members and everyone associated with this process that we have just over 1¼ hours to go. Perhaps we could stick to questions. Go ahead.

**Mr REED:** Minister, can you provide a graph or some information on where the ACPOs are stationed – I don't think they are included in this list - and the establishment for the various locations, bearing in mind that ACPOs play a very important role in supporting police in communities across the Northern Territory. The under-staffing of too many police stations in the remote regions of the Northern Territory will, in fact, be further exacerbated by the under-establishment by 10 of the ACPOs. Instead of having an establishment of 49, you have 41. That is a drop of 10 since you gained government. It is not a pretty record; I can understand why you are being a bit humble about your answer in relation to this matter. We would appreciate the advice in relation to the location of those positions. Is it necessary to put that on notice or ...

**Mr HENDERSON:** Yes, we will have to take that one on notice. We do not have that data in front of us.

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#### Question on Notice

**Mr CHAIRMAN:** Member for Katherine, would you mind repeating please?

**Mr REED:** If the minister could undertake to provide advice as to the establishment of ACPOs across the Northern Territory; the locations at which they are appointed - that is establishment and by actual

location.

**Mr CHAIRMAN:** Minister, you accept?

**Mr HENDERSON:** Yes.

**Mr CHAIRMAN:** That is question 5.2.

**Mr REED:** Thank you.

**Mr BURKE:** Minister, I move to the performance measures into the output area of Community Safety, Prevention and Support. Under the area of Quality, there is a note to say: 'Survey by AC Nielsen ... *Report on Government Services*'. Are these quality measures taken from the 2003 report?

**Mr HENDERSON:** Just for point of reference ...

**Mr BURKE:** Page 155, Quality' under 'Performance Measures of Community Safety, Prevention and Support. There are two quality areas

**Mr HENDERSON:** Yes, I see.

**Mr BURKE:** Is that 2003 report?

**Mr HENDERSON:** I will take advice. The advice is we believe it is 2002, which is the most recent publication from AC Nielsen.

**Mr BURKE:** 2003?

**Mr HENDERSON:** 2003. Well, if you ...

**Mr BURKE:** 2003 is the latest publication and it was out well in time for the budget - January 2003. I wonder why you did not use the latest Report on Government Services.

**Mr HENDERSON:** I am advised by the Chief Financial Officer that it does relate to the 2002-03 financial year. No, the advice is changing again.

**Mr BURKE:** No, you are all over the place. There is something not right here. We are talking about the performance measures for 2002-03

**Mr HENDERSON:** I will hand that to the Commissioner who has the detail here.

**Commissioner WHITE:** Thank you, minister. My interpretation of this is that the AC Nielsen footnote, Report on Government Services, will be the report for the 2002-03 financial year. Those details are not yet available. The most recent report on government service published relates to the 2001-02 financial year. So, the quality indicators are indicative and tell the reader that once the report on government services is published, we will be able to add those performance indicators to the 2002-03 financial year.

**Mr BURKE:** Okay. The performance indicators you used for 'Quality' were members of the public aged 18 years and over who felt safe or very safe at home alone during the day, and members of the public aged 18 years of age who felt safe or very safe at home alone after dark. Why didn't you use also the Quality indicators that are all on the next page, which show that only 40% of Territorians felt safe or very safe walking or jogging locally after dark? Why didn't you use the Quality measure that

said less than 30% of Territorians felt safe or very safe travelling on public transport after dark?

**Mr HENDERSON:** Again, member for Brennan, the performance targets that are in these budget papers are certainly way in advance of previous levels of accountability. In terms of the AC Nielsen survey, I am not across it sector by sector, but you could run the same analogy for probably 40 or 50 different tables as to why we would not use those Quality indicators in the report. These would have been determined appropriate Quality indicators, and they certainly show that we are equal or above the other states in terms of satisfaction. In terms of that report, in terms of statistics that police internally monitor their performance against, there would be a whole series of national bench marks and yard sticks; you would not and could not put all of them in a budget paper. These were determined as appropriate and it is way and above the level of accountability in previous budget papers.

**Mr BURKE:** Yes, well, you could use the defence 'way and above previous budget papers', but we are in an accrual accounting system. You are supposed to be reporting on performance. Under the performance measures of Community Safety, Prevention and Support, the AC Nielsen survey says: '... key community safety and support performance indicator results', there are only four graphs.

**Mr HENDERSON:** Yes.

**Mr BURKE:** You selected the two good ones.

**Mr HENDERSON:** Yes.

**Mr BURKE:** I simply make the point that if you are reporting accurately to the public, at the very least you are giving a perception of trying to hide some of those performance indicators.

**Mr HENDERSON:** I am not trying to hide anything, but if you look at all of these – okay, the two you stated: perception of safety in public places and travelling on public transport - we are above the national average in all four of them in terms of the public's perception of safety. So we are above the average of the Australia states in all four of those categories. That is not denying that we have problems; we do have significant problems, but in terms of public perceptions, we in the Northern Territory, according to this survey, are above the average of the other states in all four categories.

**Mr BURKE:** In terms of performance measures of fire services, Darryl, through the minister if you like, premises that comply with NT Fire and Rescue Services requirements remain at 80% for both this current year and for the year 2003-04. I would have thought that a realistic and achievable goal was 100%, particularly in that area. To have a performance indicator that shows no change, I find strange to say the least. Is that indicative that you do not have the capability to improve those premises?

**CFO PEPPER:** We don't have full power under the act to make them change to conform to it. Some of these are built under the Building Code of Australia, which has different succession dates over substantive legislation: 1974, 1985 and so on. Buildings aren't brought up to those levels. There isn't a requirement for them to be brought up to the original level of today if they were built under past building codes.

We are working together, with DIPE and the building inspection people, in trying to bring buildings up to a higher level. Those targets have been set so that they are realistic targets in being able to maintain and improve, where we can, in conjunction with other departments, fire safety within buildings. It is not something that we have the legislative power to do; we cannot make people do things for which there is no legislation.

**Mr BURKE:** So there is 100% compliance with those premises that do and can comply?

**CFO PEPPER:** Yes. The ones that have to comply by legislation are inspected yearly or bi-annually, whatever is required under the act for that class of building, and they are at the standard.

The problem now is that we have buildings that were built in the past that aren't required, but we endeavour, especially in budget accommodation, backpacker accommodation, to bring them up to a higher level through negotiations with the owner-occupiers and other departments.

**Mr REED:** Minister, your government has made much of being tough on drugs and putting resources into police and other areas to ensure that the drug problems are addressed. Could you explain why the establishment of the Drug Enforcement Unit is down four and is at the lowest level it has been for three years? How, it being at its lowest level of manning for four years, does this conform with your government's position of being tough on drugs if the police don't have sufficient resources to pursue that policy?

**Mr HENDERSON:** The commitment is total. We will meet that commitment by doubling the Drug Squad, a promise we gave to the people. I can assure this committee we'll achieve that target by the end of this term of our government.

I will hand over to the Commissioner to explain the breakdown of the figures there, but on outcomes against that government policy, we can see significant outcomes being achieved: the closure of drug houses that were allowed to operate with impunity under a previous regime. A number of those have been closed. There have been significant seizures of drugs since we came to government, both amphetamines and significant hauls of cannabis. We are now seeing the forfeiture of proceeds and assets under our legislation being used. Already we have claims on \$90 000 of assets from people who are being charged with drug offences.

My argument is that we are achieving success. We will achieve a doubling of the numbers, and we are seeing the effects in terms of the closure of drug houses and drug seizures. I will hand over to the Commissioner for an explicit explanation of those numbers.

**Commissioner WHITE:** In terms of the numbers before us, for the first two rows - Drug and Intelligence Division and Drug Enforcement Unit – you have said that the number is 21 against 21 the year before, against 20 the year prior to that. The additional resources to go into the Drug Squad will occur in 2003-04 and 2004-05. We are scheduling for five of the 10 additional next financial year to go to the Drug Enforcement Unit, and 13 in 2004-05.

**Mr REED:** Thank you, Commissioner. Through you, Mr Chairman, I can see your plight, Commissioner: the support that you are not getting from your minister. I sympathise with the officers of the Drug Squad because it is clearly through their hard efforts that they are achieving the results of apprehensions that the minister is taking credit for. The hard working officers of the Drug Enforcement Unit are out there doing the work, and their staffing levels are at a three year low. That is absolutely outrageous. Commissioner, I am pleased that you might be able to see your way clear to increase those numbers in the near future, but it does not help us in terms of where we are at the moment.

Minister, in a similar context, how can the people of Alice Springs – given that the CIB Southern Region is down from 19 to 15, an understaffing of four – expect that the matters that they might be reporting to police are adequately investigated, given that the police there must also – in CIB terms – be grossly overworked?

**Mr HENDERSON:** Thank you, Mr Reed. Again, your capacity to misinform and be mischievous with numbers knows absolutely no bounds.

**Mr REED:** Your numbers.

**Mr HENDERSON:** In terms of the Drug Enforcement Unit, the actual staffing is 18, but in the Drug and Internal Division there are another three; in the Intelligence Division, there are another three; and the Bureau of Criminal Intelligence, which also work in the drug enforcement area, is 16.

**Mr REED:** Is one understaffed, thank you.

**Mr HENDERSON:** So if we look at those three areas combined, Drug and Intelligence, Drug Enforcement, Bureau of Criminal Intelligence, which all go to pursuing drug traffickers and manufacturers, people your government had no interest in pursuing at all, we have gone from actual staffing in 2000-01 of 32 to, in 2001-02, 34, and in 2002-03, 37. So picking numbers in isolation of understanding how the police force works across divisions shows that there has been an increase. The runs are on the board.

The good work of the Drug Enforcement Unit and people who work in that area of police has been supported not only by additional resources going into those areas, and a commitment was made over the term of government to put additional resources in those areas, has been by government strengthening legislation to allow those hard working officers in the drug enforcement area to secure a conviction.

Previously, they were unable to secure convictions, to seize the assets of drug traffickers, to prevent money laundering activities taking place as a result of people profiting from crime, and they had to go to work every day seeing drug houses operate with impunity because the previous government refused to acknowledge that abuse and misuse of drugs in our community was a significant problem and refused to act. I believe that, as a government, putting in place legislation which allows our police Drug Enforcement Unit to actually secure convictions and get these people out of the community and into gaol has been enhanced, as opposed to when your regime ignored the issue.

On the Bureau of Criminal Intelligence, if we talk about CIB Southern Region, in terms of actual staffing, there has been no change from your period of government in 2000-01, where there were 15, compared to 15 in the 2002-03 financial year.

**Mr BURKE:** Well done, you have kept up to par with us.

**Mr HENDERSON:** To trapeze in here and say there has been a significant cut in the actual staffing numbers in Alice Springs ...

**A member:** Now go to Alice Springs LPO.

**Mr DEPUTY CHAIRMAN:** Wait! Let the minister finish his answer, please, then if you have got a question, you may ask it.

**Mr HENDERSON:** ... is not supported.

**Mr DEPUTY CHAIRMAN:** Any further questions?

**Mr BURKE:** Yes, I have another question. Minister, gun buy-back, I assume that is in this area?

**Mr HENDERSON:** I am not aware. There is not an allocation in this budget for gun buy-back. The arrangements with the Commonwealth and Treasury is that Treasury will fund the gun buy-back, although it will be administered through this department.

**Mr BURKE:** But I have got some questions that involve ...

**Mr DEPUTY CHAIRMAN:** Member for Brennan, that might be able to be addressed under non-output specific budget questions at the end of the outputs. If you are looking for a place to slot it, that might be the correct spot.

**Mr WOOD:** Mr Chairman, it is half answered, so why not allow the question to finish?

**Mr DEPUTY CHAIRMAN:** We will see what the minister says. The option is, minister, that you can take the question, or you can wait for it to be addressed under non-output specific budget questions at the end of the outputs.

**Mr BURKE:** I am worried about getting to it. I am worried about time.

**Mr HENDERSON:** Yes. We are tracking output by output, but I will take the question if it is important.

**Mr BURKE:** If a person brings in a gun from overseas, they might be a person coming to Australia to be a resident temporarily or permanently, or a person who is a registered firearm's holder or dealer, what is the process of registration?

**Mr HENDERSON:** Commissioner, I might hand that detail to you.

**Commissioner WHITE:** Sorry, Mr Burke, I will have to take that question on notice. I am not familiar with the ...

**Mr BURKE:** I will not take ...

**Commissioner WHITE:** It is federal law and I am not in a position at the moment to answer it.

**Mr BURKE:** There is an issue that I wanted to get to in this gun buy-back because the whole issue of the gun buy-back and the detriment to Territorians is covered under this blanket argument: because of the COAG agreement, we have to do everything and we can not compensate; if we breach the COAG agreement in any form, we will not get the money from the Commonwealth to fund the buy-back.

There are imposts for Territorians that are coming through that scheme that are separate from COAG and there is an issue that police, I hope, can address. Police hold firearms at the moment that have been imported into Australia. They hold them because they are awaiting a Certificate to Register. People have been unable to get those firearms from police in order to register them because of the uncertainty of this legislation. They are now in a situation that, because they cannot get the guns from police to register them, they cannot then turn them back in. There are a number of people, and I point to some who are Americans at Pine Gap, who would normally bring their guns in from overseas, register them, and be allowed to hold those guns. I know of at least one person who is potentially \$7000 out of pocket, unfortunately, because the police will not issue the registration. When he got his guns, he got them through Customs, turned them into police, which is the normal procedure, and that is where they have stayed. Normally, he would have the authority to register them. Because he is unable to get the authority, they are now held by police and will be destroyed by police, and that person is...

**Mr HENDERSON:** Without compensation.

**Mr BURKE:** Totally without compensation. It is something the Territory government and the police need to address.

**Mr HENDERSON:** Mr Burke, we will take that on board and ...

**Mr DEPUTY CHAIRMAN:** To assist Hansard and to ensure the minister is fully aware of the question, would the member for Brennan please re-state the question?

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#### Question on Notice

**Mr BURKE:** Will the police proceed to issue registers to purchase for those who legitimately were

able to have them registered prior to the uncertainty surrounding the buy-back legislation, so that those persons who normally would have been legitimately authorised to purchase during that uncertain period can then be eligible for compensation in the buy-back?

**Mr HENDERSON:** Specifically talking about hand guns, obviously?

**Mr BURKE:** Hand guns, yes.

**Mr HENDERSON:** And the issue was in regard to register to purchase?

**Mr BURKE:** Yes, police issue that.

**Mr HENDERSON:** Yes, I cannot give you an answer ...

**Mr BURKE:** There are a number in Alice Springs.

**Mr HENDERSON:** ... but we will look into the issue. At the end of the day, equity and compensation would come to the fore. We will follow it through, Mr Burke, and get back to you.

**Mr DEPUTY CHAIRMAN:** Member for Brennan, the minister has said he will accept that. The question number is 5.3.

**Mr BURKE:** I have no other questions in that area.

**Mr DEPUTY CHAIRMAN:** Are there any further questions on output 1.1?

**Mr WOOD:** Yes, Mr Chairman.

**Mr HENDERSON:** There is a further clarification in regard to the Crime Command and the CIB Southern Region in the way the Commissioner allocates resources to particular operations. I will hand it over to the Commissioner to explain that.

**Commissioner WHITE:** Thank you, minister. I would merely point out that the crime resources are flexibly deployed according to need. Most people are aware that we have placed significant effort and resources into our task force Ranger, which is tackling unlawful entries with intent. You will see on the chart in front of you a substantial growth in the number of personnel committed to unlawful entries.

**Mr WOOD:** Minister, the Western Australian police report states that it costs around about \$64 per hour for each policeman. In our budget, we state \$90 or \$92 per hour. Is there any reason why there is such a vast difference?

**Mr HENDERSON:** Again I defer to the Commissioner for the historical and, not only that but the real issues in terms of the costs of running a small police service over a very wide part of Australia, but Commissioner, I think ...

**Commissioner WHITE:** The matter has been subject to debate over many years, is subject to a submission by us to the O'Sullivan assessment, but our position is that the provision of police services in the Northern Territory, for reasons peculiar to the Northern Territory, are significantly more expensive than other jurisdictions.

**Mr HENDERSON:** To support that, Mr Wood, that is recognised through COAG and through Commonwealth funding agreements across all categories and the Grants Commission, but through all categories, police, health, it is more expensive to provide those services in a small community over



vast distances. That underpins the Grants Commission process, and that would explain the disparity in those numbers.

**Mr WOOD:** We get some funding from the Commonwealth to help with our police force, is that correct?

**Mr HENDERSON:** It is the overall Grants Commission funding that is provided to the Northern Territory, and it is then for the Territory government to allocate.

**Mr WOOD:** I wondered whether it is based on horizontal equalisation and we have such a disparity, are we using enough of those Commonwealth funds in our police force, or are we not getting enough from the Commonwealth to bring us up to an equal level?

**Mr HENDERSON:** We, and any government, not being the Treasurer, going to Treasurer's conferences, you would argue for more money for your jurisdiction. The challenge has always been to understand what the real operational funding needs are for the Territory police. We are doing that in part through the O'Sullivan assessment, and we will use the resources of government to meet those needs. If there is increased growth funding from the Commonwealth, obviously a part of that would come from the Commonwealth. If we do not get that increase and growth funding from the Commonwealth, it has to come from within budget, and we will prioritise as appropriate.

**Mr WOOD:** You mentioned closing down drug houses before. Has there been any proof that there has been a downturn in cannabis trafficking since these drug houses were closed down? In other words, have we just moved the problem from A to B, and nothing actually really changes on the ground?

**Mr HENDERSON:** I will let the Commissioner answer the specifics from a policing point of view. From a public policy point of view, it was intolerable not only to government, but for the people who lived in and around those premises that those premises were allowed to operate like a supermarket with absolute impunity with drugs being dealt out of those premises.

The initial policy objective was to close those premises down; to improve the quality of life for residents who live in and around those premises; and to reduce crime and antisocial behaviour in the area. The issue of reducing the amount of cannabis or other illegal substances consumed by the broader community is a multi-faceted strategy. Obviously, in part, policing in terms of reducing supply, but also improving education and awareness campaigns for young people, as well as the involvement of health. So, the policy objective regarding drug houses was to close them down, because it was intolerable in this community to have supermarkets operating with impunity. In terms of reducing the amount of marijuana consumed in the community, and the various supply issues, I might hand over to the Commissioner to brief the committee on how he sees the supply of marijuana in the community and whether that is changing.

**Commissioner WHITE:** Illicit drugs are still prevalent throughout the community. They are a problem for the Territory. In relation to drug house legislation, whilst I do not have the figures before me on the outcomes of investigations, my understanding of the anecdotal evidence is that it has made it more difficult for buyers to obtain their drugs from sellers. Whether it is a matter of shifting the problem or disrupting it is open to debate, but whatever the police can do to make it harder to obtain drugs, then that is what we need to do. My understanding is that dedicated investigations by the Drug Enforcement Unit in relation to drug houses has caused disruption to the market and made it more difficult for the exchange to take place between buyer and seller.

**Mr WOOD:** Minister, on page 153 of Budget Paper No 3 is set out details of the Illicit Drug Pre-Court Diversion Scheme, which started last December. How many people have been successfully diverted through this scheme?

**Mr HENDERSON:** Page 133, whereabouts?

**Mr WOOD:** 153. I did not mark it in front of me, my apologies. It is dot point 4.

**Mr HENDERSON:** I will have to defer to the Commissioner on that. The new drug courts that will be administered under the Justice portfolio will be coming on line within the next month or so. Commissioner.

**Commissioner WHITE:** I have a substantial briefing note in relation to the Juvenile Diversion Program, but it does not appear that I have before me the number of persons that have been diverted by police through this scheme. I can take that question on notice.

**Mr WOOD:** Yes, I would like to put it on notice.

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**Question on Notice**

**Mr DEPUTY CHAIRMAN:** To assist *Hansard* and to ensure the minister is fully aware of the question, would the member for Nelson please restate the question.

**Mr WOOD:** Page 153, dot point 4 of Budget Paper 3 sets out details of the Illicit Drug Pre-Court Diversion Scheme, which started last December. How many people have been successfully diverted through this scheme?

**Mr HENDERSON:** I think the Commissioner has additional information.

**Commissioner WHITE:** My apologies, Mr Wood, I will take that question on notice. I was looking at the wrong diversion scheme.

**Mr WOOD:** All right, so it is still on notice.

**Mr HENDERSON:** It is accepted

**Mr DEPUTY CHAIRMAN:** The question number is 5.4.

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**Mr WOOD:** Two short questions before I finish.

**Mr DEPUTY CHAIRMAN:** The floor is yours; exhaust yourself.

**Mr WOOD:** I know the member for Karama spoke in parliament the other day praising the mounted police, and I agree that it is a great unit. Has a horse died, or are we going to replace the one person short in the mounted police department?

**Mr HENDERSON:** Before I defer to the Commissioner, it is a discussion I have had recently in regards to our mounted police. In the last budget and the current budget, we have extensively upgraded facilities for the horses at Berrimah. Anecdotally, I was very pleased to see off the balcony off Parliament House a few weeks ago two mounted police officers in the park opposite, disappearing down the Smith Street Mall. We do have some training issues with these patrols. I will defer to the Commissioner, who can advise.

**Commissioner WHITE:** I cannot add much more to that other than to say I and the force have a commitment to the mounted patrol facility. It is a very important part of the Northern Territory Police Force's history. As you may remember or know, it used to be called the Northern Territory Mounted Police until the early 20th century. They perform an extremely valuable role by their physical policing presence and have, I understand, been particularly successful in the CBD and at places like Mindil

Beach Markets.

It so happens that on a recent trip to Daly River on a weekend, they were doing a patrol at Adelaide River, so I am pleased that they are prepared to move beyond the Darwin region to places like Adelaide River to police that community as well.

**Mr WOOD:** And the horses probably get some green feed.

**Mr HENDERSON:** Again, if we broaden that to the issue of people being recruited to the police force, we probably need to focus more effort in terms of rural areas because the number of trainees coming in who can actually ride a horse are pretty thin on the ground. There is a training program in horsemanship going on as well.

**Mr WOOD:** There are a lot of Ringers around. My last question is regarding fire. This was a question that was raised to me by a small businessman, and I suppose he had an interest in this for obvious reasons. With fire extinguishers, whose job is it to inspect fire extinguishers in premises where fire extinguishers are required, like industrial sites, etcetera?

**CFO PEPPER:** It is the owner of the extinguisher who is responsible to get a servicing contractor to service it. The Fire Service does not provide that type of service. That is a private contractor issue.

**Mr WOOD:** Where a premise has, for instance, a hazard sign on its front gate, is there a requirement that those people must have a particular type of fire extinguisher?

**CFO PEPPER:** Yes, there is.

**Mr WOOD:** Whose job is it to actually police that they actually occurs and is it up to date?

**CFO PEPPER:** If the building is built under the Building Code of Australia and has a current Certificate of Occupancy, then the Fire Service will carry out that role. If the building is not – if it is an ordinary private premises that does not require fire safety legislation approval, then it is up to the individual, under *Work Health*, to provide those facilities. Again, that would be part of the building inspection program of DIPE.

**Mr WOOD:** Could I just make that clear? Say a hardware shop sells chlorine and some other inflammable substances, has a hazard sign on the front, they are required to have a fire extinguisher, whose job is it to inspect that fire extinguisher?

**CFO PEPPER:** As I say, it depends upon what legislation the building falls within. If it is a building that is under the *Fire and Emergency Act*, then we would inspect that building. We would ensure that the facilities are up-to-date. If they are not, they are given a notice to bring them up-to-date. If the building is not under an act, and people will have different buildings, like a shed or whatever, keeping chemicals or whatever in it, that is a private matter whereby they would be done under workplace health and safety, or a health issue, if they were on those premises. We do not have the authority on private property or any other building other than the ones that are covered by the *Fire Services Act*.

**Mr WOOD:** It might be worth looking into to get some uniformity. Thank you, Mr Chairman.

**Ms LAWRIE:** Minister, there was some discussion before the Estimates Committee yesterday regarding the presence of police at the Alice Springs sittings. I would be interested in hearing your view on the provision of police and where that sits within the budget.

**Mr HENDERSON:** As committee members would be aware, ministerial officers are monitoring these proceedings upstairs.

**Mr Reed:** Thanks for reminding me!

**Mr HENDERSON:** This issue was swept up to me for reference. The issue was in terms of accrual accounting, whether the police costs associated with the Alice Springs sittings had been factored into the costs of the sittings that were provided by Madam Speaker. The whole issue of costing each operational service provided by police being factored into another agency's accrual accounts is a ridiculous assertion. We would have so much of police time taken up with detailing exactly what event they patrolled, whether the police presence at the cricket test should be factored into the accruals for the sport department, we would be on a reporting madness regime.

However, there is a broader issue about the Alice Springs sittings and the police effort that went into those sittings. Members of the committee would be aware that a large part of the sittings were taken up with crime issues in Alice Springs, and a community to present community views. Of course, that rally had to be policed, and there was a cost to the taxpayer for that. When we look at the issue, and the responsibility of all of us as parliamentarians to act in the best interest of the community, and to represent the community faithfully and also accurately in parliament in a truthful record ...

**Members** interjecting.

**Mr HENDERSON:** What we can see on this issue is that we as government were concerned ...

**Mr Reed:** Talk to the Commissioner about Irvine.

**Mr Bonson:** I would like to hear the minister's answer, Mr Chairman.

**Mr CHAIRMAN:** Yes, let the minister answer, please.

**Mr HENDERSON:** This rally was politically motivated, and was organised by the CLP and incurred a cost to government and the taxpayer. That was blatantly denied in the parliament. I will go to a couple of quotes from a *Parliamentary Record* ...

**A member:** [inaudible] freedom of speech.

**Mr HENDERSON:** ... it does go to the costs of the Alice Springs sittings. I quote Dr Lim, the member for Greateorex, who said:

*Let me, in my last couple of minutes, explain why my telephone number was on that poster. Mr Mark Webster, insurance agent of this town, who is very much aware of the increasing incidence of law and order issues because of the number of claims that cross his desk, asked me to support his office...He was not able to maintain a telephone watch for people interested in the rally. He asked me so he could relieve his business office of the pressure of answering telephones. As the local member, it is my responsibility to support a request from a constituent who needs my assistance.*

We go a little further. The good Mr Mark Webster is not a constituent of Dr Lim. He is a constituent of the member for Braitling. If we go further into the debate, the member for Drysdale stated:

*But, for God's sake, do not say this rally did not exist, that it was the great organisational capacity of my colleague, the member for Greateorex, who was able to muster these mindless people into a group, and that it is all a CLP trick. It is not! It is not.*

A clear denial from the members for Drysdale and Greateorex that they, belonging to a political organisation, had anything to do with the organisation of this rally which did impose a cost on the taxpayer ...

**Mr BURKE:** A point of order, Mr Deputy Chairman. May I, in the interests of us all and the fact that we only have an hour and 10 minutes left, beg the minister, notwithstanding his desire to get as much as he can of his own position on the table, to keep his answers reasonably brief so we can move on.

**Ms Lawrie:** I am interested in the answer.

**Mr BURKE:** You may be interested, but the rest of us want to move on.

**Mr DEPUTY CHAIRMAN:** There has already been a ruling by the Chair about the ...

**Mr BURKE:** I appeal to his common sense ...

**Mr DEPUTY CHAIRMAN:** ... fulsomeness of the answers by the minister. Please continue.

**Mr HENDERSON:** I will table the answer because it is disingenuous to say that the cost of these sittings were blown out because of the police presence.

My office upstairs was faxed the branch minutes from the Alice Springs Branch of the CLP dated Wednesday 18 June. We have a categorical denial from the members for Greatorex and Drysdale that they had anything to do with organising this rally. I go to the minutes, and will table them for the record:

*Law and order rally. A motion was moved:*

*Thanks to Mr Mark Bunting and Mark Webster for their work with the law and order rally.*

In trying to make a point about police cost, the CLP directly contributed to that cost through organising this rally. This further shows the trouble the political wing is in when branch members are leaking minutes to my office in regard to what occurred at Alice Springs. I table this for the record.

The cost to the taxpayer incurred in overtime, meal allowances and payroll tax for the Alice Springs sitting was: adding to the total for normal salary of members, a total of \$3049 was incurred in overtime, making it \$27 850; meal allowances \$150 and payroll tax \$119. An interesting historical record about the Alice Springs sittings. I would urge members who deliberately mislead parliament to be very careful because people on their own side will contradict them.

**Mr BURKE:** You would never prove that as misleading parliament.

**Mr DEPUTY CHAIRMAN:** Any more questions on this output?

**Mr DUNHAM:** Yes, I have a question. Minister, could you please let me know the revenue line for the forfeiture of assets revenue? I heard you claim in parliament that you had a target, and apparently you have already collected 90. I cannot find where I has been recorded.

**Mr HENDERSON:** No. The forfeiture of assets is an application that has been made to the courts. That legislation has only been actioned for two weeks now – it was 16 days when I gave the number in parliament. Therefore, the revenue had not been receipted yet. The case is ongoing. An outcome to the case has yet to be determined and a finding made. We have made an application for \$90 000 and I am advised that if that is secured through a conviction, that money will go to the Public Trustee. That is my advice. It is not revenue for the police.

**Mr DEPUTY CHAIRMAN:** Member for Drysdale, have you finished?

**Mr DUNHAM:** I am just wondering where I would find it. It goes to the Public Trustee, okay.

**Mr HENDERSON:** That's my advice.

**Mr REED:** Minister, I think the Police Commissioner advised us that the attrition rate for 2001-02 was

50 and 2002-03 was 61; that is an increase of 20%. Can I ask you if - and I note your mirth, the fact that you laughed - the 20% increase in the attrition rate is of concern to you over a period of 12 months? If it is of concern, what is being done to decrease the number of police who are resigning for whatever reason?

**Mr HENDERSON:** Again, we can play with statistics, and I will let the Commissioner answer the detail, but in terms of the attrition rates, it is fairly constant across the years. My advice that across all lengths for the police force 2001-02 was 8.58%, while the estimated attrition rate for 2002-03 is 8.64% across all ranks.

There is an issue with our police service that due to significant recruitment back in the 1970s and under the old police and Commonwealth superannuation scheme, it is absolutely advantageous for police officers to retire prior to the age of 55, those police officers who are on that scheme. We are seeing that generation of police officers over the next few years hitting that 55 year age barrier and having to retire to maximise their super. But attrition is of concern, and it is one of the specific terms of reference in the O'Sullivan assessment to identify strategies to reduce that attrition rate. So it is a combination of factors. I will hand over to the Commissioner for a more detailed response.

**Commissioner WHITE:** The attrition rate for constables and above, year-to-date for 2002-03 is 61 against 54 for the year 2001-02, taking into account police auxiliaries and ACPOs, Aboriginal Community Police Officers. The year-to-date attrition rate is 81 against a figure of 83 for the 2001-02 year.

**Mr HENDERSON:** To support the Commissioner, I have additional information. The overall attrition rate for police in 1998-99 was 7.49%; in 1999-2000 was 8.22%; in 2000-01 was 7.33%; in 2001-02 was 8.58%; and in 2002-03 was 8.64%. So a fairly consistent attrition rate, but of course we would like to do more to stem that attrition rate and Mr O'Sullivan will be reporting back to us.

**Mr REED:** Minister, you have mentioned the O'Sullivan Review. Will you give an undertaking that the O'Sullivan Review will be accepted and implemented in full in respect of increased resources, funding and what other measures might be recommended in his report to ensure that police are resourced to a contemporary level of requirement?

**Mr HENDERSON:** Mr Chairman, the commitment that I have made and will make is that we will make the report public and that we will provide a comprehensive response to the report. The commitment in terms of resources is that we will commit and meet the requirement for additional police if that is identified. In terms of other recommendations made by Mr O'Sullivan in other areas that impact on the budget, we will have to wait and see what they are, and we will report back against them. I am not prepared to make a blanket commitment to implement absolutely everything in the O'Sullivan Report. It would be foolish to sign up to that. There might be good reasons, whole-of-government reasons, why government would not accept a particular recommendation, but in terms of public accountability, the report will be made available publicly. If we choose not to accept a recommendation that Mr O'Sullivan makes, there will be full reasons as to why we do not accept that recommendation made available.

**Mr REED:** Minister, in relation to recommendations by Mr O'Sullivan on the requirements for additional personnel, I did not hear the words in full. You said you would take note of his recommendations and act in that regard, but will that be acting in regard to the recommendations in full about additional resources for personnel?

**Mr HENDERSON:** For additional police resources, that is sworn police officers, in full, we will implement his recommendations and fund those recommendations, but in terms of other areas of recommendation, maybe going to capital equipment or whatever, we have to wait and see what those are. We are not signing up to those with a blank cheque. The report will be made public, and if we say no to other areas of the O'Sullivan Report, a full explanation will be provided.

**Mr DEPUTY CHAIRMAN:** Are there any more questions on output 1.1 Community Safety Prevention and Support? That concludes consideration of output 1.1.

**Output 1.2 - Response and Recovery Services**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Mr HENDERSON:** Mr Chairman, just before that, we did take a question on notice about the location and number of ACPOs across locations. I am prepared to table that.

**Mr DEPUTY CHAIRMAN:** What question was it?

**Mr HENDERSON:** I do not know what question it was. It was one of the early ones.

**Mr DEPUTY CHAIRMAN:** Are there any questions on output 1.2, Response and Recovery Services? There being no questions, that concludes output 1.2.

**Mr WOOD:** I thought you were finishing up 1.1. Are we still looking at Response and Recovery?

**Mr DEPUTY CHAIRMAN:** Yes.

**Mr Reed:** Almost not.

**Mr WOOD:** May I ask the minister a question?

**Mr HENDERSON:** Quickly, but I can respond to one of your previous questions. We have our people upstairs working. Question on notice number 5.4, the Illicit Drugs Pre-Court Diversion Scheme, I am advised and I table, six people have successfully completed diversion since December 2002, two are currently undergoing the diversion process. It has not been formally launched as yet because the Commonwealth had not signed off until two weeks ago. Training of officers has been completed in Darwin, about 70% of Alice Springs has been completed. It cannot be expanded upon until the Commonwealth has signed off. So the answer is: six have successfully completed, two are currently undergoing, we are awaiting further Commonwealth support, and predominantly younger clients and predominantly cannabis offences.

**Mr DEPUTY CHAIRMAN:** There is no need to table this, it is in *Hansard* now. The committee will consider output 1.2, Response and Recovery Services.

**Mr WOOD:** Minister, \$1.5m has been budgeted for the PROMIS, the police communications system. This system has already cost millions of dollars and apparently there are still problems. What are these continuing problems? Does any other police service in Australia use PROMIS, and have they had problems? How did the Territory end up with this system?

**Ms Lawrie:** And does PROMIS live up to its promise?

**Mr HENDERSON:** Good line, member for Karama. A process was gone through in 1997-98 for a new police online system, and the Commissioner can brief the committee in detail. My understanding is that this system is used by the Australian Federal Police and that the purchasing decision at the time was to have a system available in the Northern Territory that could integrate with the AFP and their contractors who support PROMIS. We receive a level of upgrade consistent with the AFP. So the AFP have the system.

The previous budget item that provided maintenance support for PROMIS was \$380 000 a year. Submissions to me as police minister by the Commissioner detailed the fact that at least \$1.5m a year is needed for upgrading PROMIS so it can be a much more easily accessible, useable and responsive system. There are problems with it in terms of the police use of it, its responsiveness. We

have not been able to upgrade the technology and the hardware to provide improved performance as a result of under-funding. The commitment in this budget for the \$3m for additional resources to support the administration of the police force, and \$1.5m for PROMIS, is to fix under-funding and provide the police with a baseline of funding to recruit to establishment, and to have an IT system that is responsive to their needs. That was the commitment that we have made and should give us a platform for PROMIS as a much better system for the police for not only the police who are inputting the data, but for officers and the executive arm that use that data to make operational decisions in terms of who to target and where to deploy resources. I might hand over to the Commissioner for a bit more of the history of PROMIS and some of the issues associated with it.

**Commissioner WHITE:** Yes, there are areas of concern in relation to PROMIS, they being network performance, application performance, front end design, and training. In relation to network performance, work is continually underway in terms of improving the performance, and we are gradually overcoming them. In relation to application performance, it is a matter of upgrading the environment. That includes new versions of the Oracle database, replacing front end servers, replacing a large percentage of the PCs, or desktop computers. In terms of front end design, we are working with the Australia Federal Police to upgrade the system. Training is continuing.

In terms of a new system, I do not think there is any perfect police-related database in Australia, if not the world, and it is a matter of adapting and making the best use of what you have. PROMIS has many, many advantages and features. We acknowledge there are some problems in terms of its useability, but we are committed to working on it. We are going to increase the staffing in the PROMIS support area, and the funding required to bring about changes in the areas of concern that I have listed today.

In addition to that, there are process issues we need to address in terms of useability. That is something we have begun to look at, and we will look at more closely. In relation to, for instance, juvenile diversion, which I am told does take up some time on PROMIS, a recent policy decision has led to the development of a carbonated written report which uniformed General Duties constables will forward to a data entry operator, so we are very much alert and alive to the problems that PROMIS has created within the general policing environment. We are doing a lot of things to overcome it, and I am confident that, in time, its useability will be greatly enhanced.

**Mr WOOD:** Thank you. One last short question: will the Humpty Doo Police, Fire and Emergency centre be a 24-hour, seven day a week operation?

**Commissioner WHITE:** Mr Wood, in terms of the Humpty Doo Police Station, work is underway to finalise the design and go to tender. We will move then, shortly that is, in the new financial year, to developing an operational plan for Humpty Doo which will determine the tri-service requirements for Humpty Doo.

**Mr WOOD:** Thank you.

**Mr DEPUTY CHAIRMAN:** Are there any more questions for output 1.2 Response and Recovery Services? There being no more questions, I will close that output off.

**OUTPUT GROUP 2.0 - Investigations**  
**Output 2.1 – Investigations**

**Mr DEPUTY CHAIRMAN:** The committee will now consider output 2.1, Investigations. Are there any questions?

**Mr REED:** Minister, you advised the House last week that an investigation was underway in relation to certain activities of the member of Johnston. Can you advise us if those investigations have come to fruition and what the results were?

**Mr HENDERSON:** That is not a question appropriate to the budget, and I am not going to answer it.



**Mr REED:** Minister, through you, Mr Chairman, we are here discussing the Appropriation Bill. The Appropriation Bill provides police with funding to undertake certain activities, including investigations. Closing the loop, money equals ability to do investigations, equals outcome, equals the matter we are discussing at the moment. It is directly related to the Appropriation debate.

**Mr HENDERSON:** It is an operational issue. I am sure when the inquiries are concluded, they will be concluded. I am not going to debate or allow the Commissioner to debate specific operational inquiries that are being undertaken at the moment. It is not appropriate in scrutinising the budget allocation for this financial year.

**Mr REED:** Through you, Mr Chairman ...

**Mr DEPUTY CHAIRMAN:** Member for Katherine, if it is along the same lines then I will not allow the question. The minister has given his answer twice now. It is pretty clear that he is not answering any operational questions as far as any current investigations are concerned.

**Mr REED:** Mr Chairman, can I ask the minister what sort of questions he might answer under the heading 'Investigations'?

**Mr HENDERSON:** You can try me, member for Katherine. I am not going to answer that specific question regarding whatever inquiries may be taking place between the police and the member for Johnston. When they are concluded, you will be advised. You can try me on any other question in relation to the budget and the appropriation to the investigations output group in the budget.

**Mr REED:** Well, on an output group in relation to PROMIS, could you allude to me at all any information that might be on the PROMIS record in relation to the matter concerning the member for Johnston and those investigations?

**Mr DEPUTY CHAIRMAN:** Hold it there, member for Katherine. You have been told quite clearly that the minister ...

**Mr REED:** Different question, Mr Chairman.

**Mr DEPUTY CHAIRMAN:** No, it is not a different question. You can pussyfoot about it all you like. Any questions regarding any supposed investigation into the member for Johnston, I will rule out of order and the minister will be asked not to respond to them whatsoever.

**Mr Burke:** The minister said more in the Chamber the other day.

**Mr DEPUTY CHAIRMAN:** That is all there is to it. That is my ruling. He has answered twice on it; he has given his answer. Now, any questions on investigations by all means ask him, but we will not entertain any questions or pussyfoot around the issue of an investigation into the member of Johnston.

**Mr REED:** Well, if nothing else, Mr Chairman, can I thank the minister for putting on the record his obstinacy in relation to this matter, and his inability or lack of desire to be open, honest and accountable, as his governments suggest they would be.

**Mr HENDERSON:** This is the budget appropriation.

**Mr REED:** Whilst, minister, you were prepared to broach this issue in the House last week and you were very boisterous about it, I find your lack of desire to do so now intriguing, to say the least.

**Mr DEPUTY CHAIRMAN:** If you are not going to ask a question, member for Katherine, we shall move on.

**Ms LAWRIE:** A point of order! This is a statement, not a question.

**Mr REED:** I can see why you are all so sensitive.

**Mr DEPUTY CHAIRMAN:** Do you have a question, member for Katherine?

**Mr REED:** Mr Chairman, I do have other questions. In relation to investigations into minor incidents, is it normal practice for the investigation of a minor incident to take the best part of 12 months?

**Mr HENDERSON:** Member for Katherine, this is a debate about, and an opportunity for the committee of the parliament to scrutinise the 2003-04 ...

**Mr REED:** Activities of police.

**Mr HENDERSON:** ... appropriation. If you want to be specific and trawl back over the debate of the House last week, you had the answers in the House last week, member for Katherine. This is a debate about the appropriation of the 2003-04 budget. It is not about a committee inquiry into specific individual allegations that are being laid against any member of the public or the parliament; it is about the 2003-04 Budget.

**Mr REED:** Thank you, I accept that in relation to my last question which you did not answer and artfully dodged, minister. I ask it again: is it customary for an investigation into what is described as a minor offence to take, in this case, 11 months?

**Mr HENDERSON:** Well, it may well be. It may well be.

**Mr BURKE:** What performance criteria is that ...

**Mr HENDERSON:** Look, you are wasting your own time here. You can get to something that is important.

**Mr REED:** Well, that is a matter of your opinion.

**Mr HENDERSON:** But I will keep saying - I know where you are coming from. I am not going to comment on a particular investigation or inquiry that may be being undertaken by police at this point in time. This is about the 2003-04 appropriation of \$146m worth of budget ...

**Mr REED:** Exactly! That is my point.

**Mr HENDERSON:** ... to Police, Fire and Emergency Services, not how much time a hypothetical, possible, inquiry might take. It might be entirely appropriate for a minor inquiry to take 11 months; it might be inappropriate. Until that matter is concluded, anything else is purely conjecture.

**Mr REED:** Minister, you have just said that I was alluding to a hypothetical case. I was not. In fact, I was alluding to, directly relating to, an investigation that you told the parliament was underway, and had been under way for many, many months, it seems the best part of 11 months. If it takes police 11 months to investigate a minor incident, I seek from you information in relation to the performance measures that are undertaken in relation to police activities, and how that can comply in terms of a reasonable outcome, the reporting to this committee, and in due course the parliament.

**Mr HENDERSON:** Well, again, any rudimentary understanding of the police process of investigations,

inquiries that police may pursue on individual matters, are all determined by the circumstances of the particular case. Now, that may take 12 months; it may take two years; it may take 10 minutes. It is all dependent on the case at hand. To draw a benchmark and performance criteria that says 'all inquiries will be undertaken within a hypothetical six week period' is totally inappropriate and really shows a fundamental misunderstanding of how police conduct their business.

**Mr REED:** Can I just ask the minister, in terms of a matter that police would investigate, that in turn, and I use this by way of example, that matter goes to court and is resolved so that there is an outcome, and in relation to certain aspects of that incident, further matters were investigated by the police, given that half the work is done in terms of the court case, and a police investigation is then undertaken into other aspects of it, into a minor event, do you consider it acceptable as police minister that your police force is performing in a way that you perceive to be correct? Not me, but yourself.

**Mr DEPUTY CHAIRMAN:** Member for Katherine, I have advised you that I will not take any questions that pussyfoot around the case of any alleged investigation or complaint into the member for Johnson. Look, it is not rocket science to see where you are heading and what you are doing. I have told you quite clearly the minister has answered. He will not respond. He has given you two answers on his responses to any ongoing investigations that may or may not be occurring with the police. I will not entertain any more pussyfooting around on this. I will rule any question inadmissible.

**Mr REED:** Well, thank you for playing into my hands, Mr Chairman, can I just say, in trying to close this issue down. It demonstrates the insensitivity of this government ...

**Mr DEPUTY CHAIRMAN:** Feel free to ask any questions on investigations, but the minister - do you mind?

**Mr REED:** Not at all.

**Mr DEPUTY CHAIRMAN:** The minister has advised you twice, he has given you his answer. Now, can we move on to another question? I will take questions from someone else.

**Mr REED:** The question, Mr Chairman, was not directly related to the incident to which you refer.

**Ms Lawrie:** Oh, yes it was. You are so deceitful!

**Mr REED:** The minister can answer the question if he wishes and I hope that he will. Is the level of performance in that example acceptable to you from your police force?

**Mr DEPUTY CHAIRMAN:** Member for Katherine, we have about four output groups to go through. If you want to keep on going around like this, I will leave it to the minister, then, to answer as he wishes to or to give you the response. But you had better make sure you are asking questions, because I am not going to entertain statements.

**Mr HENDERSON:** Again, speaking hypothetically, these issues are entirely a matter for the police, and to be alleging, as the member for Katherine is alleging, that police are not pursuing their job as expeditiously as they should be and casting some sort of accusation about police processes, I find absolutely offensive.

The integrity of our police in discharging duties under the *Police Administration Act* under the Westminster system is absolutely, without doubt, of the highest order. To be alleging that there has been some sort of tardiness in pursuing whatever the allegations are against the member for Johnston, I find offensive. When that matter is concluded, the parliament and the people of the Northern Territory will be advised, but until the matter is concluded, it is an operational issue for the police and it is not for this committee or me as police minister to direct, get involved, seek information as to the status of that inquiry. It is a complete breach of the separation of power in the Westminster system, and it is highly offensive to make any allegations to suggest that police are not discharging

their duties with absolute integrity and accountability.

**Mr REED:** I reject any of those assertions made by the minister. They are outrageous. I simply asked him for his position.

**Ms Lawrie** interjecting.

**Mr DUNHAM:** I am interested in your ruling, Mr Chairman, given that the member for Karama was able to ask about the deployment of police resources to the parliament in Alice Springs, and the minister had quite a fulsome answer that ...

**Mr DEPUTY CHAIRMAN:** Is this directed to me?

**Mr DUNHAM:** No. I am going to pose a question of resources to the minister. In that case, not only did he know how many police were there, he knew how much payroll tax had been paid to deploy the police to that event. So it is entirely relevant for us to be asking about issues relating to the resources deployed to a particular noteworthy case that is in the media.

The question my colleague asked, and I am prepared to ask it if you will allow, deals with resources deployed to this case. I understand that three policemen were involved. I would have thought that that was a very extravagant use of resources.

**Mr DEPUTY CHAIRMAN:** I have ruled on this before for the member for Katherine. Same to you, member for Drysdale. I will put the question: are there any more questions on this output?

**Mr BURKE:** Yes, I have, Mr Chairman.

**Mr DEPUTY CHAIRMAN:** All right, but if it is anything to do with the questions to which the minister has already provided answers, I will close this output because clearly, we are not going anywhere, and we will move on to the next one. If you are not capable of doing your own work, then I will move it along for you.

**Mr REED:** You have been a great help, Mr Chairman.

**Mr BURKE:** Under the output area Complaints from the Public Successfully Resolved and Clearance Rate of Stated Offences, you have Offences, Victims of Property Crime - 30 days. Where does that benchmark come from, and what does it mean?

**Commissioner WHITE:** That is the national benchmark. We employ ABCS methodology and allow 30 days to measure offences cleared, but I would point out that we do clear offences beyond 30 days. That is a standard methodology adopted by the Australian Bureau of Crime and Statistics and employed for national crime recording.

**Mr BURKE:** So if there were a complaint laid against a person, you would expect, against a national benchmark to attempt to clear it within 30 days? It could be a breach of the law. I am saying that under the national benchmark you just stated, you would expect to clear it in 30 days?

**Commissioner WHITE:** Ideally, we would aim to clear matters within 30 days, but it is not always the case. We have a number of cases that go beyond the 30 days. It is a benchmark figure that we use in our reporting.

**Mr BURKE:** Can you tell me - what that means to me if I read that, it says 30 days. On the face of it, it means that you clear your offences within 30 days.

**Commissioner WHITE:** It is a measure of performance in terms of the time it takes you to clear an investigation by way of arrest, report or summons, yes.

**Mr BURKE:** If I read the ABS Report on Government Services, where your 30 day benchmark comes from, it says for the Northern Territory with regards to property crime: 'The proportion of investigations in reported unlawful entry with intent, which were finalised within 30 days with the offence becoming known to police, range from 12.9% in the ACT to 5.6% in the Northern Territory'. So, under your 30 day benchmark rule, the lowest clear-up rate in Australia is the Northern Territory. Is that what that 30 day figure means?

**Commissioner WHITE:** I do not believe it is the lowest clear-up rate in Australia, Mr Burke. Is that from the Report on Government Services?

**Mr BURKE:** Page 5.40 on the Report on Government Services, which I understand to mean would be the reference to 30 days, it shows that the NT has the lowest clear-up rate in Australia for unlawful entry with intent. Property crime, which it then says here, victims of property crime - 30 days.

**Commissioner WHITE:** That is for the 2001-02 fiscal year. I would need to take the question on notice. I have just opened the page, but I will need to analyse it. I would probably go back to my annual report to look at what that says about offences cleared within 30 days.

**Mr BURKE:** There were some, for example, motor vehicle theft, and I do not want to waste time, but the Northern Territory is doing better than other states. There is an issue there that is interesting in itself. I make the point that, and you have said it, and that is that under normal circumstances, you would expect a complaint, on national benchmarks, where a breach of the law would be expected to have occurred, to be cleared up within 30 days.

**Mr HENDERSON:** That is a target and something to be aimed at, but it does not compel or require the organisation to meet that in every circumstance. Clearly, there will be some circumstances where 30 days will be exceeded, depending on the nature of the allegation and the inquiry that needs to be pursued.

**Mr BURKE:** So if a person made a complaint to police, and say you range from 30 days onwards in terms of being able to clear that investigation up, what would be the sort of feedback that the member of the public or, indeed, any person, including a police officer, could expect in relation to that complaint?

**Mr HENDERSON:** It all depends. If you are talking about an official complaint that was made to police, officially recorded as a complaint, a PROMIS number allocated to that, in those regards there would be a process. I know where you are going, member for Brennan, and I just think your trying to be deceptive with the issue that you are trying to pursue.

**Mr BURKE:** In the first instance, minister, you are deceptive in just writing a figure of 30 days according to your own survey benchmark, because to write 30 days gives the impression to anyone who reads the budget book that your performance outcome is clearing up property crimes in 30 days on a national benchmark.

**Mr HENDERSON:** It says 'average'.

**Mr BURKE:** Okay. Well, on the national benchmarks, the Northern Territory has the lowest clear-up rate in Australia.

**Mr HENDERSON:** In 2001-02, six months of which you were in government.

**Mr BURKE:** In 2001-02 - it will be interesting to see what it is for next year on that benchmark. As a

general rule, I want the Police Commissioner to confirm this for me through the minister, as a general rule you would expect a complaint that has been laid, recorded on PROMIS, under your benchmarks, to be cleared up within 30 days as an objective.

**Mr HENDERSON:** I will hand that over for a detailed response. However, I do point out that the report to which you are referring, 2001-02, your government was in government for six months of that and this government for the other six months. I am sure that if we went back to previous reports from the same organisation, that clear-up rate would have been fairly consistent. So, we agree that it is not good enough, and we aspire to do much better in terms of the clear-up rates for property crime. I will hand over to the Commissioner for a detailed answer.

**Commissioner WHITE:** If I can respond by saying, in an ideal world, yes, it would be nice to clear all crime within 30 days. We know that is not feasible. My annual report, at page 97, indicates that, for instance, offences against property, table 4.2, unlawful entry with intent, the total percentage cleared for the financial year 2001-02 was 13%. My understanding is that national benchmark is around 13% for total offences cleared.

**Mr HENDERSON:** As opposed to within 30 days.

**Mr BURKE:** Yes, but for that year also, it is clear that we have the lowest clear-up rate in Australia.

**Commissioner WHITE:** As I said, I would need to take the question on notice. That is indicating to me within 30 days, yes, but in terms of total cleared, 13%.

**Mr DEPUTY CHAIRMAN:** Have you got a question to ...

**Mr BURKE:** Which were finalised in 30 days, it is written there clearly. Within 30 days for that year, we were the lowest.

**Mr HENDERSON:** It is there in the documents. Again, for the record, I point out that for six months of the period of those figures, the previous government was in power.

**Mr BURKE:** We need a better descriptor in the books, but we will not argue these things ...

**Mr Dunham:** We are not arguing the statistics, we are arguing whether it adequately describes what you are trying to do.

**Mr BURKE:** I have no more in that output.

**Mr DEPUTY CHAIRMAN:** Are there any more questions on output 2.1, Investigations? As there are no further questions I consider that output closed.

#### **Output 2.2 – Services to the Judicial Process**

**Mr DEPUTY CHAIRMAN:** The committee will now consider output 2.2, Services to Judicial the Process.

**Mr BURKE:** I asked questions of the Attorney-General this morning, or the shadow did, and I am sure they have been referred to you, that he said were more properly the prerogative of the police minister. It is with regard to the Magistrates Court, where a hearing is scheduled and a person fails to appear at that hearing and, subsequently, a warrant is issued. Do you have any performance indicators of the success of police in exercising those warrants, as against warrants issued? If not, why not?

**Commissioner WHITE:** I would need to take that question on notice. I do not have the information before me.

**Mr HENDERSON:** Generically, my advice on this is there has been no change in police processes in the execution of warrants. Specifically, I am unsure of exactly what detail you want. Do you want to know how many warrants were issued in a particular year?

**Mr BURKE:** Well, I will give you, if you like ...

**Mr HENDERSON:** Just a specific that we can ...

**Mr BURKE:** The specific is this: it goes to resourcing of police, adequacy of police to perform their duties, and also what is stated to me to be avoidance tactics by certain elements of the legal profession. That is, in the case of one area, the Katherine Magistrates Court, I am told that on any Thursday, people are scheduled to appear at a hearing, they do not appear, a warrant is issued for their apprehension and appearance, and because those warrants are not being followed up, those people do not come to the notice of the courts again until they commit another crime. That, in itself, needs to be looked at very closely because it goes to the heart of whether police have the resources to follow up on these warrants. The allegation is, as I said, that this is being used as an avoidance tactic because police do not have the capability to follow up those warrants. I was told by the Justice Minister this morning that it is a police issue.

**Mr HENDERSON:** Well, regarding the specific allegation, it is very generic. In discussions my office has had, the advice has been that there has been no change in police effort or process in this area. There are systems in place when people come to the police's attention that, via IT systems, they are advised that there are warrants outstanding against those people and apprehensions are made. The process is in place. The specific allegation that police are not following up in relation to this has been denied. I am just wondering through ...

**Mr BURKE:** Well, I gave you the opportunity to deny it. That is what I want to know: the answer.

**Mr HENDERSON:** We will take the Katherine example, and provide a response. I am sure we can get a snapshot, in the last X number of months, how many warrants were issued.

**Mr BURKE:** It would be helpful.

**Mr HENDERSON:** My advice is that that is not the case but we can take a snapshot over a period of time in Katherine. I will take that on notice.

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#### Question on Notice

**Mr CHAIRMAN:** Thank you, minister. For *Hansard* purposes, Leader of Opposition would you like to just repeat the question.

**Mr BURKE:** It is the same question that the minister for Justice said that he would attempt to get as much information as he could, but with the rider that he did not believe he could provide it, and said it was a police responsibility. It essentially is this: for a period - and I leave it to the Police Commissioner to select a reasonable trend line - where a person is required, scheduled or whatever to appear at a hearing at the Magistrates Court, we can pick Katherine, and that person fails to appear and a warrant is issued, how many of the warrants are served and the applicant brought before the court to respond to that warrant?

**Mr CHAIRMAN:** Minister, you have indicated that you are prepared to accept that question?

**Mr HENDERSON:** I will take that question on notice.

**Mr CHAIRMAN:** That question has been allocated number 5.5.

**Mr WOOD:** I thought we got that information at the death, basically ...

**Mr BURKE:** No, we did not. I have been listening carefully.

**Mr WOOD:** I thought we got a figure of something like 2000 warrants and 600 ...

**A member:** No, no that was a different thing.

**Mr WOOD:** Different thing?

**Mr CHAIRMAN:** Does that clear up your issue?

**Mr WOOD:** Yes, thanks.

**Mr CHAIRMAN:** Next question.

**Mr HENDERSON:** Mr Chairman, I do have advice in regards to the firearms issue posed by Mr Burke. I will table this, but ...

**Mr CHAIRMAN:** Do you have a question number?

**Mr HENDERSON:** Number 5.3. Since December 2001, Customs will not permit a prohibited weapon to be brought into the country. If a person brings a non-prohibited weapon into the country, they require a permit from Customs.

**Mr BURKE:** Which are easily obtained.

**Mr HENDERSON:** I am just reading the advice. As far as the importation of hand guns into Australia that are not prohibited, the process has not changed. However, as sporting shooters are concerned, it has not been possible to legally import prohibited hand guns. So I am not sure whether that gets you there ...

**Mr BURKE:** No, it does not get me anywhere. These are not prohibited hand guns. They are those that are - in fact, some of them would even be allowed under the new legislation, but because they are currently in the hands of police, they will be destroyed.

**Mr HENDERSON:** We will pursue that further and maybe outside of this, we will pursue it further, but if Mr Burke, you can give me a specific example, it might be easier to get the right answer.

**Mr BURKE:** I can give you one example but I think it applies – it is an issue of, as you said, equity and compensation.

**Mr HENDERSON:** We will chase it down further. I will table that as some advice with more to come.

**Mr CHAIRMAN:** Leader of the Opposition, the question referred to is 5.3. Are you accepting that?

**Mr BURKE:** No, it has not been answered. But I take minister on his word; I have every faith that he will attend to this issue.

**Mr CHAIRMAN:** Okay, we will leave it at that, thank you.



**Mr BURKE:** He will get back to me.

**Mr CHAIRMAN:** My understanding is that now completes output group 2.0.

**OUTPUT GROUP 3.0 – Road Safety Services**  
**Output 3.1 – Road Safety Services.**

**Mr CHAIRMAN:** Are there any questions.

**Mr BURKE:** The question I had was with regards to revenue received by police through road safety infringements. Is that an appropriate question to the minister in this output area?

**Mr HENDERSON:** The police do not receipt the revenue from speed cameras. That goes to, I believe, somewhere in Department of Justice, Office of Courts Administration. It is not a revenue for police that is recorded in the police budget papers.

**Mr BURKE:** Maybe I could be more specific in the question. How many traffic infringement notices were issued or are estimated to have been issued in 2002-03 compared with the previous year? If it is broken up between red light and police on the beat, it would be even better, but I appreciate that it may not be.

**Mr WOOD:** Mr Chairman, I just want a clarification, and the Opposition Leader might know. When the member for Goyder asked the question of the Minister for Justice, he turned it over to the Minister for Police, I believe.

**Mr BURKE:** That is why I am asking it.

**Mr WOOD:** Now we are saying it goes back to the ...

**Mr DUNHAM:** No, he is saying it is his operational duty, but he doesn't pick up the cash.

**Mr WOOD:** I realise that.

**Mr HENDERSON:** We do not get the money, Gerry.

**Mr DUNHAM:** He can tell you how many, but he will not tell you how much.

**Mr HENDERSON:** I cannot tell you how much.

**Mr WOOD:** I thought that is what the member for Goyder was asking.

**Mr DUNHAM:** Yes, he was.

**Mr HENDERSON:** I will hand over to the Commissioner. We have a brief on it.

**Mr BURKE:** You can table it, if you like, Commissioner.

**Mr HENDERSON:** Put it in context, Commissioner, I think.

**Commissioner WHITE:** In 2001-02, a total of 51 155 infringement notices were issued. Of that number, 43 754 related to exceed speed limit.

**Mr Dunham:** Gee!

**Commissioner WHITE:** For the year 2002-03 to date, the total number of infringement notices issued is 38 563, and in relation to exceed speed limit, of that number 31 376. So year to date, there has been a substantial decline in the number of infringement notices issued. We believe that there are a number of contributing factors.

**Mr Burke:** I reckon! It has slowed me down.

**Mr Henderson:** I have slowed down. You've got me a few times, so I've slowed down.

**Commissioner WHITE:** Driver behaviour has improved, but also, we took a policy decision midway through the fiscal year to mark up the speed camera vans, and to advertise their location. We believe that has had a positive effect on driver behaviour.

**Mr BURKE:** Do you have the figures broken down by infringements? I am interested in unroadworthy vehicles.

**Commissioner WHITE:** Yes, I do. For the fiscal year 2001-02, 177 infringement notices were issued for unroadworthiness; 2002-03 year to date, 188.

**Mr BURKE:** That is good. What is the estimated revenue raised via traffic offences in 2002-03 compared with that raised in 2001-02?

**Mr HENDERSON:** We don't have that information because we do not receipt the revenue. I am not trying to be ....

**Mr BURKE:** Yes, all right.

**Mr HENDERSON:** I am sure that it is reported publicly through Justice's annual report. There would be public reporting of that through annual reports.

**Mr BURKE:** In terms of money returned to the Road Safety Program, that is another minister's portfolio?

**Mr HENDERSON:** Yes. Mr Vatskalis has Road Safety.

**Mr DUNHAM:** I am interested in that radical drop. You believe it is modification of driver behaviour - and I guess the only way you could ascertain that is to determine whether you are sampling the same traffic sample and finding that the speeding drivers are dropping - or could it be put down to less sampling or fewer guns on the road?

**Commissioner WHITE:** My understanding is that the enforcement level is unchanged in terms of equipment used. It would seem that greater marketing of road safety as a critical issue; the launch of the road safety strategy; the policy decision to mark up some of the speed camera vans has influenced driver behaviour and fewer people are being caught for speeding.

I would make the point that it is very pleasing to see that the number of casualty crashes has reduced. So while the number of infringement notices has gone down for speeding, the number of casualty crashes for the Northern Territory for this financial year to date is estimated to be 682. For the last financial year, 2001-02, it was 819. That is 137 fewer casualty collisions. Now, I say that, bearing in mind that the actual number of fatalities at the moment is higher than it was the year previously. I might also add that there was an unfortunate spike towards the end of the last calendar year, where we perhaps two triple fatals and one where four or five people were tragically killed on the Stuart Highway.

What we saw last year was, at this point in time, mid-year, it was a reasonable figure, as reasonable

as fatals can be, but there was quite a strong upward spike towards the end of the year. So, whilst the number of fatals is about five or six above what it was last year, my hope, and the hope of the police force, is that we will be able to constrain the number of fatals to the lowest degree possible, and not have that spike that we had last year.

**Mr DUNHAM:** I am not sure if we should pose questions on this issue now, is it Road Accident Safety, or should we be posing them to you, minister?

**Mr HENDERSON:** The Road Safety Authority, or the group that advises government on policy sits in the Transport minister's portfolio. However, in terms of enforcement of government policy, that does lie with police, so I am happy to take a question and answer it if I can.

**Mr DUNHAM:** It appears that diligence in enforcement and reduction in speeding has not had a nexus with road fatalities. Therefore, there have to be other strategies. I wonder if you could tell us what they are. I know they may not sit within your province, I am just saying all of us here want some strategies to address this, and regulation will only go so far. It would appear that there has to be some other strings to our bow.

**Mr HENDERSON:** The Commissioner did advise, at the launch of the Road Safety Strategy, so Commissioner, maybe you can talk to that document.

**Commissioner WHITE:** Yes, I would begin by saying we hope we do not have the spike we had last year, and that we will be able to contain this year's fatalities to the lowest extent possible. Having said that, we are well aware that enforcement alone is not the answer to this. It is like a lot of social problems confronting us; there are multiple causes and multiple solutions are required.

Our Road Safety Strategy, launched a couple of months ago, has four focus areas, being: enforcement; education; engineering; and evaluation. Contained within each of those four focus areas are strategies designed to help improve road safety, whether that be by increasing education to all sectors of our community, including interstate and overseas tourists and the indigenous population, or whether it be training our members in terms of road safety strategies, working with other government departments to reduce road hazards, or increase signage in areas where they need to be signed up, and evaluating our enforcement efforts and our education efforts to see whether or not they are being effective, and then readjusting them as required.

**Mr DUNHAM:** When you come to an accident site, is note taken of the state of the road, the state of the verges, how clear they might be, whether there is a drop-off from the bitumen to the edge. Are those things recorded statistically?

**Commissioner WHITE:** It would probably depend on the nature and type of the collision, and its seriousness. I do not know whether that would be undertaken in all cases, but in the more serious collisions, yes it would. As I indicated, one of the four focus areas of our Road Safety Strategy is engineering. Engineering plays a critical role, whether it is improving the safety of vehicles or roads, and we have seen, over the last 20 years or so, remarkable improvements to vehicle safety, whether it be through improved design or air bags and the like, and, in a similar style, the challenge is there for engineering in improving road surfaces and, as you say, those verge areas, which can be problematic.

**Mr DUNHAM:** But are stats captured?

**Commissioner WHITE:** I have to ...

**Mr DUNHAM:** Right.

**Mr KIELY:** Minister, we heard that the casualty rate dropped by 137 from 600-odd over the last year. We have heard much about accrual accounting and attribution of costs and all that. Is there any way

of working out (1) the cost to society of people injured in accidents, and what that means as a cost to the community, and (2) the direct cost to the Police, Fire and Emergency Services who attend these accidents? What I am actually looking for is: what do accidents cost us as a society and, particularly also in the portfolio responsibilities? Then, as there has been a reduction of 137 for various reasons - but I put it to you that some of those are good policing strategies, good traffic strategies - what savings have we been able to manage as a community over that period by that reduction?

**Mr HENDERSON:** It really is quite a fascinating area, statistically. I suppose one of the most impressive briefings I have had from police has been from Superintendent Mark Jeffs at Nightcliff, who runs the Traffic Squad. The statistics he has collected on crashes and fatalities are quite extensive. However, I might hand over to the Commissioner for some of those broader numbers, particularly in relation to fatalities.

**Commissioner WHITE:** I can tell you that vehicle crashes were estimated to cost the Northern Territory community \$202.5m in 2001. That is sourced from *Road Costs in Australia*, Report 102, Bureau of Transport Economics 2000. More particularly, it is estimated that the total cost to the community for each fatal motor vehicle accident is approximately \$1.3m. Therefore, with the reduction in the last four years of the number of 30 - that is, 30 fatal crashes is the reduction over the last four years - that would equate to savings to the community of approximately \$41.45m.

**Mr KIELY:** If I can make an observation then ...

**Dr Lim:** Statement!

**Mr KIELY:** ... the revenue from the speed cameras or traffic infringements is nothing compared to the outgoing costs of road accidents to the community. I would say that with the greater savings, rather than concentrating on the money coming in from traffic infringements, the real concentration should be on getting that number down even more. That is where the true savings to the community can be found.

**Mr HENDERSON:** Commissioner.

**Commissioner WHITE:** If I can, thank you, minister, I might add that that is the economic cost. There are enormous social costs to the community beyond dollar calculations.

**Mr BURKE:** Under the heading 'Performance Measures', subheading 'Quality' in 'Road Safety', there are three categories. Could you indicate which report on government services they come from, and in which year the survey was done? If it is the same survey we have been referring to, I just need a nod. Is that yes?

**Commissioner WHITE:** Yes.

**Mr BURKE:** The first category refers to the wearing of seatbelts: 'Persons who wore a seatbelt most of the time or always'. The latest reported government surveys has actually turned this question around. It mentions people who have driven in the last 12 months and never travelled in a car without wearing a seatbelt. The figure for the Territory is the lowest across Australia at 79.3%. Does the minister agree this would appear to be a deterioration in the level of compliance with seatbelt laws from the figures used in the budget?

**Mr HENDERSON:** I will hand over to the Commissioner who has the detail on this.

**Commissioner WHITE:** Very quickly, looking at the chart, on this occasion I would suggest that, given that the question is in the negative - that is, that they have never travelled in the car without wearing a seatbelt - the Northern Territory percentage of just under 80% is the best in Australia.

**Mr BURKE:** I will accept that, if that is the true interpretation of it.

**Commissioner WHITE:** I hope my interpretation is correct. That is my quick analysis.

**Mr DEPUTY CHAIRMAN:** I remind members that we have 10 minutes left.

**Mr BURKE:** Okay, we can turn them all around, if you like. The second category relates to persons who indicated they had never driven over 0.05. The budget quotes a figure of 88%. That report says this figure has dropped to 83% in the Territory. Again, on my reading, a deterioration of standards. I ask if that is your interpretation.

**Commissioner WHITE:** On that occasion, you are right, Mr Burke; that is a lesser standard than the rest of Australia.

**Mr BURKE:** So, it is a deterioration in our previous performance as well?

**Commissioner WHITE:** I don't have what the previous performance was; I only the year 2001-02.

**Mr BURKE:** Well, seeing as we have just started accrual accounting, I will accept that.

The third category is persons who indicate they have never driven 10 kilometres over the speed limit; that is what you have written. The budget says the figure is 69%, and I note that you seem happy to maintain that performance level, which I question as well.

However this latest report on government services published in January has turned that question around also. It now reports on people who indicated that they had driven in the last 12 months more than 10 kilometres above the speed limit sometimes or more often, and the report says that the Territory has the equal top number of speedsters, with Queensland at 70.1%. So what we see in this report is a complete turnaround on the figures in the budget. The budget says 69% have never driven 10 kilometres over the speed limit, and now it is 70.1% who say they sometimes or more often than not drive 10 kilometres in excess of the speed limit. Does this indicate a deterioration in traffic violations?

**Commissioner WHITE:** I do not know if I can answer it in that respect. The report on the government service relates to one calendar year. The national average cited as 69% has been taken from a national report and I need to qualify where they derive the national average of 69%. Looking at the chart in front of us, all of the jurisdictions are between 60% and 80%, and most of them between 60% and 70%, so I am assuming that somewhere amongst that someone has done the figures and the national average is 69%.

**Mr BURKE:** Just in summary, it would seem to me that if you have a footnote on a budget that says this is the AC Nielson survey - and you can quickly go to the survey - the examples of quality of performance that are given in the budget differ entirely from the AC Nielson survey in the way it has been turned around. So that we save ourselves a lot of heartache - it also gives the impression that we are fudging the figures. I make that observation so we do not have that situation next time. Also, I question the way that they have been interpreted and what is the true picture, notwithstanding the benchmarks across other jurisdictions.

**Mr HENDERSON:** I do not know if the Commissioner wants to respond to that statement.

**Commissioner WHITE:** Yes, thank you, minister. I understand the point being made by Mr Burke. I would at this point say that it is the first year of accrual accounting and output statements and the requirement to submit to performance indicators, and they will be subject to ongoing review.

**Mr BURKE:** May I say also, Commissioner, that you are probably the only department that has not

used subjective inhouse performance measures. At least you can find a benchmark. That is a good thing and it is to be congratulated.

**Mr WOOD:** My question was about the police library. Would it come under non-output specific budget questions?

**Mr CHAIRMAN:** I could not fix your problem up here. If there are any other questions?

**Mr BURKE:** I have no more.

**Mr CHAIRMAN:** One more?

**Mr BURKE:** No.

**Mr CHAIRMAN:** In respect of output group 3? That being the case, that completes output group 3, which means we now go into the next five minutes in regards to non-output specific budget questions.

#### **Non-output Specific Budget Questions**

**Mr WOOD:** Minister, my question is about the funding of librarians to run the police library service. Is that going to be funded by the Library Services – I believe it used to be – or is it now going to have to be a requirement of the Police, Fire and Emergency Services to find money out of their own budget to employ librarians for their library?

**Mr HENDERSON:** I will offer an opportunity to the Commissioner to answer that question.

**Commissioner WHITE:** The situation is that DCIS recently conducted a review of library services across government. Yes, we do have our own librarians. DCIS has proposed that we retain our library services, but in fact, we pay for their salaries. Our position is that when these positions were transferred to DCIS, the salaries were transferred from the police to DCIS to go with them.

I have written to the Chief Executive Officer of DCIS saying that if we are going to retain our library services, then we need to have the funds from DCIS recompensed, given that, when they went to DCIS, we transferred the salaries with those two positions.

**Mr HENDERSON:** I will have to talk to Dr Toyne about this, obviously.

**Mr WOOD:** I hope that the minister will support that because the police are desperate for funding for police, and the library service should continue to be funded by the previous methods that allowed them to have those librarians.

**Mr ELFERINK:** Very quickly, if I may, Mr Chairman. Just a couple of electorate questions in relation to Kings Creek Station. Minister, Kings Creek Station has had the unfortunate role for many years now of having to support accidents on the road to Kings Canyon, and indeed, six fatalities in the last 12 months, I am led to believe, as well as hundreds of man hours, fuel and equipment spent supporting emergency service roles in the bush.

No counselling, as I understand it, for staff members who are sent in to do this sort of work, effectively on behalf of the Northern Territory Government. They feel obliged, of course, to do the work. What support is there for them now and what support will be there for them in the future?

**Mr HENDERSON:** I am aware of this. I have met with Ian and Lyn Conway on this issue. We are progressing through the issue. Reading from the brief, the most recent initiatives taken by police have been the formation of an independent volunteer unit at Watarrka; the development of specific counter-disaster plans for the Watarrka area by NTES; provision of additional emergency equipment to the volunteer unit by NTES; development of a common radio emergency frequency for communications

from the area; and the provision of command control coordination training from the ES unit and the stakeholders.

I can also advise that the counselling that wasn't provided in those instances - and there are very heart rending examples of how the people at Kings Creek Station have had to respond – in the future if they were to respond, counselling will be made available.

We are mindful of issues out there. One of the reasons for committing to seal the Mereenie Loop is to provide a safer road in that area. We are also working with Kings Canyon Nominees about a proposal for a possible emergency services or police facilities out there. So that is something that will progress during the year, but I am aware of the issue and of the individuals concerned.

**Mr ELFERINK:** 300 000 people a year. Do you think it's time that it might be worth putting some staff out there?

**Mr HENDERSON:** We are working through that at the moment. It is not a budget item for this year. Commissioner, I don't know whether you have any more information on it.

**Commissioner WHITE:** The current situation is that Kulgera, Yulara and Ntaria provide policing services on a regular basis into the area. We recognise that is less than ideal. We are working with the community through the Commander of Southern Region. Recently we have received correspondence from Kings Canyon in relation to what they see as a possible option.

**Mr CHAIRMAN:** Thank you. That concludes these non-specific budget output or global questions. I thank the minister for your attendance here today. I would also like to thank, obviously, Commissioner Paul White and Chief Fire Officer Darryl Pepper, Ms Audrey Ko and Rose Hallett.

**Mr HENDERSON:** I would like to put on the record my thanks to the Commissioner, his staff, and the Chief Fire Officer for putting the budget together. It has been a huge amount of work and they have done a great job, so my thanks to them.

**Mr CHAIRMAN:** The Estimates Committee will resume at 7.14 pm.

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The committee suspended.

## MINISTER AH KIT'S PORTFOLIOS

### COMMUNITY DEVELOPMENT, SPORT AND CULTURAL AFFAIRS

**Mr AH KIT:** Thank you, Mr Chairman. I am here this evening, to answer questions the committee may have in relation to my portfolio areas. As Minister for Sport and Recreation, I am pleased to be with you, even while the State of Origin kicks off. I will try to get a runner in here from time to time to update us on progress.

I am joined tonight by the Chief Executive of the Department of Community Development, Sport and Cultural Affairs, Mr Mike Dillon, and members of his executive staff. Mr Dillon is also the Chief Executive Housing. Ms Ellen Adriaansen is the Executive Director responsible for financial management in the department, and she will also assist the committee through its deliberations. Mike and Ellen will be joined by other members of the executive as appropriate to the committee's deliberations. Later in the evening, I will be joined by the Acting Chief Executive Officer of the Aboriginal Areas Protection Authority, when the committee considers the appropriation for the authority.

The Department of Community Development, Sport and Cultural Affairs includes responsibility for delivery of the government's program in Arts and Museums. The Chief Minister invited questions in this area of appropriation yesterday. I will answer any questions the committee has in relation to Library and Information Services. The output costs for Library and Information Services as shown at page 166 on Budget Paper No 3, as distinct of other costs of the department's division of Arts, Museums and Library Services.

As is the case for other ministers, I will answer questions in regard to the scope of capital works programs in my portfolio. The Minister for Transport and Infrastructure tomorrow will answer questions in regard to the contractual detail of capital works contracts administered by the Department of Infrastructure, Planning and Environment.

The Department of Community Development, Sport and Cultural Affairs delivers Essential Services – power, water, sewerage, airstrips and barge landings - to some 70 indigenous communities throughout the Northern Territory. These services are delivered by the Power and Water Corporation through funding provided by the Department of Community Development, Sport and Cultural Affairs. I will answer questions in regard to those services.

Mr Chairman, a feature of this year's budget in regional development is extra funding provided for implementation of the *Stronger Regions, Stronger Futures* strategy. This strategy is a key driver of the government's commitment to delivering more jobs and safer communities to the regions.

This year's budget also provides a substantial funding boost for the government's initiative, commonly referred to as the Itinerants Project. The issues are complex and require a wide ranging response. It is recognised that the response needs to cover medical interventions where necessary, as well as short-term interventions to ensure that antisocial conduct is addressed. The budget also provides increased funding to expand the strategy throughout the Territory. It is recognised that the neglect of remote communities over many years has added to these problems, and the government is also addressing issues of improved service delivery and job creation in remote communities. The Itinerants Strategy is a significant component of the whole-of-government strategy to deliver safer communities.

The budget also continues the government's expanded commitment to indigenous essential services. Funding in this vital area has been increased by more than \$10m over the last two budgets. There remains a large backlog of critical investment decisions due to the rundown of these assets over many years by the previous government. The department is currently finalising its contractual agreement with the Power and Water Corporation that will include, as a key objective, the creation of job opportunities in remote communities.

In the housing portfolio, unfortunately, this year the Northern Territory has suffered a large cut to Commonwealth funding under the Commonwealth-State Housing Agreement. This cut is particularly concerning in the Aboriginal Rental Housing Program, where all the data indicates the greatest need in the Northern Territory and the Commonwealth has acknowledged this. I am currently in negotiations with the Commonwealth in regard to these matters, and I am hopeful that additional funds will be secured in the coming financial year additional to those published in the Commonwealth budget.

With regard to the appropriation to Housing Services, Government Business Division, any questions should be addressed in order of the business lines, that is, first the Public Rental Housing Assistance business line; then the Government Employee Housing business line; and finally, the Home Ownership business line.

Mr Chairman, I am very proud of the work done by the Department and the GBD. I believe that we have achieved some very good outcomes to date. I am confident that significant achievements will continue to be made in the coming year. I look forward to your questions.

**Mr CHAIRMAN:** Thank you, minister. The committee will proceed to consider the estimates of the proposed expenditure contained in the Appropriation Bill 2003-04 as they relate to the Department of Community Development, Sport and Cultural Affairs.



## OUTPUT GROUP 1.0 - Local Government and Regional Development

### Output 1.1 – Local Government

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, at page 179 of Budget Paper No 3 for 2002-03 under Local Government and Regional Development, the department's focus was: 'Strong regions and communities' through 'funding support and performance monitoring of strong partnership agreements for effective service delivery.' However, on page 167 of Budget Paper No 3 for 2003-04, partnership agreements are no longer mentioned. Has the government moved to abandon partnership agreements with local government? What does the department mean by 'Funding support and monitoring of performance of local government bodies, carriage of residual local government functions'? What are the residual local government functions, and does this signify a shift in the *raison d'être* of the department?

**Mr AH KIT:** There are about four or five questions bundled up into one there, Mr Chairman. I ask the member for Greateorex if it is possible, for the record and for my response, to take them in part.

**Dr LIM:** I refer you to page 179 of Budget Paper No 3 of 2002-03. Under Local Government and Regional Development, the opening paragraph is: 'Funding support and performance monitoring of local government bodies and development of strong partnership agreements for effective service delivery.' I need to add the next line for you to respond. I ask you to compare that opening statement with page 167 of Budget Paper No 3 of 2003-04, and draw your attention to the statement: 'Funding support and monitoring of performance of local government bodies, carriage of residual local government functions.'

Comparing these two statements, partnership agreements with local governments is now missing. What has happened to that? What do you mean by 'carriage of residual local government functions'? What are they? I wonder if there is a significant shift of the focus of the department.

**Mr AH KIT:** No, there is no shift whatsoever. I have made many statements in parliament about partnership agreements. *Stronger Regions, Stronger Futures* is just another step in the right direction in respect of partnership agreements. I said in parliament that from the initial trialling and adoption of partnership agreements of Oregon in the United States, it has taken off somewhat in Australia - from my knowledge, in Tasmania and South Australia. It is certainly something that I talk to my caucus colleagues about and my department, and we have implemented the steps towards developing partnership agreements.

Partnership agreements have been in the initial stages, and there are two stages to it. The first stage, we have already entered into with the Palmerston City Council. COAG has nominated the community of Wadeye in the Northern Territory and we have begun to enter into a partnership agreement with the region around Port Keats, Wadeye. We are talking to other municipal councils throughout the Northern Territory that are keen to enter into partnership agreements. That is, with the Alice Springs, Tennant Creek and Katherine municipal councils. Partnership agreements do not end there. Just recently, I met with Kim Hill, the ATSIC Commissioner for the Northern Zone, and Alison Anderson, the Central Australian Commissioner. They are both keen to put back on the rails the partnership agreement we began negotiating with them. They decided that it was not an opportune time to move down that path. We are ready to get back to the table and start negotiating.

It augurs well for the Territory if we, as a government, develop partnership agreements across a whole range of areas, not just with municipal councils, but also with land councils, ATSIC and it be extended into the regions. That is what partnerships are all about, and what it will do is allow us to work out how we have responsibilities to meet each other half-way. For too long, people have expected governments to do everything for them. Well, I am not a minister in this government that is going to do that and, through partnership agreements, we will ensure that we develop these partnerships with communities that will be focussed on achieving agreed outcomes.

We need to develop framework agreements for improved governance, and that picks up the second part of your question. We want to have a long-term commitment to the regional planning process and achieving workable regional agreements. It is no good us entering into these partnerships if we do not agree on the outcomes we are looking for. I think it is an exciting time. It is not something that was deliberately left out. Partnerships are certainly high on the agenda in my department and in what I want to achieve. It will make the Territory a better place because it is more inclusive, and everyone will feel a part of ensuring that the Territory moves in the right direction.

**Dr LIM:** Thank you, minister. When comparing performance measures for local government, Budget Papers No 3 for 2002-03 and 2003-04, why have the performance levels for local government changed? Were last year's performance measures met? Have they achieved the stated goals? If they have not achieved the stated measures, why not? What areas can be improved?

**Mr AH KIT:** What page are you referring to, member for Greateorex?

**Dr LIM:** It is in both books, for 2002-03 and 2003-04, on Local Government Performance Measures. I am sure your officers will direct you to them. I am asking: have they been met? Have they achieved the stated goals and, if not, why not? What areas can be improved?

**Mr AH KIT:** The performance outcomes, as we understand and have been working through them, as far as I am concerned, are being met. We have had a situation, for example, and it is sad for me to raise it on the public record, but the Yugul Mangi situation with their council. For far too long, we have seen situations where councils have gone under, in most cases through no fault of their own, but through bad management. This comes back to the role we play, LGANT and ourselves, in ensuring that there are properly qualified people recruited to these positions of CEO or town clerks for these councils. It is with this in mind that we need to monitor and to ensure that we are doing something to turn the situation around.

Under the previous government - you may agree or disagree with me - there was not a lot of action taken in regards to turning the situation around. We have had situations develop where we saw the Tiwi Islands Local Government Council and how, as I have stated in parliament in the past, people worked right across the initiatives and the thought behind the concept of bringing them together and sharing their resources. What we have seen is a situation where they are now back on track in that sense. It is good to report that. They have settled down and have an accounting system in place. However, we need to ensure that communities, when they move down this path of *Stronger Regions*, *Stronger Futures* regional agreements and regional authorities, are not coerced into a situation with which they are not happy. We have the Nyirranggulung Mardrulk Ngadberre people in Katherine East; we have the Western MacDonnells, as you would know, in the western part of Central Australia, near Alice Springs, and those are developing really well. The more that we develop those in partnership with them, the better it is going to be for other regions in the Territory to see that they are role models as such, in how they are putting their regional authority together through a partnership arrangement with us.

Similarly, in the Top End with Katherine East. We are also working to establish Wadeye on a similar footing. If we can convince other regions that this is the way to go - and I have been approached by a delegation from the East Arnhem area that indicated it is something that they would like to be involved in - then, the more we encourage that, the better we are going to be in getting value for dollar, especially, at the end of the day, knowing that it is taxpayers' dollars.

**Dr LIM:** Coming to my third question in output 1.1. At page 179 on Budget Paper No 3 for 2002-03, \$3.512m was allocated to provide assistance to councils. How much of that was spent and what was it spent on? Why has no similar allocation been made in this year's budget? Does this mean there is a cut for it in the budget of that amount? If not, then show where the allocation is in the Budget Paper No 3 for 2003-04.

**Mr AH KIT:** Sorry, what page was that again, member for Greateorex?

**Dr LIM:** I am referring to page 179 of Budget Paper No 3 of 2002-03, which shows that \$3.512m was allocated to provide assistance to councils. I cannot find any reference to that figure anywhere, nor how the \$3.512m was spent. I am asking how much of that was spent and what it was spent on? Why has no similar allocation been made in this year's budget? Does it mean, therefore, there is a cut in the budget? If not, show me where it is in the allocation in Budget Paper No 3 for 2003-04.

**Mr AH KIT:** Member for Greateorex, I will hand that over to my Chief Executive Officer who has the details in regards to the money you are questioning.

**Mr DILLON:** The answer to this is relatively simple. You are quoting from 'Performance Measure', as I understand it from last year's ...

**Dr LIM:** Correct.

**Mr DILLON:** All those are estimates. It is about performances; it is not about allocations or appropriations. The reason you cannot see it this year is that the performance measures overall - as you have been advised previously in this committee - are only very new, this is the second year. We have been fine tuning them, as all other departments have, to get a better set of performance measures.

**Dr LIM:** So there is no way of accounting for the \$3.5m of estimated expenditure? You do not know where it is, whether it has been used well, or not used at all, and we do not know whether there is going to be any money put aside for 2003-04? Therefore, do I assume that there is no capacity at all to provide assistance to councils for this coming year?

**Mr AH KIT:** I have been advised that it is an output measure, member for Greateorex; it is not an indicative amount.

**Dr LIM:** Through you, Mr Chairman, I would have thought that an entry called 'Capacity to provide assistance to council, \$3.512m' means that that sort of money has been provided to assist councils. Without the money, there is no capacity to assist councils.

**Mr AH KIT:** I will ask my Chief Executive Officer to respond.

**Mr DILLON:** I think the dollars that are referred to in that performance measure are the dollars that are allocated under the Local Government Grants Programs. You asked about the transparency in relation to those monies. There is an annual report produced by the Grants Commission each year and that covers the \$3m that you are referring to.

**Dr LIM:** It does. Is there any allocation for 2003-04?

**Mr DILLON:** This is the same monies that goes to all local governments in the Northern Territory, so, yes, there is an allocation.

**Dr LIM:** Through you, Mr Chairman, can somebody lead me to identify where that amount appears in this year's budget papers?

**Mr DILLON:** On page 166, under the output costs there is a heading 'Local Government and Regional Development' and under 'Local Government' there are references to an amount of \$45.985m in the 2003-04 budget.

**Dr LIM:** And that is the capacity? Well, Mr Chairman, I am aghast. One year, you provided \$3.5m and the next year you are going to provide something like \$45.985m. If they are the correct figures, then I think that is fantastic, but I cannot see that that really relates one to the other. It does not make sense.

You do not give \$3.5m one year and then \$45m the next year.

**Mr CHAIRMAN:** Member for Greatorex, perhaps you may wish to seek clarification, or - I do not know, I cannot respond to a statement.

**Mr AH KIT:** May I ask the CEO for his response?

**Dr LIM:** Well, through the Chair to the minister, perhaps we can allow the CEO to work through the figures while I continue on with the next question while he is searching. Will he be happy with that?

**Mr CHAIRMAN:** Is that suitable, minister?

**Mr AH KIT:** Yes, that is fine.

**Dr LIM:** Going to my next question for output 1.1, minister, can you explain how your regional governance structures will work in terms of resources for capacity building, funding to encourage regionalisation, and enforcement of policy if the choice of people does not fit your original groupings, legislative changes, and regionalised land councils? I will ask that again. Explain how your regional governance structures will work in terms of resources for capacity building, funding to encourage regionalisation, enforcement of policy if the choice of people do not fit your regional groupings, legislative changes, and regionalised land councils.

**Mr AH KIT:** I will try to cover your questions. I refer the committee to the document *Building Stronger Regions, Stronger Futures*.

**Dr LIM:** I have that here.

**Mr AH KIT:** You have that? If you go to the summary, you will see where there are responses answering the questions that you have put. Regional authorities: we have a situation where the legislation will be introduced to provide for the establishment of regional authorities where existing community councils agree to amalgamate. Now, this is unlike the former government, where there has been a lot of, what I am told, coercion, that they would be forced into it. Regional authorities will also have the power to deliver a broad range of functions and services. It also mentions, just below that, as the member for Greatorex will be aware, the partnership area that I talked about. It also has above regional authorities, capacity development. Capacity development will be facilitated with either grant funding or directly by officers. That is where, and I will come back to it later on, talking about the additional \$800 000 that will allow us to employ more community development officers. This will enable us to work more closely in implementing the *Stronger Regions, Stronger Futures* document, but also build capacity and develop the regional development plans.

**Dr LIM:** Minister, if you want to talk about this document, I will defer this until we come to Indigenous Affairs because this is about Regional Development, and I was talking about governance. I was asking how you are going to bring governance about within five regions, which is in Economic Development? How are you going to bring people of different traditional and cultural backgrounds into those five? How are you going to bring the communities in under this Regional Development Governance?

**Mr AH KIT:** As the member for Greatorex may be aware, I launched the *Stronger Regions, Stronger Futures* document – and these issues are tied in the sense that it may be, as you say, a governance issue, but it is not separate from the remote indigenous issues. They will be important in how they relate to each other and work together.

The five Regional Development Boards, about which I have an advertisement in today's paper calling for expressions of interest, will work, as I stated in the *Stronger Regions, Stronger Futures* material in regards to the Regional Development Plans, to include not just indigenous people. This will include non-indigenous people, too: people from the Tennant Creek Municipal Council; the Alice Springs

Town Council; councils in other areas; people who are tied up in other industries. It deals with regional development plans that can move those regions forward, and can advise government on what sort of assistance they need in order to develop their region to ensure that we are providing more capacity, assistance and support to those areas other than just Darwin, Palmerston and maybe Alice Springs.

For too long, governments in the Northern Territory, as far as we are aware, have neglected, in great part, those regions. The Regional Development Boards will be established – and, as I say, will be under the carriage of Peter Herden and John Gardiner - in the Southern Barkly, Katherine, East Arnhem and Top End regions. They will be working as a body to advise government. We believe that is the best way to go. It was interesting to hear a radio report the other day that the Commonwealth is keen to start talking to us on how they can be involved.

They are the Regional Development Boards tied up with the *Stronger Regions, Stronger Futures* project. They will work together to govern the regions in a way in which those people can advise government – myself, in this case, as the minister – on how we move forward.

**Dr LIM:** Moving on to page 167 of Budget Paper No 3 for 2003-04, which shows that the estimated expenditure for local government grants for 2002-03 ending this week was \$42.34m. The budget allocation for 2003-04 is \$41.75m. In other words, a decrease of \$590 000. Could you first explain the reduction in allocation, and which communities can anticipate a reduction in their grants, and why? Please provide a list of communities and their grants for 2003-04.

**Mr AH KIT:** I will ask my Chief Executive, Mike Dillon, to respond.

**Mr DILLON:** We anticipated this question, and it is quite a complicated answer, so I beg your forbearance. In essence, yes, there is an apparent variation of \$590 000 between the two years. That variation is comprised of a number of matters. One is an underestimation of \$344 000 in the amounts to be allocated to local government in the Territory. This is a pretty technical matter to do with the fact that the Commonwealth, when they provide grants to the Northern Territory and the Northern Territory Grants Commission, make an estimate each year, and then do a retrospective acquittal of that estimate. There have been some technical issues over the last two years, which means that those matters have not yet been brought to book, if you like. The reality is that these figures understate the dollars that will be brought to book and be made available to local government councils. There was also a one-off grant of \$180 000, rolled over from 2001-02, which adds into the variation. There was a GST saving of \$17 000 on capital grants. There was also a transfer of \$550 000 to another program, which needs to be brought into account.

We can table this paper so you can actually follow the argument but, in essence, there is an acquittal. The issues in terms of the allocations for this year are not yet available. They are not yet determined because, as I mentioned, we have to await final allocation from the Commonwealth. They do that based on estimates of various growth factors, population increase, CPI. We do know that there will be only minor variations in the amounts allocated to local government councils from last year. In other words, councils in the Territory will not get the exact amount that they got last year, but it will be very close to that amount.

**Dr LIM:** Mr Chairman, through you, I also ask whether a list of the communities and their grants for 2003-04 could be provided?

**Mr AH KIT:** They are not yet determined, so we cannot possibly give you the figures and the names of those communities at this stage. I can table last year's if the member for Greentree wishes.

**Dr LIM:** I appreciate you tabling it. I have a copy of that, but table it for the record, that is all right.

**Mr AH KIT:** Mr Chairman, it would be very unwise of me to give you information on something that I have not determined at this stage.

**Dr LIM:** Moving on. Last year ...

**Mr CHAIRMAN:** Before you do, member for Greateorex, I want to clear up, in response to your question, I think there was a suggestion that a document to which Mr Dillon referred may be tabled. I need to know whether in fact that will be tabled.

**Mr DILLON:** We will make it available at the end of this output.

**Mr CHAIRMAN:** Are you happy with that?

**Dr LIM:** I am happy with that, yes. Last year, 353 grants were anticipated to be released. Has this been achieved? If not, why not?

**Mr AH KIT:** You are referring to budget paper?

**Dr LIM:** Budget Paper No 3 for 2002-03, page 179. 335 grants were released, according to the 2002-03 estimate. I am asking whether the 335 grants were achieved and, if not, why not? How many grants are anticipated? If you are not able to give me the list, at least tell me how many grants are anticipated for 2003-04. If there is a difference between 2003-04 and 2002-03, explain the difference in the number of grants to be provided.

**Mr AH KIT:** I am conferring with my Executive Director, and he informs me that almost 100% - all of that - has been ...

**Dr LIM:** Almost?

**Mr AH KIT:** I will pass it over to him.

**Mr STUCHBERY:** The measure for that year was met for the release of grants of \$353 000, I think it was. There would be a slight variation, depending on the number of Special Purpose Grants that might be released at any one time.

**Dr LIM:** I accept that.

**Mr STUCHBERY:** But the output was 100%.

**Dr LIM:** Okay. Going to my next question, page 167 of Budget Paper No 3 for 2003-04 indicated that there were 10 councils being subject to formal investigation during 2002-03. Which councils are these? What are the outcomes of these investigations? Do they give an indication of what the remaining councils are like? Which 10 councils does the department propose to investigate for 2003-04?

**Mr AH KIT:** This is an estimation and that is all it is. At this stage, I would not be able to put a finger on what the number is, and I seek advice from my executive. It is a measure ...

**Dr LIM:** Minister, I find it amazing that when your budget papers are suggesting that there will be 10 councils subjected to formal investigation, and you say that is an estimate. An estimate of one or 10? That is a big difference.

**Mr AH KIT:** It is an estimate. It is something that you ...

**Dr LIM:** So, you are not doing that? Either you are doing it or you are not. If you are doing it, are you investigating all 10, one of 10, two of 10, three of 10, four of 10, or all 10? What I am asking is: you

put it in the budget that you are doing 10 councils. I am asking you if you have done it and, if you have, which ones are they? What at the reports? What are the outcomes of the investigations?

**Mr CHAIRMAN:** Perhaps if you gave him a chance to answer, Richard.

**Mr AH KIT:** It is a measure, it is an estimate. It is not an actual. It depends on how we find the situation. When I first took over the responsibilities for local government, there was a real mess out bush. I can only put that down to the former government and former ministers who were irresponsible in how they conducted their responsibilities in regard to this portfolio.

We have worked hard, and the department should take a lot of credit here, in how we are attempting to turn the situation around. We are genuine in our attempts to turn it around. It is a bit like the Itinerants Program; we are not going to fix it overnight. However, we are going to have a really good go at it. I can tell you, with my CEO and his staff throughout the department who are working in this area, along with me – and I have support from Caucus, my Cabinet and the party - one thing we have to do if we are to go down in history for doing something useful in government is turn this situation in the bush around. There is a legacy there and we will get to it later on with the Indigenous Essential Services. The infrastructure has been run down ...

**Dr Lim:** Through the Chair ...

**Mr AH KIT:** You asked the question, member for Greatorex. Let me answer it.

**Dr LIM:** That is fine, I thought you had finished.

**Mr AH KIT:** No, I have not finished, because we have inherited a lot of headaches. I do not really want to go into where these headaches came from. Let us deal with the headaches and move forward, and start looking seriously at working in a bipartisan way to arrest a lot of the problems in the bush, especially where we all recognise that there are needs. These are needs that the Commonwealth government is ignoring – needs in respect of local government funding, where your conservative colleague, the federal minister Wilson Tuckey, has provided \$1.5bn for local government, and we get \$21.2m in the Territory – a pittance.

Yet, we know the need. We look at the Indigenous Essential Services, which I have taken it from \$35m to \$45m. And what do we have? A situation where I met with the federal minister, Philip Ruddock, two or three weeks ago in Alice Springs, and he said: 'The Territory should be fixing up all of those out there in the bush'. We have 70 communities that we signed up for when we took over Self-Government, and we have not received additional funding.

We also have a situation with Aboriginal Remote Housing Programs, where we have been diddled, I believe, \$15m to \$20m a year under a 1987 formula ...

**Dr LIM:** Let us stay within the output, please.

**Mr CHAIRMAN:** Member for Greatorex, I think we have been through this ...

**Dr LIM:** Yes. We should stay within the output, that's all, because I can address that ...

**Mr CHAIRMAN:** Member for Greatorex, please. We have been through this previously and I think you should just accord the minister the ...

**Dr LIM:** As long as we stay within the output, Mr Chairman.

**Mr CHAIRMAN:** I am sure the minister is aware of that.

**Mr AH KIT:** I cannot help it if you do not understand that it is an estimate. I could have guessed, and said an estimate that when I took over, there were 40 out there. Now, if we end up with nil, that is fine. If we end up with six, then that is better than 10. But we estimate that resources will need to be diverted into at least 10, if not more, at least 10, so that we need to turn those situations around.

**Dr LIM:** Thank you very much, minister.

**Mr AH KIT:** In Alice Springs, we have had some problems. You are close to that; you are a member from down that area. Yugul Mangi, Darwin City Council, we have had some problems there with allegations raised by aldermen in respect of the Town Clerk, the CEO, Alan McGill. Umbakumba, we have had some problems, Numbulwar, and we are working to try and get on top of these. They are ones that I can think of quickly off the top of my head. We have a situation where we certainly have to put a lot of work into.

**Dr LIM:** Through the Chair, thank you very much, minister. I am glad that you finally twigged to the question. I am glad it happened, and I applaud the government. Do not get me wrong; I am not having a go at you. I am just asking for transparency. Let me applaud what the government is doing in terms of people in remote Northern Territory areas. As Mao Zedong would tell you: the long march begins with the one step. Let us hope there will be lots of those steps so that we all progress in the right direction. I applaud what you are trying to do. Do not get me wrong.

Let me go to the next question in output 1.1. Coming to swimming pools: what funding was provided for swimming pool fencing for 2002-03? Detail the expenditure of the allocation for 2002-03. Detail the number of inspections by region. What is the anticipated number of inspections for 2003-04? If you have a table, I would be happy to take a table and be done with it.

**Mr AH KIT:** Mr Chairman, I will pass to my CEO to answer that question.

**Mr DILLON:** The budget for 2002-03 was \$1.05m. The proposed budget for 2003-04 is \$1.35m.

**Dr LIM:** And the number of inspections for 2003-04?

**Mr DILLON:** 12 000.

**Dr LIM:** And the number of inspections for 2002-03?

**Mr DILLON:** From memory it was 6000. 6052 to date.

**Dr LIM:** And could you provide me the figures by regions?

**Mr DILLON:** I can, but I am not able to do that tonight.

**Dr LIM:** Would you be prepared to accept this on notice and provide me the list by regions as well?

**Mr AH KIT:** Mr Chairman, I ask the member for Grextrex what would be the need for ...

**Dr LIM:** Well, how many pools were inspected in Alice Springs, in Darwin, in Palmerston, you know. I am asking for detail of the number of inspections by regions, but if the information is not available, we will take that on notice.

**Mr AH KIT:** Okay, we will get that to you. I am very easy to get on with. But if you wanted to know the length and width and breadth and everything else, I am sorry.

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**Question on Notice**

**Mr DEPUTY CHAIRMAN:** Member for Grotorex, could you restate that question for the *Hansard* please?

**Dr LIM:** For completeness, I repeat the question. What funding was provided for swimming pool fencing for 2002-03? Detail the expenditure of the allocation for 2002-03. Detail the number of inspections by regions. What is the anticipated number of inspections for 2003-04?

**Mr CHAIRMAN:** Minister, will you take that question?

**Mr AH KIT:** Yes. We didn't come here prepared for that type of detail in regards to the regions, but we can provide that. There is nothing that we need hold back.

**Dr LIM:** I understand. That is fine.

**Mr DEPUTY CHAIRMAN:** The number of that question is 6.1

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**Mr DEPUTY CHAIRMAN:** Please continue.

**Dr LIM:** Page 167 of Budget Paper No 3, Estimates for 2002-03, 6052 swimming pool fences will be inspected, as you said. Is the Inspectorate on target to ensure that all pools are being done? How many inspectors are in the Swimming Pool Fencing Directorate? What is the estimated expenditure for the Inspectorate for 2002-03? How many pool fences inspected were non-compliant out of the 6050 to date?

**Mr AH KIT:** I will pass that to my Acting Executive Director.

**Mr STUTCHBERY:** The figures at 20 June were a total of 6052 inspections, which includes re-inspections. A total 2712 were completed satisfactorily; 1977 registration certificates were issued; 893 compliance certificates were issued. The inspections completed are below target, and that is due to the number of times we are having to re-inspect. We should be at about 4000, but we are at about 2700 at the moment. We are taking measures to make sure that the number of inspections are not overwhelming.

**Dr LIM:** Why are you below target? Why is it taking so much longer?

**Mr STUTCHBERY:** This is a brand new thing for the Territory. We started off with an estimate on the total number of pools to give us an idea on how we would structure the unit. We came up with a figure of about 18 000 pools that needed to be inspected, which comes back to those figures of 6000 in the first half of the year and 12 000 in the second. One reason is that we are not receiving the number of applications for registration. We underestimated the amount of time that it would take to do an inspection. In fact, we thought we would go twice: we go in about 2.5 to three times for each pool to ensure it meets either the former Council by-law or the Australian standard.

**Dr LIM:** The anticipated three weeks from time of application to inspection is not being met, then? Budget Paper No 3, page 167 indicates that pool fences will be inspected within three weeks of application. That is not being met at the moment?

**Mr STUTCHBERY:** Not at the moment, no. We are concentrating our priorities on residential property sales and tenancy transfers to ensure that we don't hold up any transfer of title.

**Dr LIM:** How much delay has occurred through the Registrar-General insisting that real estate agents provide certification that a property they are involved in does not have a swimming pool? What clause

in the legislation relates to this, that the Registrar-General can insist on real estate agents providing such certification? What processes has the minister put in place to allow a property sale to occur when the real estate agent involved declines to prove certification to the Registrar-General of the absence of a swimming pool?

**Mr STUTCHBERY:** I can answer that one, if you like. The relevant clause in the act is section 38(3), which states the Registrar-General must not under Part 6 of the *Land Title Act* transfer a fee simple in small premises at which a swimming pool is situated unless there is a compliance certificate in relation to the premises.

**Dr LIM:** Okay. If I may ask the question: in the absence of a compliance certificate, it does not say that a real estate agent must issue, in fact, nearly a statutory declaration that the property they are involved in does not contain a swimming pool. On what basis does the Registrar-General work to say that he will not issue a title without a real estate agent's certification?

**Mr STUCHBERY:** I think you would need to refer that question to the Registrar-General. He is the person responsible for transfer of fee simple.

**Dr LIM:** Yes, I understand that. However, I am perplexed as to what legislation he uses to do that. Within the swimming pool fencing legislation, there is no such ability. Moving on. Because of the Registrar-General's actions, plus others, what are the delays in settlements of properties caused by the inspection process? Give details of the delays, the length of delays, the number of delayed settlements due to pool fencing processes, and the estimated cost of these delays to business and home owners.

**Mr STUCHBERY:** I understand the answer is that there have been no delays.

**Dr LIM:** No delays? If I can add a little bit commentary, I would be interested to hear what the real estate industry has to say about that. On that basis, I will complete output 1.1.

**Mr CHAIRMAN:** Are there any other questions in respect to output 1.1?

**A member:** You are an MLA, and not a shire clerk.

**Mr WOOD:** I am an MLA with shire clerk experience. Mr Chairman, continuing on swimming pool legislation, I think one of the things we raised during the debate was why can not we use real estate agents to do some of the certification. In this case, is that what has happened where there is no pool - you are asking real estate agents to sign a statutory declaration that there is no pool, or has the real estate industry now come along and said they are quite willing to do that?

**Mr AH KIT:** I will get Bill to respond to that, because he is, after all, the Departmental Registrar for the swimming pool legislation.

**Mr STUCHBERY:** The decision for a statutory declaration is one taken by the Registrar-General, not the Swimming Pool Fencing Unit, nor the swimming pool fencing authority. It is the Registrar-General's interpretation of the legislation that sets the parameters that he requires for the transfer of property in fee simple. If, for example, there is a premises for which there is no pool, it is his interpretation that a statutory declaration would therefore be required to be provided to that effect in the absence of a compliance certificate.

**Mr WOOD:** Duty of care. I presume he is doing that to cover himself, that if he does not approve a title and find out there was a pool on it or approve something that was not legal, would that be correct?

**Mr STUCHBERY:** I would image that is exactly what he is trying to do.

**Mr WOOD:** So that is coming from him, not from the swimming pool fencing unit?

**Mr AH KIT:** Yes.

**Mr WOOD:** Thank you. I have a couple more questions on swimming pool fences. The allocation of \$1.35m for swimming pool fencing administration – do you have a breakdown of how that was spent, please minister?

**Mr STUCHBERY:** For 2002-03, the budget was \$1.05m. The actual expenditure as at 31 May was: personnel costs of \$497 972, and operational costs of \$292 930, giving a total of \$790 902, so it is tracking on target for budget for the first six months.

**Mr WOOD:** Would there be any capital requirements there, like vehicles, for the swimming pool inspectors?

**Mr STUCHBERY:** Yes, that includes all operational costs associated with the inspection: vehicles, equipment, etcetera.

**Mr WOOD:** When do you expect that figure to start declining? In other words, I presume you are going to get to a point where you have inspected all the pools. Do you expect that figure to drop back, and will you be expecting to reduce the number of inspectors?

**Mr STUCHBERY:** Yes, the number will decline once we have broken the back of whatever that figure turns out to be - whether it is 18 000, 25 000 or 30 000 pools. We are anticipating that the number of inspectors will increase over the next six months by another five, and then commence to decrease from January 2004.

**Mr WOOD:** Getting on to more local government issues, what is the government's policy about local government at places like Dundee, Leaning Tree in the Marrakai area, and the inclusion of pastoral stations in local government? Does the government have a policy on those areas?

**Mr AH KIT:** We do not have a formal policy, but we would be willing to listen to people in those areas who are calling for local governance of some sort. From reports that I have received from officers, people from the Dundee area, as we know it, have stated on numerous occasions that the beauty of Dundee is to purchase a block of land and to build the house of your choice out there and to get away from Darwin, Palmerston and the northern suburbs. A lot of people understood what they were getting in to when they took the opportunity to purchase a block for that purpose. We have a lot of people living out there now, as you well understand, and there is now a call - and has been for the last 18 months, quite strongly - that local governance should be an option for those people. However, as we know, local governance for an area similar to Dundee and the other area that you mentioned, Mr Wood, is costly regarding the delivery of services. Coupled with that, we have to look at how do you rate? How do you introduce some form of local governance and how do you then look at developing the area?

I am keen to talk to those people out there and to receive submissions. In fact, I remember receiving a briefing not so long ago about a division in the community out there - in particular, Dundee - where some people are all for local government and some people are not. We have to look at local government in a way that it is going to be value for the dollars that government is prepared to put in for infrastructure, if that was to be the case. I would, at this stage, be wanting to talk to them about the possibilities of maybe looking at coming in under the umbrella of Coomalie, and see whether that is a worthwhile proposition - and to have talks with the Coomalie Community Government Council about that. At this stage, it is, on its own, in that area, maybe a bit too small for local government in the form that they would like to request because there needs to be a lot of infrastructure put in place - power, water, roads, etcetera.

However, we do not have a formal policy, and I am prepared for and open to discussions on the future of Dundee.

**Mr WOOD:** Thank you, minister. Just on that, one of the reasons I raised it is the Leaning Tree area, which is only seven kilometres from Litchfield Shire, and has a large number of freehold blocks. They do not pay any rates at all, and I would say most of the rubbish ends up in the Litchfield Shire tip, plus they would probably use many of the facilities in Litchfield Shire.

Regarding Dundee, I am not sure why you would be looking at Coomalie more than amalgamating with Litchfield, not that I am promoting it necessarily with Litchfield, but Litchfield is the one that it borders onto. When you say that there will be provision of services, if you take Litchfield Shire now, its funding from the Northern Territory government is practically zilch unless it gets an a specific purpose grant from the government. Its load on the Northern Territory government is practically nothing because it raises rates, it receives money from the Commonwealth, it lives off some of the interest it earns. What I am saying is: is it good that you have one lot of freehold land, which everybody has to maintain, that is the roads in Dundee are not being paid necessarily by the people in Dundee, they are being paid by all tax payers in the Northern Territory, and you have other freehold land where people pay rates to maintain those same internal roads. I just see an imbalance. Will the government at least look at some future policy for those areas because this has been going on for a long time?

**Mr AH KIT:** I am open, Mr Chairman, to look at some future policy, but I would be convinced by delegations of people for and against, and whether that is what the majority wants and if it is their choice that they wish to go down the path of talking to Coomalie or the Litchfield Shire, then that is entirely up to them. I am quite happy to continue talking with them, but I am not going to spend tax payers dollars making policy on the run and putting infrastructure in place very quickly to suit 50% of the people at Dundee. We have to be smart about how we do business in that area. I would request through my CEO that if people out there would like to have a meeting with one of our senior officers, or later on if it is possible for me to get down there and meet with them, I am quite happy to do that.

**Mr WOOD:** I should say that I do not believe you are putting infrastructure in except for tips. That is one thing that they do need.

**Mr AHKIT:** Mr Chairman can I just add that there are formal processes for councils to seek to have their boundaries expanded under the *Local Government Act* and Litchfield has not approached us in respect to this. If I were a member out that way, I would be encouraging them to talk the people out at Dundee.

**Mr WOOD:** Litchfield actually did ask to extend their boundaries part-way into Dundee several years ago, but that was the last ...

**Mr AH KIT:** Well, there was a different government in place then, Mr Wood.

**Mr WOOD:** There was probably a different President then, too.

My next question is about the Tiwi Local Government Council. I noticed you used the word 'council' before; I am pleased to hear that. Minister, what has it cost the government to establish the Tiwi Local Government Council, and has there been a study done to see if there are any economic benefits to having a combined council compared with having separate councils?

**Mr AH KIT:** Let me, through the Chair, respond to the first part of the question. I can get officers to check and see if they can round up some figures on the costs. No doubt there were many trips to the Tiwi Islands and many meetings of the four communities to discuss the concept of the Tiwi Islands Local Government Council, many meetings to discuss what name they would end up calling themselves and what name the minister at the time - I think it was the member of Greatorex, correct me if I am wrong - introduced by way of legislation to enact the Tiwi Islands Local Government Council. I am unsure. As I say, we will have a look and see if can get some figures in regards to the

costs. That would give you an idea that obviously it would have been in the vicinity of a couple of hundred thousand dollars, I would think.

Second, Council Managers have replaced town clerks in the communities of Milikapiti, Pularumpi, Nguu and Warankuwu under the Tiwi Islands Local Government Council scheme. I have met with quite a few of them over the last six months. In fact, I was invited across to a meeting to discuss how they felt things were travelling, and whether they felt comfortable that they were back on the rails. Gibson Farmer and a few others, Henry Dunn, said that initially they weren't happy, but they have managed to work their way through and get themselves back on track. Their biggest concern was the accounts and the mess they were in.

They have since been able to organise that in a way so that staff in those communities are being paid on time, their bills are being paid through the central accounting system and they are receiving goods and services as they wish. They are quite happy to continue to live with this and progress the Tiwi Islands Local Government Council. They have benefited financially by coming together, not only in the sharing of resources and economies of scale, but also the money they are able to save by centralising their accounting system and cutting back on some of the benefits to their Council Managers that the Town Clerks were given. When you think about it, with a centralised accounting system, which is going to be introduced in Nyirrangulung, Katherine East area, is quite a sensible system, rather than having four different accountants for four different communities of that size. It is a waste of money. So they are happy, and they are working their way through it. I have not heard any complaints of late.

**Mr WOOD:** This is the first amalgamation of local government councils. There was a lot of angst over it, and the member for Greentree would remember it. One of the reasons that we were establishing a combined council, besides all the social benefits, was the economic benefit. Surely, if we are going to establish more groups of councils, one should have looked at this first effort to see what the economic benefits were: how much did it cost to set up?; how is it running now?; and how does that compare with when all councils operated in isolation? I would have thought that would be a very important set of figures to have so that when you are putting a case for amalgamation of other councils, you can say: 'This is how much it cost to set up the Tiwi Council'. I know it has had some hiccups in the process owing to staff changes. I would have thought it was something the department would have had on paper.

**Mr AH KIT:** Mr Chairman, I will incorporate that in a Ministerial Statement in the August sittings for your information, and I will make sure that the information requested is included.

Having said that, already the Tiwi Islands Local Government Council has paid off \$1m in debt because of savings through this process. That is a credit to them working hard, and shows, quite clearly, that if they are able to repay an enormous amount of money that was outstanding, they are back on the rails. I will find that information and incorporate it into a Ministerial Statement because I understand, member for Nelson, that you are keen to have some discussion and debate on the *Stronger Regions, Stronger Futures* document I launched, and I am happy to invite you to participate in that in August.

**Mr WOOD:** One more question, minister. This is not trying to be cute, I am seeking clarification. The grant money that we get from the Commonwealth for local government is usually for spending on roads and rubbish and so on. Some of that grant money was given to the Tiwi Local Government Council for upgrade of roads on Melville Island, if I am correct. It was about \$300 000 or \$600 000.

**Mr AH KIT:** Sorry. Are you touching on the money that was provided for the road for Sylvatech and the operation?

**Mr WOOD:** No, separate money. What I am trying to clarify is: can grant money from the Commonwealth be used on what I would regard as roads on private land? That is what I want to clarify: can they do that? Are those roads private and, if they are, should it not be ATSIC's job to pay for the funding of those roads?

**Mr AH KIT:** Yes, Mr Chairman, I would like my Acting Executive Director to respond to that.

**Mr STUCHBERY:** Commonwealth funding flagged for roads is untied, and it is up to the local government body to determine its use. It is intended for roads, but it is up to council. It is not a tied grant from the Commonwealth.

**Mr WOOD:** When you apply for funds, you apply that you have X number of kilometres of roads, either sealed or unsealed, or whatever. They must have applied for, I believe, X number of kilometres of road on that island to obtain that funding. Whether they use it on the roads is another matter. I was at a meeting at Milikapiti, and they were talking about how they were going to upgrade the roads from the grant money. I believe there needs to be some clarification. Are the roads on Melville and Bathurst Islands regarded as private roads, and therefore funded by ATSIC, or are they public roads that should be funded through the Grants Commission?

**Mr AH KIT:** From what I understand, and my experience in the Territory, Commonwealth grants for roads have been expended on and off Aboriginal land, and if we see the roads that are going through the Tanami, the money that is spent on roads going from Katherine to Nhulunbuy. We had Commonwealth monies come in under the strategic roads stuff, some \$15m, I think it was, a few years ago. There are, as far as I am aware, no stipulations about whether it can be spent on or off Aboriginal land. It is untied, and the councils make the decision after they are successful in the application as to how they wish to spend it. If they do not spend it on roads, then I understand that that is a decision that they make.

**Mr WOOD:** All right, I will leave it at that. I might write to the Commonwealth minister just to get a clarification.

**Mr CHAIRMAN:** Thank you member for Nelson. That now completes output ...

**Dr LIM:** Before you conclude that, Mr Chairman, remember that I asked a question of the minister quite some time ago, and we progressed on to other questions while the Chief Executive Officer looked up the answer. If he does not have the answer, I am happy to put this on notice and the minister can come back with a response later.

**Mr AH KIT:** Yes. We have the answer here. Bear with me for a couple of seconds. Do you want to close this output, Mr Chairman?

**Dr LIM:** Just put it on notice and you can give it to me at a later date.

**Mr CHAIRMAN:** Is it possible, member for Grotorex, that you ask this question in a non-output specific area?

**Dr LIM:** All right. If you allow me to do that, thank you, that is fine.

**Mr AH KIT:** Before you close off, Mr Chairman, I wanted to come back to the discussion we had earlier in relation to those concerns, where I made a sort of general statement about the Commonwealth government recognising our needs and funding us appropriately in respect of local government housing. I have sent a letter across to the Leader of the Opposition, and I wish to table it, spelling out to him the concerns in regards to those three areas, and asking them for a bipartisan approach to get on top of this issue because it is not only the needs we have to address seriously, but any benefits we can attract by way of financial resources to address these needs would be good for the Territory as a whole.

**Mr CHAIRMAN:** Thank you, minister. That now concludes output 1.1. Before I move on to output 1.2, I am very conscious of the fact that we have gone something like one hour and 15 minutes and we have dealt with only one output. As I said throughout the course of today, I am very flexible in how

members wish to frame their questions. In respect of responses or answers, I am also very flexible. All I am saying is: bear that in mind.

**Output 1.2 – Regional Community Development Frameworks**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Mr Chairman, I have a whole stack of questions. I am not going to have enough time to do it by the time we finish tonight. Therefore, I will incorporate several questions into one, if the minister can bear with me and follow my logic.

I refer the minister to page 167 of Budget Paper No 3 of 2003-04 under Regional Committee Development Frameworks. You have there regional agreements settled - for 2002-03 an estimate of three, and for 2003-04 an estimate of four; and regional development plans agreed – three for 2002-03, and four for 2003-04. If you go right down to the bottom of the column, you have 'Average costs per agreement/plan – Not Applicable'. Minister, I find that difficult to understand because if you had three regional agreements settled and you do not have any costs against that. You are either doing it for free or it is not accrual accounting. I am not sure where you are coming from there. When you look at the next column, you have \$448 allotted to that column for 2003-04. How does that equate to \$1.01m when you are doing four regional agreements which will, hopefully, be settled in the year and another four to be developed at that price? If you multiply \$448 by eight, it does not come out to \$1.01m. That is one question all rolled up.

**Mr AH KIT:** I thank the member for his question. I shall ask my CEO to respond to that.

**Mr DILLON:** The reason for the 'not applicable' in 2002-03 is that there was not this performance measure last year, so we did not have an average cost. The figure that you are talking about regarding grants distributed of \$1.01m is for grants distributed. It does not relate to the development of regional development plans. There is no linkage between those particular measures.

**Dr LIM:** Okay, I accept that. I will not have any more questions for this output.

**Mr WOOD:** Minister, could I have an explanation with regards to all these regional development things? We have regional development boards, regional development agreements, regional development plans, and regional development government. How does it all click together?

**Mr AH KIT:** As I explained earlier ...

**Dr LIM:** This is something on which you should go for a briefing.

**Mr AH KIT:** That is not a bad suggestion. Maybe a few others should come for a briefing, too.

**Dr LIM:** It should not be done through the estimates process.

**Mr AH KIT:** However, Mr Chairman ...

**Mr WOOD:** Excuse me, Mr Chairman, people in glass houses should not throw stones. He has had some briefings by the minister as well. I am quite happy to take a briefing to save the problem, and I will go on to another question if you ...

**Mr AH KIT:** No, no, I wish to answer it to try to give you a picture. As I said earlier, you have the regional development boards, and there are five of those throughout the Territory. They will be working with stakeholders, which will include business and industry, indigenous people, tourism, and municipal councils. Their role will be to develop regional development plans for their region. For the first time, they will be able to provide input and advice to government so that government can plan what type of budgets they need to pursue - especially ministers, and me in this case – what infrastructure and resources are necessary to help them move their region forward.

Underneath that will be regional agreements in smaller regions. I give the example of Thamarrur. There could quite easily be one for the Tiwi Islands Local Government Council when they are ready and wish to go down that path. There is Katherine East, I have explained with Nyirrangulung, where the communities of Barunga, Manyallaluk, Wugularr and Weemol are working together, and hopefully Bulman will come in with that. There is the Western MacDonnell's, with the four communities in that area. So they are regional.

We want to put in place regional agreements through the partnership process, so that they can develop at their pace regional authorities, which will have a similar role to the regional development boards on a smaller scale, only relevant to their region and advising government on how we are to move forward. That is why I have been successful in getting an additional \$800 000 for community development officers to work with them, where they wish to move forward and develop their capacity and move in partnership with them towards this situation. So you have the regional development boards, you have the regional agreements, which will then allow us to work in a region towards a regional authority. Has that explained it?

**Mr WOOD:** At what stage are the plans developed? You have regional development plans. Is that part of the agreement?

**Mr AH KIT:** That sits on top. It is not going to be involved on a day-to-day basis with the regional authority. The five regions, and I will read them out if you like ...

**Mr WOOD:** I have that, minister. You have at page 167, 'regional development plans agreed, regional agreements settled' and you have three numbers for each one of those. So they would have had an agreement and developed the plan accordingly?

**Mr AH KIT:** The regional agreements are for Port Keats - Wadeye and Thamarrur; Nyirrangulung, which will come into force very shortly on 1 July; and Thamarrur in August, the Port Keats one. So they are the three regional agreements. The regional development plans agreed to are - Bill?

**Mr STUTCHBURY:** Anmatjere is coming up. Katherine.

**Mr AH KIT:** They are like Alice in Ten and the Barkly Blueprint. The regional development boards have taken over the old regional development councils, if that can clear up some confusion for you.

**Mr WOOD:** Yes, I wondered what happened to them.

**Mr AH KIT:** Yes, this will incorporate that and move towards a board.

**Mr WOOD:** I just hope we do not end up with a Territory like that; divide that up into land councils, ATSIC areas, local government, Commonwealth government, regional health boards. I hope we do not confuse people too much about where they are in this world.

**Mr AH KIT:** I would like to respond to that, Mr Chairman, by saying that what has happened in the past cannot remain. If we are to move forward and be inclusive and involved and support the remoter parts of the Northern Territory, then that is going to be better for all Territorians, and we need to develop that.

We have the railway and gas coming. We need to ensure that we spread that around, the resources and assistance, to make the Territory a better place on the way to statehood. But without this assistance and support, people are continue to go up and down on the spot, and I would feel, along with other caucus members in our government, that it would be irresponsible to continue to neglect that. They have been neglected for far too long.

**Mr CHAIRMAN:** Thank you, member for Nelson. That concludes output 1.2.



**OUTPUT GROUP 2.0 – Housing Services**  
**Output 2.1 - Housing Services**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, *Housing 2003* was commenced by the CLP government in 1988 to ensure equitable distribution of government assisted housing, including housing for senior Territorians. This is now 2003, and *Housing 2003* comes to an end this year. What program does the government have for the coming five years?

**Mr AH KIT:** I have just been informed that Housing Services will be covered in the GBD, and when we come to that at the end of this, we will cover that and I will explain to you where we are going from *Housing 2003* to *Home Territory: Secure and affordable housing 2010*.

**Dr LIM:** I will move on to my next question, Mr Chairman. The community service obligation payments to Housing Business Services were estimated to be \$33.771m on page 180 of Budget Paper No 3 for 2002-03. This appears as \$15.39m on page 168 of Budget Paper No 3 for 2003-04. Explain this discrepancy. List the CSOs undertaken by Housing Business Services on behalf of Housing Services for 2002-03. I wonder why this allocation is further reduced by \$240 000 to \$15.15m for 2003-04. Can you give me the rationale for this decrease?

**Mr AH KIT:** Yes, I am just asking Mike to locate his notes and respond to that, member for Greateorex.

**Mr DILLON:** The advice I have here is that there has been a \$235 000 change in the CSO between the two years for housing services. I do not quite follow where you get your \$30m figure from, but the figure for 2002-03 for the CSO is \$15.387m and the figure for 2003-04 is \$15.152m, which is a reduction of \$235 000. That is derived from a decrease of \$400 000 in the interest on loans, an increase of \$89 000 in rent rebates, and an increase of \$76 000 from re-allocations.

**Dr LIM:** Thank you for the detail between the estimates 2002-03 and the budget for 2003-04. If I draw your attention back to page 180 of Budget Paper No 3 of 2002-03, if you look under Performance Measures, Housing Services, Community Service Obligation Payments to Housing Business Services, \$33.771m. Estimate 2002-03. Now, that is the CSO, which comes down to \$15.39m in the new budget paper. That is the discrepancy to which I draw your attention.

**Mr DILLON:** I think the difference is that it is actually two figures: the CSO plus the CSHO component, the Commonwealth funding, together.

**Dr LIM:** I see. All right.

**Mr AH KIT:** Mr Chairman, may I introduce Tom Hamilton who is the Acting Executive Director, Housing and Infrastructure.

**Mr CHAIRMAN:** Thank you, minister. Welcome, Tom.

**Dr LIM:** That is it, thank you.

**Mr CHAIRMAN:** No further questions? There are no further questions so Output 2.1 is complete. We will move to Output 2.2. Very quickly: NSW 17 v Qld 0, minister.

**Output 2.2 - Indigenous Housing Services**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Minister, in relation to Output 2.2, Indigenous Housing Services, what are the components and sources of the total funding for IHANT for 2002-03 and 2003-04? How many new homes does

that translate into, and in which communities are these homes to be built? How does that compare to the estimates for 2002-03 in terms of new dwellings and upgraded dwellings? How much of the NT component of IHANT funding is taken up by the department to administer the IHANT program?

**Mr AH KIT:** Mr Chairman, I would like Mike to provide the figures and the answer to that. I would add that I know IHANT is a really good tripartite agreement. It is a credit to the former government and the minister responsible who was able to negotiate with ATSIC and the Commonwealth because it is a real success story. I want to continue to negotiate with ATSIC to see if we can add Indigenous Essential Services into IHANT. We have signed another agreement for two years, the first one was for five. If we can incorporate Indigenous Essential Services into IHANT, we will get more value for our dollar. I will hand you over to Mike Dillon, my CEO, to provide an answer to your question, member for Grotorex.

**Dr LIM:** Thank you.

**Mr DILLON:** The Indigenous Housing Authority of the Northern Territory comprises three members: the Northern Territory government; the Commonwealth, through the Department of Family and Community Services; and ATSIC. It pools dollars from the Northern Territory government and ATSIC. The Northern Territory contributions, which are listed in this budget, basically come to \$26.1m in 2003-04. That is comprised of \$19.5m or thereabouts – these are rough estimates – under the Aboriginal Rental Housing Program from the Commonwealth, under the Commonwealth-State Housing Agreement, and a Northern Territory contribution of around \$4m. ATSIC provides \$16.5m under their Community Housing and Infrastructure Program, or CHIP, as it is known. So the total for 2003-04 for IHANT will be around \$40m per annum. We do not expect there to be any revote less than \$1m in the next financial year from this financial year, so we are looking at a budget of around \$40m for this.

You asked about which communities will be funded.

**Dr LIM:** How many new dwellings does it translate into, how many upgrades, and in which communities?

**Mr DILLON:** I suppose the first point to make is that what the budget provides is for a grant to a separate body, which is IHANT. It is a separate legal entity. The minister's department – this department – acts as the secretariat to IHANT. We do that on a fee for service basis, so we are actually privy to all that information. However, I am not sure that it is actually properly within the purview of this committee, not that the information is secret – if you see what I mean, it is a third party that we are providing a grant to, which then goes on to provide information.

**Mr AH KIT:** Could I add that I would be reluctant to release any of that type of information if we had it, and I suggest the member for Grotorex or any other member of the Assembly wishing to know that type of information should contact the IHANT Chairperson, Mr Des Rogers, and seek out that information.

**Dr LIM:** Mr Chairman, there is one component of the question that has not been responded to. How much of the funding pool is taken up by the department to administer the IHANT program?

**Mr DILLON:** The administration fee that we charge is \$2.02m per annum.

**Dr LIM:** \$2.02m, so that leaves, essentially, the Northern Territory's contribution only about \$2m?

**Mr AH KIT:** Sorry, can you repeat that?

**Dr LIM:** Mr Chairman, by taking the administration fee of \$2.02m, it effectively reduces the Northern Territory's contribution to \$2m.

**Mr AH KIT:** No, no, that is not correct. As I heard the CEO mention that ...

**Dr LIM:** Say \$4 for NT ...

**Mr AH KIT:** ... is a fee for service and our contribution is nearly \$19.5m. Right? That goes into the kitty, pooled with the ATSIC dollars ...

**Dr LIM:** \$19.5m comes from the federal government.

**Mr AH KIT:** That comes to us - and you were probably the minister for Housing at the time - from the Commonwealth, but it is not necessarily up to us to put it into IHANT if we do not choose to. We can spend that on housing wherever we wish. It goes into there, we have an agreement - we are caught in that agreement in terms of confidentiality. However, it is a fee for service, and it is not correct to assume that our contribution is only \$2.02m.

**Dr LIM:** Okay. What is the average cost for house constructed under IHANT program for 2002-03? What is the anticipated cost per house for 2003-04?

**Mr AH KIT:** I reiterate, Mr Chairman, the member for Greateorex should really seek out this information from the IHANT Chair, who has a board that is made up of representatives from my department, from the ATSIC regional councils - and in all those cases they are chairs of their regional councils - and Senator Amanda Vanstone's representatives of Family and Community Services from the Commonwealth. You are asking us to provide you with information that duly belongs to them. We are project managers and partners in the agreement and it is not correct for us to provide that type of information. It is not something that we are trying to hide.

**Dr LIM:** Well, if the truth be known, minister, these are the questions that you guys used to ask us and you used to get the answer. Anyway, that is all right. Moving along ...

**Mr AH KIT:** I will pick that up Mr Chairman. Maybe you were not smart enough in your response, then, when we used to grill you.

**Dr LIM:** I do not have any more questions for this output.

**Mr Chairman:** Are there any other questions in regards Output 2.2?

**Mr WOOD:** A question of clarification, minister. Who is IHANT responsible to? It must be responsible to someone.

**Mr AH KIT:** IHANT, as I understand it - and my CEO will correct me if I am wrong - is responsible to the people that are party to the tripartite agreement. That is, the federal Minister for Housing, Senator Amanda Vanstone, because of her Family and Community Services housing role and contributions that they provide to the agreement; my department with me as the minister for housing, with representatives on it from housing, and ATSIC contribute monies into the IHANT pool. So the committee is answerable through their chair, Des Rogers, to those three bodies equally; not to one particular group. It cannot be, under the agreement.

**Mr Chairman:** Thank you, minister. That completes output 2.2.

**OUTPUT GROUP 3.0 - Indigenous Infrastructure and Services**  
**Output 3.1 – Indigenous Essential Services**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** I do not have any questions on this output. I do not have time, unfortunately, for all my questions.

**Mr WOOD:** Just one question. Minister, recently when I was in Alice Springs for a meeting of the

Substance Abuse Committee, there was a town clerk who was complaining about lack of repair and maintenance on some of the bores on outstations, and saying he was not getting any funding. Whose responsibility is it to maintain bores on outstations? Is it the communities, your department or PowerWater?

**Mr AH KIT:** Mr Chairman, I will ask Tom Hamilton to respond to that.

**Mr HAMILTON:** The funding responsibility for outstations is with the Commonwealth, and that is through ATSIC. In 1978, the agreement at that time, the Territory had specific responsibilities for 71 communities, which includes the major communities, and we fund those. The outstations are the responsibility of the Commonwealth.

**Mr WOOD:** So outstations and communities are clearly divided so people know whose responsibility is what.

**Mr HAMILTON:** There is a specific list for which the Territory has responsibility. Basically, apart from those, it is a Commonwealth funding responsibility.

**Mr WOOD:** Would that list be available?

**Mr AH KIT:** Yes, I can provide you with a copy of that, member for Nelson. What I have is Essential Services Capital Works for 2003-04, and I do not see a problem with tabling 2002-03's if you wish. I also have Utility Services for Power, Water and Sewerage under the 2003-04 Minor New Works program. This is exactly what I am talking about when I am asking the opposition and Independents to assist us convincing the Commonwealth ministers that the need is here and you really need to address it properly. I said to the federal minister, Phillip Ruddock, in Alice Springs three weeks ago, there is at least \$500 000 000 worth of need in terms of power, water and sewerage services in the bush, and the tragic thing about a lot of those generators and pumps, etcetera, is that they are not going to last much longer. So I have to start working pretty quickly with the department to make sure that we get the generators replaced and move towards a program of ensuring that we are not going to have a crisis, when all of this machinery starts to blow up on us. They have been neglected for too long. I table these and for members' information. I am tabling the list of communities and will bring the works tomorrow.

**Mr CHAIRMAN:** Thank you, minister. Are there any other questions in regards to output 3.1?

**Mr AH KIT:** Mr Chairman, before we move on, we are endeavouring to assist wherever possible in providing power, water and sewerage to communities that are not on that list of 71. We have a few cases around the Barkly region and the Tiwi Islands with Ranku. Governments of both persuasions federally have supported the outstation movement, and many outstations have become communities. We have never received funding on top of that 71. That is one of the things I need to point out clearly to secure support. If we have 90-odd or 100-odd communities and not 71, or whether we have 200 for that matter, the Commonwealth should fund us accordingly to provide those services.

**Mr CHAIRMAN:** Thank you, minister. That completes output 3.1.

#### **Output 3.2 – Aboriginal Interpreter Services**

**Mr CHAIRMAN:** Are there any other questions in respect to output 3.2?

**Dr LIM:** I shall not ask any questions in this section. We'll press on.

**Mr CHAIRMAN:** Any other questions? There being no further questions, Output Group 3.0 is now complete.

#### **OUTPUT GROUP 4.0 – Arts, Museums and Library Services**

**Mr CHAIRMAN:** Can we just wait? I understand that there maybe a change going on over the other side. I point out that the minister will be responding to questions in regards to output 4.1. Outputs 4.2, 4.3 and 4.4 have been addressed by the Chief Minister.

**Output 4.1 – Library and Information Services**

**Mr AH KIT:** I would like to introduce Chris Capper, who is the Acting Executive Director of Arts, Museums and Library Services, but in this output, we will be addressing, as I mentioned in my opening statement, Library Services.

**Mr CHAIRMAN:** Welcome, Chris. I understand we have a question from the member for Blain.

**Mr MILLS:** No, sorry.

**Mr CHAIRMAN:** I am sorry. Member for Greateorex.

**Dr LIM:** My question is fairly simple, minister. Looking at Budget Paper No 3 of 2003-04, the Library and Information Services budget has been reduced by \$182 000 based on those two columns. Can you explain what services are going to be wound back to meet the reduction of the \$182 000? Page 166, Arts, Museums and Library Services, Library Information Services, Estimate 2002-03, \$11.33m, Budget 2003-04, \$11.148m, a reduction of \$182 000.

**Mr AH KIT:** I hand over to the CEO, Mike Dillon, to respond.

**Mr DILLON:** This variation of \$182 000 is comprised basically of two carry forwards. One carry forward funding of \$235 000 from 2002-03, and there was then a one-off allocation in 2002-03 for a library system, which is in there. There were some other variations but, in essence, that is it.

**Dr LIM:** So a \$235 000 carry over from the year before, and what else?

**Mr DILLON:** Yes. A one-off allocation for a library system of \$100 000. We had some other internal re-allocations of minor amounts. They are the major items.

**Mr MILLS:** Minister, this question relates to your department circulating a proposal to library staff and CEOs about changing the way that library services are delivered to agencies. The fear is that this will result in no staff in agency libraries. Can you explain what this proposal is and the thinking behind it? Will there be staff in agency libraries?

**Mr AH KIT:** Let me first provide some opening remarks. There is some concern out there, and that is undoubtedly so when you propose to look at delivering a more efficient service. It is all about efficiency. It would be remiss of ministers in any government not to take the opportunity to review services for which they are responsible in their portfolio areas. This is the situation occurring here.

The department is consulting with agencies and Northern Territory Library Information Service staff on the implementation - it is a proposal - of *Information Partners*. That is what it is called; a proposed new model for the provision of library and information services to government agencies. Under this proposed model, information partners, government library and information services are to be centralised. We are looking at centralising it to provide for the information needs of all Territory government employees, on a whole-of-government basis through the Northern Territory Library, here at Parliament House, and the Northern Territory Library in Alice Springs. The proposed model, *Information Partners*, will enable the library and information services in the Territory to consolidate staff and resources, and more effectively achieve government objectives, such as support for local government libraries and the establishment of knowledge centres. I recently opened a Knowledge Centre at Galiwinku. As the member for Greateorex is probably aware, there are plans almost in place to establish the Anmatjere Knowledge Centre in Ti Tree.

It is an exercise we are going through. My departmental staff have been told by me that it is not a *fait accompli*. It is about efficiency and providing a better service, and if we can do that for the same amount of dollars and resources, then the department can be seen as being pretty smart and proactive in bringing about more efficiency. When you talk about change, people react, people in the profession. People who are librarians in these particular departments are up in arms, but I have to tell you: I do not have such a service in my department. There are other departments that do not have such services. It is about ensuring that we provide a good library and information service for the users, and in this case, many public servants, equally. If we go through that process and at the end of the day there is huge opposition, and people are not satisfied, then I will need to reassess where we are at.

**Mr MILLS:** Supplementary to that, you indicate that there will be no reductions in the amount of resourcing to knowledge centres, libraries, whatever you call them. Do I have an assurance that there will be no staff cutbacks in this? Second, are you satisfied that the level of consultation has been adequate at this point? As anyone who is not in government would be wary of terms such as 'efficiency' being code for 'cutback', please assure us that there are no cutbacks to service delivery to agencies through this.

**Mr AH KIT:** Well, I am told that there are not going to be any staff reductions. The second part of your question was?

**Mr MILLS:** Consultation, you are satisfied?

**Mr AH KIT:** I am satisfied. As I said, staff have been told that we need to talk to people, we need to hear reasonable arguments. If they cannot sustain those, at the end of the day, this is about efficiency. I will move to bring about change for the good, for the majority. If some people, in some cases, are in their comfort zones and do not want to have anything to do with change in whatever area, then I am sorry if I upset them through the process.

**Mr MILLS:** No further questions.

**Mr WOOD:** I do not believe that it is all to do with comfort zones; a lot has to do with the type of library we are talking about. Minister, we just had the Minister for Police, Fire and Emergency Service here, and I asked a question about what will happen to the library staff at the police station, and they were only be allowed to have the staff if they now pay for it. I presume those people were paid by your department.

**Mr AH KIT:** I am just finding out from my CEO, but I can tell you that the police are not affected because of the nature of their business, and because they have a training academy that requires them to have a library service in-house. I believe Health is another area that is not a part of this. In 1998-99, the government Library Information Services was formed as a result of Planning for Growth - and we all remember that - the staff of 25 agency library sites were transferred to the Northern Territory Library Information Services, with library collections, acquisitions and budgets remaining with agencies. So, we have Police, Health, Mines and Energy, and Justice that are outside this proposal and will operate entirely independently. It is our staff who are librarians with the police.

**Mr WOOD:** If we take the Department of Primary Industry at Berrimah, I gather you are going to pull out all the staff in Katherine, Douglas Daly, the aquaculture site and Berrimah. Am I right there, minister?

**Mr AH KIT:** No, you are wrong, member for Nelson ...

**Mr WOOD:** So there are going to be staff ...

**Mr AH KIT:** I just said that we are talking our way through this and if there are sustainable arguments,

then nothing is going to happen. I do not know what the outcomes will be and I cannot pre-empt those, other than to say let us see what the discussions reveal. I am satisfied that the consultations are happening in a professional manner with my staff. We will work out, once those consultations finish, where we go in providing a more efficient service. If that proves to be an incorrect decision then, no doubt, I will hear from you, if moves were made to do the things you suggest that I am agreeing to already, when I have not even received the outcome of the review.

**Mr WOOD:** I accept what you say, but the letter that I have seen is that people in the department believe that it is a *fait accompli*. One of the things they are concerned about is they will have an empty library, which they have to use, with a staff member in some centralised position saying: 'Use IT'. If that was the case, what would happen to those physical books in that library? Would they just fall into ruin, or would you have to lock them up and not allow anyone to come in?

**Mr Kiely:** It is not the library of Alexandria.

**Mr WOOD:** It is important. Libraries at research institutes are extremely important. They are not kid's libraries; they are libraries in specialist literature.

**Mr CHAIRMAN:** I think the minister is going to respond.

**Mr AH KIT:** There are no library staff, I am told, at Katherine, Douglas Daly, or aquaculture. There are staff only at Berrimah and ...

**Mr Mills:** Alice Springs?

**Mr AH KIT:** Yes, and at ASRI in Alice Springs. The collections belong to the agencies. We are not saying that we are going to band up all the collections and centralise them. Those staff in the *Planning for Growth* process – that is what I am alluding to – were taken out of the department and put into those agencies. Really, they are positions that belong to this department. This department is saying: 'Well, maybe we should be talking not only to the people affected and their representatives ...'. I met with Mark Hathaway from the union, and a delegation of three librarians, and we sat and talked. We are waiting on proposals and submissions from them on how we move forward. So we are consulting.

**Mr MILLS:** Mr Chairman, supplementary to that, just to help us to participate in this, is there any indication, minister, of the timeframe that this decision-making will take?

**Mr AH KIT:** We would hope over the next month. It would have been nice to implement after we had worked our way through it by 1 July. That is not possible. I have said we can get this right and continue to work through the concerns that are being raised with us. My last report was that there were 75% to 80% of people accepting the proposal as put. There was probably a bit of fear earlier because they did not understand the proposition.

**Mr WOOD:** Minister, in the Regional Highlights for the Arnhem and Tiwi region, it says \$370 000 has been set aside for funding nine libraries. That is about \$40 000 each. What does that money cover?

**Mr AH KIT:** You are looking in the Regional Highlights, are you?

**Mr WOOD:** Yes.

**Mr AH KIT:** We are just doing some calculations. The question, as I understand it, is that you are looking for the amount of grants and what they are going to be utilised for.

**Mr WOOD:** It is only a small amount of money when you divide it up among nine libraries.

**Mr AH KIT:** I will ask Mike to provide the first part of that answer and Chris can provide some

response after the CEO finishes, Mr Chairman.

**Mr DILLON:** The funding for library operational grants in 2003-04 is basically on a similar basis to the funding in 2002-03 and that is split between a range of community government councils and municipal councils. As I recall, it is based on a formula based on population and some other factors. So there are libraries in the bush that receive very small amounts of money – for example, Peppimenarti in 2002-03 got \$8000, and there are libraries that receive quite large amounts. So, yes, \$370 000 is a reasonable amount for nine libraries.

**Mr WOOD:** Okay, thank you.

**Mr CAPPER:** I have not made a full calculation, but I assume it would also include the funding that we are providing for library resource allocation, which is, in essence, books and other technical and IT resources that can be used within those libraries as well.

**Mr WOOD:** Thank you.

**Mr CHAIRMAN:** Thank you very much. That now concludes output 4.1.

**OUTPUT GROUP 5.0 – Sport and Recreation**  
**Output 5.1 – Participation and Development Programs**

**Mr AH KIT:** I would like to introduce my Executive Director for Sport and Recreation, Phillip Leslie.

**Mr CHAIRMAN:** We are dealing with questions in regards to Output 5.1.

**Mr MILLS:** Minister, do we have an update on the score at the football?

**Mr AH KIT:** 27-4 to New South Wales, Member for Blain.

**Mr MILLS:** Another question, and I am happy for this answer to be tabled rather than have a discussion about it. \$10.3m has been allocated in the 2003-04 Budget for participation and development programs, including \$5m in grants to NT sports groups. Would you please detail all recipients of government funding grants to sporting, community and other groups which come under your portfolio, and detail the individual amounts each received in 2002-03 and what they will receive in 2003-04?

**Mr AH KIT:** I will ask Phillip to respond to that one.

**Mr LESLIE:** The 2002-03 ones will be made public at the end of the financial year. Generally, they are placed upon the web site and it details all the grants across the Territory in each category. The 2003-04 grants are still being deliberated upon, and they will be announced as soon as they are finalised.

**Mr MILLS:** Likely to be when?

**Mr LESLIE:** In the near future.

**Mr AH KIT:** But you are looking for a specific date?

**Mr MILLS:** Roughly, just so I know when to start looking.

**Mr LESLIE:** They are being deliberated at present. The main annual grants will be announced in the near future. The grassroots ones, which come out twice a year, will come out in August and January-February next year.



**Mr MILLS:** Okay, so the near future and January-February next year.

**Mr LESLIE:** They are the grassroots ones.

**Mr MILLS:** All right, I will check the web site. Relating to Marrara, how much was allocated towards the Marrara oval infrastructure upgrade in 2002-03? How much was actually spent on the upgrade?

**Mr AH KIT:** One moment. Are you are talking about the complex or just Marrara Oval?

**Mr MILLS:** The whole infrastructure upgrade.

**Mr AH KIT:** For Marrara Oval?

**Mr MILLS:** That is right. So how much was allocated to that infrastructure upgrade, and how much was actually spent on it?

**Mr AH KIT:** Marrara Oval reconstruction \$1.25m complete; Marrara Oval infrastructure upgrade \$1.265m in progress. That was 2002-03.

**Mr MILLS:** So that was the allocation or that was what was spent?

**Mr AH KIT:** For 2002-03 what was spent in the oval infrastructure upgrade.

**Mr MILLS:** So there was \$1.25m allocated, and ...

**Mr AH KIT:** Marrara Oval reconstruction \$1.25m, 2001-02. That has been completed. In 2002-03, we are spending, and it is in progress and we hope to have it all committed and spent before the end of this month, Marrara Oval infrastructure upgrade is \$1.265.

**Mr MILLS:** Perhaps, to assist me with this, I do request detail on where the money has been spent. How much was budgeted for the new oval, how much did it actually cost? How much was budgeted in 2002-03, for work on the new scoreboard for example, how much was actually spent? How much was budgeted in 2003-04 for an upgrade of Marrara grandstand facilities, and how much was actually spent? I am prepared to have this tabled. Perhaps it is detail that you do not have there.

**Mr DILLON:** I have a listing here of a range of functions. First of all, in minor new works, this financial year, Marrara Indoor Stadium, electrical cabling, we have spent \$1286. That is complete. Marrara Indoor Stadium, electrical upgrades, \$25 800, it is complete. Marrara Indoor Stadium grandstand building and occupancy permits, \$9440.

**Mr MILLS:** With respect, this is the Marrara complex or the indoor stadium, is it the basketball stadium?

**Mr DILLON:** I am sorry. You are after the Football Park?

**Mr MILLS:** Yes, just in the interests of the people who want to know exactly what has been spent on it.

**Mr DILLON:** Okay. Football Park, replace the grandstand seating - \$45 000, complete. Arafura Stadium, add office space ...

**Mr MILLS:** Sorry, that is not it.

**Mr DILLON:** That is not it? Marrara Football Park, install power outlets, western side - \$20 000, \$13 000 in progress, the budget was \$20 000. Marrara Football Park, purchase, transport and store 1100 seats, \$30 000, we have spent, in progress, \$25 562. In terms of revoted capital works, the Football Park surface upgrade budget was \$1.15m, the program was \$1.7m, and we have spent \$1.531m, and it is in progress. Do you want the athletics track?

**Mr MILLS:** No. The scoreboard.

**Mr AH KIT:** Scoreboard, I will ask Philip to answer that, but from the last bit of information I spotted come across my desk, it was in the vicinity of - it is not completed yet, it is almost there - \$200 000.

**Mr MILLS:** Budgeted for?

**Mr AH KIT:** Yes, of course.

**Mr MILLS:** So everything is on track?

**Mr AH KIT:** As I understand it. I mean, contract managers are DIPE and I have not seen any briefing from them that everything is not going to be in place in time for the cricket. I would be very disappointed if they told me at the last minute that we had to call it off.

**Mr MILLS:** You can appreciate, minister, that the concern is, just to keep an eye on - the facility is fine - how we are tracking with it. We are ending up with a good facility, but we need to know how much it has actually cost.

**Mr AH KIT:** Yes, for sure.

**Mr MILLS:** What is allocated in this budget for infrastructure upgrades? This is the 2003-04 budget.

**Mr AH KIT:** I will ask Phillip to respond to that one.

**Mr LESLIE:** In terms of upgrades to Marrara, there are two components, as you can imagine. The first component is the surface, which is complete. The second component, as you quite rightly say, is upgrades to the grandstand, the power, and the scoreboard. All of those will be completed this financial year prior to cricket being completed. In terms of capital works or other appropriations for next year, there is no further capital works for next year. The money that will be spent will be in relation to repairs and maintenance and minor new works. Although we have a bid in for that and we are planning for that, the actual amount, to be honest, we will wait until we see how we go for cricket and, once we do a debrief on that, we will determine whether we are going to spend as we have planned, but it will be minor new works and R and M related.

**Mr MILLS:** Sorry, you are saying that there is no specified allocation at this point?

**Mr LESLIE:** Because the entire program for the upgrade will have been completed.

**Mr MILLS:** Okay, I am happy with that, thank you. Minister, I request detail of individual recipients of sports funding - individuals who have been given assistance in travelling interstate or some sort of encouragement.

**Mr AH KIT:** Individual recipients?

**Mr MILLS:** Are there individuals who have received money from your department to compete ...

**Mr AH KIT:** There are, from memory, and Phillip can assist me here. We provide some assistance for national travel and some for international travel. We generally have to ensure that the applications come through the peak bodies, obviously. Otherwise, we end up in a terrible situation where everyone is not going through their particular peak body and coming directly to the department, and that would be disorganised, no doubt. I will ask Phillip to explain that.

Maybe you need to be aware of the confidential nature in which the peak bodies deal with the department, and the information the department is requested to put on the table here. We may need to seek permission from those peak bodies to release that type of information. I do not know, I will let Phillip respond.

**Mr LESLIE:** Certainly. There are two types of assistance that could be given generally to individuals. The first is through sporting grants. It is appropriate whereby an individual may be selected to represent Australia or such like. You cannot foreshadow that at that start of the financial year because it is subject to selection processes in which case government does assist that person to defray the cost of their representation. That is made throughout the year. There are a variety of those made, for example through 2002-03, and they will be listed on the web site in line with other grants.

**Mr MILLS:** Okay, that has answered my question. I shall go to the web site. Thank you.

**Mr CHAIRMAN:** Member for Blain, I was going to suggest that we take a five minute break.

The committee suspended.

**Mr CHAIRMAN:** We will resume. Member for Blain.

**Mr MILLS:** Minister, my question relates to the Nightcliff Youth Program. How much was allocated in the 2002-03 sport budget to the Nightcliff Youth Program?

**Mr AH KIT:** I will find my response because I anticipated, obviously, this question, member for Blain, given that we heard a little bit in the media a couple of weeks ago. The amounts were \$310 000 in 2002-03 and \$580 000 in 2003-04.

**Mr MILLS:** Could you run those again, minister, please?

**Mr AH KIT:** \$310 000 in 2002-03 and \$580 000 in 2003-04.

**Mr MILLS:** That was in your budget?

**Mr AH KIT:** Funding was transferred to the Department of Health and Community Services for 2002-03 and included in that department's 2003-04 budget, not in sports grants.

**Mr MILLS:** It was transferred?

**Mr AH KIT:** Yes.

**Mr MILLS:** From Sport and Rec to Health?

**Mr AH KIT:** It was in my budget, yes, in 2002-03 and it is now included in 2003-04 for Department of Health and Community Services. So the money was in my sports grants and Health and Community Services had no money alongside that. The money that I had, the \$310 000, had to be transferred across to their budget so they could conduct that program under Health and Community Services for the Nightcliff Youth Centre.

**Mr MILLS:** Okay. I will leave it at that, thank you, minister. Minister, my question now relates the Arafura Games. How much funding was allocated in the last budget, 2002-03, for the staging of the Arafura Games?

**Mr AH KIT:** The budget 2002-03 for the games we did not have, reminding members that these games are held every two years: personnel \$496 342; for operations \$1.56m, which gave us a total of \$200 056 342.

**Mr MILLS:** How much of it was actually spent?

**Mr AH KIT:** Expenditure at the end of May this year: personnel was \$469 375; operations was \$429 877, which gave us a total of \$899 252.

**Mr MILLS:** That is unspent?

**Mr AH KIT:** That is expenditure. You asked for the expenditure.

**Mr MILLS:** Okay. What happened to the remainder?

**Mr AH KIT:** Could I add that the projected expenditure up until the end of June will be: personnel \$498 606; operations \$840 000, which will give us a total of \$1 338 606. The estimated unspent at the end of June, in operations, will be \$720 000, but I have to let you know there are further claims in the order of \$155 000 that are subject to legal advice. Second, there is still the possibility that further claims for compensation will be received, and that is, as I understand it, because of the *Limitation Act*, people are entitled to claim up to three years after the cancellation of something like the Arafura Games. That is the position at this stage. The department is still negotiating, and we are not clear at this stage what the end result is going to be. Mind you, we have implemented, through a Cabinet decision, with tourism, to provide some \$200 incentive bonus for participants to ...

**Mr MILLS:** That came from this money?

**Mr AH KIT:** We anticipate the under expenditure will be spent in that way, yes.

**Mr MILLS:** How much was spent on this initiative, the \$200 bonuses, or whatever?

**Mr AH KIT:** Well, you could ask Minister Burns, the Minister for Tourism, tomorrow. He will have those details, because they put in claims against that money to my department, and then my department will ensure that the claims they put to us are correct and then monies can be released, but it will come from that \$700 000.

**Mr MILLS:** All right. I will leave it at that. A last one on the Arafura Games: I understand that one of the most difficult things to do each Arafura Games is to get the participating countries together to negotiate the next games, because there is interest in other regions to host a similar event in other places, and it competes with other regional events. Are you satisfied that you have managed to secure the games for the next time – the date, time, all the ducks are lined up in that regard?

**Mr AH KIT:** I am at this stage, but, further, in September, we are bringing in people from those countries to the north to ensure that their interest is alive and well, and that they are as keen as ever to participate in the Arafura Games in May 2005. Money has been set aside and will be carried over to ensure that the invitation and assistance to travel for those representatives, some 20-odd, to bring them in to have, not only a discussion and begin to plan for the games, but to ensure that their interest is not re-kindled as such, but is foremost in their minds, and to get them to start planning for large delegations to attend the Arafura Games in 2005. We also need to have them together to discuss the charter for the Arafura Games because the charter can only be changed with a meeting of

those representatives, along with ourselves.

**Mr MILLS:** Thank you, minister. My next question is related to the reduction in grants that have been made available. The 2002-03 Budget provided \$5.3m in funding grants to Northern Territory sporting groups. This budget reveals that the figure has been cut by \$330 000. Initially, we had the reason being the Arafura Games, which we now know is not the case. Then it was the Nightcliff Youth Program that was the reason for this. Yet the 2002-03 Budget reveals that the Nightcliff Youth Program is in Health and Community Services now. So, minister, was the 2003-04 Health budget cut for this program and did government, to enable the Nightcliff program to continue, take the funding from sports grants?

**Mr AH KIT:** In answer to your question, member for Blain, you are correct in your assessment that the estimated expenditure for the grants program in 2002-03 is shown in the budget papers as \$5.33m. The 2002-03 Budget included an amount of \$310 000, as I have explained, for the Nightcliff Youth Centre, and \$580 000 is in the budget for 2003-04 for both the Nightcliff and Borroloola Youth Centres. The \$310 000 was transferred to Health and Community Services, as I explained earlier. We tried to find the savings in 2002-03 to keep the grants amount as close to the \$5.33m as possible.

There was a lot of planning put in place by Phillip Leslie and the staff to ensure that, once we found that we needed to move that \$310 000 across to Health and Community Services, we stayed close to that estimation of \$5.33m. For 2002-03, we are estimated at spending \$5.17m. This includes an amount of \$140 000 for special grants related to Arafura Games activities.

The most recent estimates of grants funding for 2003-04 is now \$5.22m. There is no reduction in grants, and I will be announcing the bulk of these triennial and annual grants components either later this week or early next week. I hazard that is what you were looking for earlier, in asking when would those grants be approved. As Phillip Leslie mentioned, they would then go onto the web site.

I should also point out that the estimate of sports grants provided in the 2003-04 Budget Papers does not include any disbursement of funds that may arise from the sale of the former Arafura Bowls Club. The process we are working through there is that we will seek to have that land rezoned through the Minister for Lands and Planning, and call for successful bidders to purchase that block of land. We believe the block would be quite useful in that environment for maybe flats similar to Tropicana around that area. It could realise us some \$1.5m which, as you probably realise, and I have said before, we would need to repay Treasury for the \$650 000-odd that they outlaid in order to pay out creditors to the Arafura Bowls Club.

I had committed some \$250 000 to \$300 000 to support bowls clubs throughout the Northern Territory and that would give me maybe \$500 000, which will go back into sporting grants, if I choose - into sporting activities. I am hoping that will go back into sports grants which will then give us a total of some \$5.7m, which will show up in 2003-04, if all goes well. However, I need to put you on notice that next time we are sitting here in 12 months time, that will come off, and will look as if it is a loss in the books because it was a one-off situation.

**Mr MILLS:** Well, I will be reading *Hansard* because a lot of that confused me at the front end. I am going to read *Hansard* to get a clear grasp on this. Simply speaking, are you saying that \$310 000 of last year's allocation to sporting groups then went to Health?

**Mr AH KIT:** Yes.

**Mr MILLS:** All right, and this year, notwithstanding what might happen with the bowls club, you are saying it is the same as last year?

**Mr AH KIT:** No, I am saying that ...

**Mr MILLS:** About the same, not \$330 000 less.

**Mr AH KIT:** You have confused me, sorry. The bottom line is that sports grants will be increased in 2003-04 and I estimate ...

**Mr MILLS:** More than what we have on paper at the moment?

**Mr AH KIT:** I estimate \$5.7m with \$0.5m being injected into the sports grants from the sale of Arafura, after ...

**Mr MILLS:** Okay. I will take your word for that and I will watch with interest.

**Mr WOOD:** Minister, getting back to the issue of grants for individuals, when it comes to, say, a school team going south to represent the Northern Territory, what assistance would that school team get, or can it get?

**Mr AH KIT:** I will ask Phillip to answer that, but before I do, off the top of my head I would think that they would get assistance through their peak body. If it is a school, they would also have to work with Brian Deslandes from Northern Territory Schools Sports Council, is that their right name? Schools Sport NT. I will hand it over to Phillip to provide a more detailed response.

**Mr LESLIE:** There are two ways people in that regard can get funding to travel interstate. If it is through a club or an organisation, be it Northern Territory Soccer or whatever, which is a weekend outside of school, it is through Sport and Recreation. If they are representing Schools Sport NT or they are representing the school when they go away, funding is provided through Schools Sport NT, so it is through the Education Department.

**Mr WOOD:** Through the Education Department, what does that funding cover?

**Mr AH KIT:** I think, member for Nelson, you really need to take that up with the Education Minister. Maybe you did not have an opportunity yesterday when he was before the committee, but I am pretty sure they would be happy to give you a briefing on that. It is not covered by my area, so I would not want myself or my staff to even venture to offer an answer on it.

**Mr WOOD:** Well, he was. All right. What I am getting at, minister - the problem I have is that, especially in my community, I have people ringing me up to say: 'There are five indigenous people in my sporting team and the rest are not indigenous ...'

**A member** interjecting

**Mr WOOD:** No, well, it is a real problem. ATSIC funds the indigenous children to go south and the non-indigenous have to find the money the best way they can. I have no problem with ATSIC encouraging indigenous people to participate in sport, but I think there is a far bigger negative in all this. There are a lot of children, especially if they see children their own age coming from probably similar backgrounds in some cases, especially in urban Darwin, one lot receiving funding to go south and another lot not. What I wanted to ask the minister, is: would you at least consider a similar scheme that ATSIC has so that we do not get this appearance of inequality when it come to teams going south?

**Mr AH KIT:** I understand fully what you are requesting. I cannot speak for ATSIC and their policies; that is entirely under the control of the Commonwealth government and Phillip Ruddock as their minister. I can say that we have a good relationship with ATSIC in terms of the Indigenous Sports Officers and the \$2m that comes through the national office of ATSIC under the agreement we have with the Australian Sports Commission. ATSIC policy stuff, you would have to approach - and I am not saying that you are advocating that this is unfair and it should not happen - but they make ...

**Mr WOOD:** I am asking ...

**Mr AH KIT:** I am coming back to your stuff. They make the decisions and see it as important that there is special assistance, not only through ATSIC but possibly through the Indigenous Sports Organisation, Dennis McDowell and those people. To look at your proposition of whether I would make funding available to non-indigenous children is something that I have not given much thought to. I know that I assist on a personal basis through my electorate allowance where I can when people do put a case of hardship, but that does not apply in every situation. I would welcome a submission from you on how you think I should go about this because if I were to accept your proposition, I would have to go to Cabinet and ask for an additional maybe \$20-30m to accommodate it. Do you then look at the income of the family? I don't know.

**Mr WOOD:** They are all questions I have raised with Commonwealth ministers and yourself – I think I have written a letter. I have so many answers that I really don't have an answer, and I thought this was an opportunity to take it up with you because it is important to get kids involved in sport. It is also for governments to promote social harmony. The present system is discriminatory. It is not based on need; it is based on one side being indigenous and the other side not being indigenous. We have an opportunity to try to do something about that.

**Mr DEPUTY CHAIRMAN:** Member for Nelson, I have given you a lot of latitude here, but unless it is a question, you will have to wind it up pretty soon.

**Mr WOOD:** I was following your example before.

**Mr DEPUTY CHAIRMAN:** If you are going to turn it into a question, go for it, but if you are going to make a statement, I will have to wind you up.

**Mr WOOD:** I will put a question on the end of it. No, I have finished. Thank you, minister.

**Mr MILLS:** I have been thinking about the Arafura Games, minister. When was the government first advised that the Arafura Games was struggling to attract competitors? When did the alarm bells start ringing with regard to the games?

**Mr AH KIT:** Let me recall some events. It was all systems go in terms of normal registrations for Arafura Games. All the hard work had been put in place for the department. All the correspondence had been entered into. There was lots of good feedback about a lot of people coming to the games, as per usual. When the international community became aware of the SARS virus over in South East Asia, countries started to hesitate. Even though nomination forms were coming in up until that happened, they dropped off to a dribble and countries started to think seriously about whether it was beneficial for them to continue to travel to Darwin for the games. We monitored it on a weekly basis. We had Dr Vicki Kraus in place, providing advice to Cabinet. Phillip from Sport and Rec monitored it almost on a daily basis. We were in touch with those countries. The games weren't cancelled because of the SARS virus; the games were cancelled in a decision that Cabinet took, that the Chief Minister and I announced because of the hesitation from countries that were undecided about nominating and travelling here for the games.

Given the outlay of the monies that I have explained earlier, we had to make an important decision in the best interests of the Arafura Games and the Territory community about whether it was going to be worthwhile going ahead with the games, and taking a chance that it would not happen on the scale that it normally does, or making a decision to cancel. We made that decision in the best interests of everyone. Leaving the decision any longer would have created so many more headaches for ourselves.

**Mr MILLS:** Thank you, minister. I appreciate your answer, but I am wondering how much the cost of security, that seemed to be a surprise to government, from my reading of it, played in the decision not

to hold the games, one that looked to be unviable in terms of the numbers that were going to participate than the actual cost of security, which, as I understand it, was over \$400 000-odd with the new terrorism arrangements. Was that a factor in the cancellation of the games?

**Mr AH KIT:** No, it was not. There were no costs associated with the games that the government had any concerns about whatsoever. The concern was about the lack of participants. In that situation, countries were holding off to see which other countries were going to nominate, and whether we were going to have representatives from a SARS-infected country or not. It was a game of cat and mouse that we could not allow to continue.

**Mr MILLS:** Okay, I appreciate that minister. Could you clarify clearly for me how much was actually spent of the Arafura Games budget on the Arafura Games? I have the staffing costs.

**Mr LESLIE:** The Arafura Games did not go ahead, so the reality is that none of it was spent on a successful games. However, the costs that we incurred in the lead-up, especially in relation to salaries, is self-explanatory.

**Mr MILLS:** Yes, I have that.

**Mr LESLIE:** In relation to operational amounts, there has been a fair bit of money spent in the year before in terms of travel, promotion and all of that. As the SARS outbreak was so close to the start of the games, we had actually committed a whole lot of contracts and the like associated with the games, which we were required to negotiate with the contractors. So that operational amount is all spent in relation to meeting the contracts we put in place, or promotional activities in the lead-up to the games.

**Mr MILLS:** Okay, and the amount of money, through the Chair, that was spent to support those groups that were obligated to continue with their events, did that come out of the Arafura Games money? Such as soccer, athletics.

**Mr LESLIE:** There are a number of sports that continued with their events. The minister earlier stated that, in 2002-03, the grant funding included funding to sports for Arafura Games. That will not be the case in 2003-04 because there is not an Arafura Games. So the amount provided to sports out of grant funding to assist them with the Arafura Games is in the order of \$130 000.

**Mr MILLS:** That came out of Arafura Games funding?

**Mr LESLIE:** That came out of grant funding.

**Mr MILLS:** Grant funding?

**Mr LESLIE:** That is correct.

**Mr MILLS:** Okay. The issue of legal claims. How many legal claims, minister, have been lodged to this point?

**Mr AH KIT:** Phillip, thank you.

**Mr LESLIE:** There are a couple of processes we are going through. First, we have negotiation to undertake with companies that have provided services. The second one is in relation to people travelling to Arafura Games. In relation to companies providing services, we have been negotiating an agreement with those companies, which made sure that Northern Territory companies were not out of pocket for their exposure to the Arafura Games. On the whole, they have all agreed satisfactorily. We just have one or two that are outstanding, but because of the nature of the contract, the party is seeking legal advice, as we are, in terms of how to resolve it. There are only a couple of those. The



rest have all been negotiated amicably and mutually.

**Mr MILLS:** No obligation to international commitments?

**Mr LESLIE:** In terms of international commitments, most of the international people do their bookings through the Bed Bank. We understand that the deposits that they paid for accommodation were refunded in full. Regarding other interstate competitors, final payments for airlines in the main had not been paid, and the exposure of them to airlines was reasonably minimal.

**Mr MILLS:** So you are saying there are just two or three at this point?

**Mr LESLIE:** Yes, that we are still dealing with them. May I add that for domestic people who were travelling to the Arafura Games, the airlines refunded.

**Mr MILLS:** Good. The contracts that you referred to that needed to be honoured, are you able to reveal to us those contracts?

**Mr LESLIE:** Many of those are commercial-in-confidence but, to be fair, the way we negotiated those was if a company had a contract for services for \$10 000 for the Arafura Games, if they had not procured any goods or provided the service, obviously, they have not incurred a great cost. However, they would have incurred a cost in relation to ordering, telephones, sundry related to what they were going to provide. Therefore, we were able to negotiate a figure to make sure that they would not be out of pocket. Some companies, however, did provide their goods or their service in full and we were not able to use it. An example of that is the medals. They were provided, so we had to pay that cost in full so they were not out of pocket.

**Mr MILLS:** Do you anticipate the remainder of the money largely being to cover these outstanding legal arrangements, the \$750-odd?

**Mr LESLIE:** The figures quoted earlier included everything processed so far. The minister made reference to a figure of about \$155 000, which is our estimation at this stage of what we will need to cover future claims. It must be said, though, that there may be other claims out there that could come in the next three years ...

**Mr MILLS:** You have to keep it up for three ...

**Mr LESLIE:** However, we are unaware of them. Our best guess at this point in time is that about \$155 000 will cover those.

**Mr MILLS:** My last question: those contracts that have been settled to satisfaction, are you able to indicate those and the nature of them?

**Mr AH KIT:** I thought the Executive Director said earlier that that is information is commercial-in-confidence. Is that correct, Phil? I thought I heard you saying that it was commercial-in-confidence.

**Mr MILLS:** All of them? I thought it was just the ones that were still under dispute.

**Mr AH KIT:** If that information was put on the public record, it could jeopardise the negotiations that are happening in settling those. I really think that would be dangerous.

**Mr DEPUTY CHAIRMAN:** Any other questions in regard to output 5.1? There being no more questions, output 5.1 is closed.

#### **Output 5.2 - Northern Territory Institute of Sport**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Mr MILLS:** Just one question. Minister, how much has been allocated to the NT Institute of Sport in the 2003-04 budget? What sports are recipients of funding, and can you please provide a breakdown of how the money will be spent?

**Ms Lawrie:** That is three questions, a trinity.

**Mr AH KIT:** Phillip, could you respond to that three-pronged question?

**Mr MILLS:** You catch good fish with a three-pronged spear. That can be tabled if you wish, in the interests of time.

**Mr LESLIE:** No, that is okay. In terms of what we are doing at the moment for 2003-04, we have six full-time coaches employed by the NTIS. The full-time squads for 2003-04 are Australian Rules football, cricket, hockey, netball, rugby league and rugby union. They will continue throughout 2003-04. There are two part-time – I guess the phrase for them now is 'satellite programs', which are related to tennis and ten pin bowling. They will continue at this point in time. We have a reduction in the number of squads because we no longer have the swimming program there. They are the main squads or sports being supported. The individual athletes who are not necessarily part of those squads, but are performing at a high level, typically interstate, will continue to be supported throughout the year.

**Mr MILLS:** Are you able to indicate details on those?

**Mr LESLIE:** Well, there is a range of them. They will be made available when they are finalised. We have a minor scholarship, for example, JEDs, Junior Elite Development, are still being sorted out for 2003-04.

The other point is that not all institute programs run on a financial year. For example, the netball program, which started at the beginning of this year, those athletes are actually through the Dry Season, so the individual athletes involved depend on Dry and Wet Season. You actually have two lots of netballers within the one financial year, the finishing of this one and the starting of the next one.

**Mr MILLS:** The web site?

**Mr LESLIE:** Not only the web site. Those athletes are generally announced by various media as they are chosen.

**Mr AH KIT:** And they will come out on the web site.

**Mr LESLIE:** Yes. Generally, individuals are on the web site, but there are media releases when they are called for and announced.

**Mr DEPUTY CHAIRMAN:** Are there any more questions in regard to output 5.2? That being the case, I close output 5.2, Northern Territory Institute of Sport.

### **Output 5.3 - Events**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Mr MILLS:** Yes, Mr Chair. I think it was on Monday, minister, I read with concern the headline here on the back page: 'The ICC reviews world wide roster'. Has the Northern Territory government signed

any contracts with the ICC with regards to this test match and future test matches? If you have, could you please indicate what security we have with regards to the use of that facility for cricket for the longer term?

**Mr AH KIT:** Okay. I will pass that on to Phillip as the Executive Director. Phillip has been involved in the early discussions and what we have been able to put in place.

**Mr LESLIE:** First, may I say that a lot of the hoo-ha relating to this has been generated by the media in response to a general feeling that Bangladesh are going to be the whipping boys in international cricket and that has been repeated up until now. That said, the ICC had been under some pressure from that, but I do not believe they are resiling from their stance to maintain Bangladesh as a fully paid up member, if you like, of the ICC.

In relation to the reduction in tournaments, the tournaments they are referring to are generally the ones that are played at various places around the world, often out of the blue. The ones that are under the main scrutiny of the ICC, as I understand it, not representing the ACB or the ICC, competitions for cash, for example, played in Sharjah such as the one that was organised in Morocco at the end of this year. The main reference to the ICC is to – in some people's minds – the pointless round of one-day internationals being played all over the world, be it in Canada or wherever else. As we understand it, the home and away series of test matches, which is a home and away series for every test playing nation played over five years, is not under threat at this point.

**Mr MILLS:** Through the Chair, no contracts have been signed in terms of future engagement?

**Mr LESLIE:** To follow on from that, in terms of next year, there is a commitment. It has been agreed and we are awaiting the Australian Cricket Board to announce it. In terms of the four years out of five, that has been agreed between government and the Australian Cricket Board. That was agreed previously, however we have been insisting upon having that in a legal document, and that is with us at present and it is a matter of sorting that out in a legal context.

**Mr AH KIT:** Mr Chairman, as a word of caution for the member for Blain: be careful what you read in the local newspapers. On 15 May, there was a little headline: 'Unemployment Plan'. This was the *NT News* spin on it: 'The government has announced a plan to reduce unemployment in Aboriginal communities', and this stuff was used in the House last week by the member for Drysdale. What annoys me is that in this article is that it did not mention that it was a plan to reduce unemployment; the headline was 'unemployment plan' and then proceeded to ...

**Dr LIM:** That is a terrible headline for you, minister.

**Mr AH KIT:** You know, a word of caution. The member for Drysdale put his own spin on it, and he said I was against self-management and self-determination. He said I said it was joke. He was selectively quoting from the *Building Stronger Regions, Stronger Futures* where I said, on page 8, stated: '...listen to people such as Jawoyn leader Robert Lee. He will tell, as will many others, that the transfer 30 years ago of management of communities to so-called Aboriginal self-management and self-determination was largely a joke.' Robert Lee and others have been telling me that. With that spin, he was here yesterday asking a question of my colleague, the Minister for Employment, Education and Training.

*In another news clip, and I quote him: 'The Community Development Minister is developing an unemployment plan, which is a fairly unfortunate note. Can you tell me – given that he has described self-determination as a joke - whether this is a major departure from government policy of the past and whether you are acting in concert with ...'*

And he got cut off. Let me tell him that if there is an unemployment plan, it is with the opposition because at the moment ...

**Mr MILLS:** A point of order!

**Mr DEPUTY CHAIRMAN:** I think the minister is make a point about relying on the ...

**Members** interjecting.

**Mr AH KIT:** I will leave it at that. I will not be provocative.

**Mr MILLS:** Minister, not believing everything I read, can you confirm this: you have an assurance that there will be cricket beyond the Bangladesh match, but nothing is signed.

**Mr AH KIT:** That is what I understand my Executive Director to have said. We are looking to get that in a legal document so we can have a legal commitment, but that doesn't detract from my department, especially Sport and Rec, developing Marrara Oval as a top national and international facility that we can use for a number of sports.

**Mr MILLS:** I am happy to support you on that.

**Mr AH KIT:** I would like Phillip to have the last response on that.

**Mr LESLIE:** We have an agreement with the Cricket Board that it will continue in four out of five years. We are seeking to make that a legal agreement.

**Mr MILLS:** Thank you. Minister, how much has the Northern Territory Government contributed to this event in terms of underwriting the Bangladesh-Australia Test Match?

**Mr LESLIE:** Our commitment is in relation to developing the facility. There is no underwriting as such from the government. There are costs being incurred by Sport and Recreation, and they are in relation to staff who are assisting the ACB in managing the event.

**Mr MILLS:** Thank you. Minister, this is the *NT News*, if you do not mind me holding this up, it just helps to illustrate, we have \$1m for three years. The AFL wants a government guarantee to host these premier fixtures up here. It is good stuff and all, but I want to know how much the Northern Territory Government will be contributing to the hosting of these matches in terms of underwriting.

**Mr AH KIT:** We have not had any serious discussions with them nor, might I add, the Darwin Rugby League, with Gary Dunbar. That is another story in the back of today's paper. It is nice that they are being very smart in the way that they do business in that they want to get on the front foot, and I am waiting for them to come and talk to me. I personally - and I suppose I cannot say that. As minister, whilst I like both codes, along with all the rest of the sports, I cannot see how you would be able to have a double-header on a weekend in Darwin, if you are looking at attracting a crowd of 15 000 to 20 000 at both matches, where people are going to pay twice to go to those different events. If they came in five years time, and we organised it with the gas and railway, and we are all rich, fine. I am quite happy to talk to them about it, but I take note of other sporting codes people saying that some of the bigger sports are taking up too much of the money and they should be looked at, too, but I want to work with them and we will work our way through it.

**Mr MILLS:** Through the Chair, that leaves me to another question. I understand that hockey, basketball and soccer are also making approaches, perhaps not in the same order as Aussie rules coming up here for a premier fixture. Will you be entertaining approaches made by hockey, basketball, soccer and other sports to facilitate premierships rounds up here?

**Mr AH KIT:** We entertain everyone, and they are more than welcome and visit and make an appointment with my Executive Director of Sport and Recreation.

**Members** interjecting.

**Mr MILLS:** Yes, you can entertain them all, but it does not look like they are going to be very entertained. Do I understand that for Aussie rules, there is no commitment at all financially? They have asked you, perhaps, for some sort of commitment to assist them in playing their games up here?

**Mr AH KIT:** We have been asked. We met last week - Andrew Dimitriou, Ben Buckley, myself, the Chief Minister, one of the ladies who walked out of the CLP management meeting the other night resigned, Jenny Sinclair, I think it was.

**Dr Lim:** Don't believe everything you read in the papers.

**Mr AH KIT:** Okay. The *NT News* said that, anyway. We had a good meeting, and they were asked to go away and submit a proposal. I would ask soccer, hockey and basketball to submit proposals. We will need to assess those and, certainly, if they can put a good case, then I have to go and find some money. If I have not got the money in my Department of Sport and Recreation, I will to draft a Cabinet submission.

When we talk about this, this is fine. We are setting ourselves up, in a way, by promoting and developing sports through participation, which is a lifestyle thing for us, but it gets professional when we start to look at the Institute of Sport and the elite development squads. We are moving towards having national representation from the Territory. We saw our hockey Under 18s win the national gold medal a couple of months ago, and that is great. If we are going to do that, I need to work with Phillip and the department to start planning on how we not only contribute a bit more than what we are contributing now to the peak sporting bodies so that there is this national representation, and that the younger sporting participants have something to aim for. We also need to work with them on how we can look at properly planning to have additional dollars raised by them through being smart in how they do business so it is not a call on government to provide 100% of the funding that is necessary, given the concerns raised earlier by the member for Nelson. However, I am quite happy to talk and receive submissions and work our way through that.

**Mr MILLS:** My last question is electorate-related. It is a commitment that this government made ...

**Mr AH KIT:** Palmerston Magpies?

**Mr MILLS:** No, I am leaving that because we are working together on that one.

**Mr Wood:** You did not tell me.

**Mr MILLS:** This is a commitment made to the Palmerston community. It is the multipurpose indoor recreation facility, minister. It was a commitment made by your government coming into office. What engagement has your department had with regards to that commitment to date?

**Mr AH KIT:** I will pass it on to Mike very shortly, but let me inform you that we are working with the Palmerston City Council, and we have, I believe reached the design and documentation side. I will let Mike answer. He has been handling the details.

**Mr DILLON:** Discussions are proceeding, in essence, and they are well advanced.

**Mr Wood:** And you'll get it on the back page of the *NT News*.

**Mr MILLS:** A supplementary question, Mr Chairman. I would be satisfied with a little more detail on timeframes, the amount of money being considered, and what sort of facility. It has been going on for some time.

**Mr DILLON:** Perhaps Phillip could add to this but, as I understand it, there is a full history here. It

started originally as an arts-type facility and, in discussions with Palmerston, the community essentially said: 'Look, we want a multipurpose recreation facility because of all the issues with youth in the community'. The government has sat down with Palmerston City Council and set itself the objective of reaching a partnership agreement with that city council. There is a series of working groups that have been set up. One of those working groups is looking at this multipurpose facility. As I understand it, the matter, as I said, is well advanced. There is a plan for this to go on the design list at a future date, but I am not going to pre-empt announcements tonight.

**Mr MILLS:** Okay. Just one final question on this then. I recall going through precisely the same thing before, when we were in government and you were in opposition. Do I predict, therefore, that the next major move will be just before the next election, there will be a sign going up?

**Ms Lawrie:** No, we don't do signs

**Mr DEPUTY CHAIRMAN:** Like your soccer one?

**Mr MILLS:** Mr Deputy Chairman ...

**Mr AH KIT:** It amazes me, that comment from the member from Blain, in that there were 26, 27 years of CLP government ...

**Mr Mills:** Oh, here we go!

**Mr AH KIT:** ... and nothing happened out there with this big facility. Everything seems to have happened when we won government about two years ago. Everything prior to then was hunky-dory. Well, that is not the case and we will deliver. We are working our way through that.

**Mr MILLS:** Anyway, my question stands. I will wait and see. I bet I see a sign.

**Mr Wood:** If there is any argument, Freds Pass is waiting.

**Mr DEPUTY CHAIRMAN:** Are there any more questions in regard to output 5.3, Events? There being no more questions that concludes consideration of that ...

**Dr LIM:** Non-output specific budget questions for ...

**Mr DEPUTY CHAIRMAN:** Yes, Richard if you let me finish, we will get there. That concludes consideration of output 5, Sport and Recreation.

### **Non-Output Specific Budget Questions**

**Mr DEPUTY CHAIRMAN:** Are there any questions?

**Dr LIM:** Yes. I will confine it to one question. It might be a little complicated, but should not be too bad. Minister, on page 163 of Budget Paper No 3 of 2003-04, I refer you to the output group right at the top of the page, Local Government and Regional Development. It is the third one, Indigenous Infrastructure and Services, those two references.

Your estimate for 2002-03 for Local Government and Regional Development is \$51.474m and your budget for 2003-04 is \$52.126m, which is an increase of \$652 000 or 1.26%. Then, when you go down to Indigenous Infrastructure Services, it has gone from \$51.153m down to \$50.065m, a reduction of about 2%. When you look at the CPI increase, which is 2.5% ,and salary growth of about 3%, it looks like both output groups have been significantly cut. Can you explain that, please?

**Mr AH KIT:** Yes, I will pass that to my CEO, member for Greatorex.

**Mr DILLON:** I am advised that in relation to Indigenous Essential Services, there was a variation relating to a \$1.18m one-off increase in 2002-03, which is the majority of that change.

**Dr LIM:** What was that increase for? A one-off?

**Mr DILLON:** It was additional capital injected by government to address specific infrastructure needs.

**Dr LIM:** PowerWater type infrastructure?

**Mr DILLON:** Sorry, the other issue that you raised was the ...?

**Dr LIM:** Local Government and Regional Development. You put up \$1.26m, but when you factor in CPI and salary growth, you are way behind. You go from \$51.474m to \$52.126m, which works out to be about 1.26%. CPI alone is 2.5% and salary growth is 3%. How do you reconcile that? It must be a cut to the output group.

**Mr DILLON:** I think what you are ignoring is that, clearly, there is an efficiency dividend across the government. Yes, there is a real increase in the CPI each year. The figures stand for themselves. The department does look for efficiencies. We assert that we are doing more with less. To just focus on the figures and not look at the outcomes is misleading. So, patently, there is an increase in resources there over the two years. When you take into account increased deficiencies, certainly we are aiming to do as much, if not more, each year.

**Dr LIM:** I accept your answer, thank you. That concludes my question for that output.

**Mr DEPUTY CHAIRMAN:** Are there any other questions in regard to non-output specific budget questions in relation to Community Development, Sport and Cultural Affairs? That being the case, that concludes consideration of output 5.0.

**HOUSING BUSINESS SERVICES**  
**Business Line 1 – Public Rental Housing Assistance**

**Mr DEPUTY CHAIRMAN:** The committee will Consider Housing Business Services, Business Lines. Any questions to Housing Business Services should be addressed by Business Line. Business Line 1 is Public Rental Housing Assistance. I direct members to page 179 of Budget Paper No 3 where you will see the three lines we shall be working to.

**Dr LIM:** Three lines? Sorry, what is the reference to three lines?

**Mr DEPUTY CHAIRMAN:** There are three business lines. I have asked the minister to introduce members of Housing and Business Services.

**Mr AH KIT:** Yes, I still have Ellen Adriaansen, Executive Director for Corporate Services; my CEO, Mike Dillon and on my left, I have Fiona Chamberlain, Director of Housing in the Department.

**Mr DEPUTY CHAIRMAN:** Minister, do you wish to make any statement in regard to Housing Business Services?

**Mr AH KIT:** No, I think I covered it in my initial statement.

**Mr DEPUTY CHAIRMAN:** That being the case, are there any questions?

**Dr LIM:** Minister, I refer you to page 179 of Budget Paper No 3. In the table under Business Line, it is

evident that there are widespread cuts to Housing Business Services across the board. Comparing the budget allocation for 2002-03, the estimated actual for 2002-03 and the budget allocation for 2003-04, the cuts from one year to the next are substantial. For instance, your Public Rental Housing Assistance revenue has dropped by \$6.2m or about 10.3% from one budget to the next. Can you explain that, please?

**Mr AH KIT:** I refer that to my CEO, who will provide you with the response.

**Mr DILLON:** Yes, there has been a decrease of \$4.397m between the 2002 estimate and the 2003 budget. The reasons for that decrease are numerous, but going to the major items, there is a substantial reduction in revenue from the Commonwealth in relation to GST compensation under the Commonwealth-State Housing Agreement. That is a figure of \$3.843m reduced in Commonwealth revenues under that agreement. There have been some minor pluses: \$184 000 in CSHA untied funding and an \$89 000 increase in CSO for rent rebates, a \$93 000 decrease in interest on cash balances, a \$76 000 increase in CSO ...

**Dr LIM:** Mr Chairman, may I interrupt for a second? That is a fairly detailed list. I wonder if the minister will table the document. It would be easier than reading out the whole list.

**Mr CHAIRMAN:** Minister, the request is that you table that document. Are you prepared to?

**Mr AH KIT:** No, I don't think I can allow that to happen. Perhaps I will ask my CEO to respond more slowly so that the member for Grestorex can take some notes, but, no, I do not wish to table that document.

**Mr DILLON:** Perhaps I can help you by just going to the major variations rather than the technical and administrative ones. As I mentioned, there is a reduction of \$3.843...

**Dr LIM:** Read it out quickly for *Hansard* and I can tabulate it at a later date.

**Mr DILLON:** There is a reduction of \$3.843m in GST compensation and a reduction of \$554 000, which relates to variations in CSO for rent rebates, Commonwealth-State housing untied funding and interest on cash balances. That basically accounts for the \$4.397m. In effect, this is saying that the Northern Territory's effort has not changed, but there are some technical variations to CSOs relating to interest and so forth, and the major issue is the reduction in GST compensation from the Commonwealth.

**Dr LIM:** Minister, in relation to Public Rental Housing Assistance, that has also gone down by some 8.5% from budget 2002-03 to 2003-04. Can you give me an explanation for that, please?

**Mr DILLON:** The comments I have just made relate similarly to Public Rental Assistance because those three figures – rental assistance, government employee housing and home ownership – are all sub-items of the reduction of 85 down to 81. So the GST issue applies as much, and particularly to the rental assistance issue as to the overall issue.

**Dr LIM:** I beg to differ. What I am saying is that your Public Rental Housing Assistance expense has gone down.

**Mr DILLON:** Yes.

**Dr LIM:** What that tells me is that government is assisting Territorians in a lesser capacity this coming 12 months than it has done in the current 12 months. If you have less funding for public rental housing assistance, it must be because you are not going to be helping as many Territorians as previously.

**Mr DILLON:** The simple point to make in response is that with less revenues, we have less available



to spend. So, yes, there is a reduction, as the figures show, of \$2m in our operating expenses, and the major reason for that is the reduction in grant receipts for GST.

**Dr LIM:** In terms of government employee housing expenses ...

**Mr DEPUTY CHAIRMAN:** Excuse me, member for Greateorex. Could we finish with Business Line 1, and then we will move on to Business Line 2.

**Dr LIM:** I thought all this business was together.

**Mr AH KIT:** Different output, individual.

**Mr DEPUTY CHAIRMAN:** No, we are treating this as an output grouping.

**Dr LIM:** There is only one business line there, according to this.

**Mr DEPUTY CHAIRMAN:** According to the budget papers, there are three.

**Dr LIM:** Hang on a minute. I am looking at this and I have prepared my questions based on the agenda list that we have here. There is only one business line, and I assumed that all my questions would be under this business line.

**Mr DEPUTY CHAIRMAN:** I would prefer it if we ...

**Dr LIM:** I cannot. I am working from this paper, which is agreed by the committee. Now, half-way through my questioning, you ask me to re-jig the whole thing.

**Mr DEPUTY CHAIRMAN:** No, I did not. As a matter of fact, I introduced the output group by saying that we would handle it business line by business line, and I referred you to page 179 of Budget Paper No 3. I said that quite upfront before we even started, so it was not half-way through your questioning. Now, I do not think it is a big ask. For *Hansard* to have order and discipline in the process, we should stick with it by business line.

**Dr LIM:** My question is very explicit and I am sure *Hansard* understands exactly what I am doing.

**Mr DEPUTY CHAIRMAN:** I will put the question, then. Have you any more questions in relation to Public Rental Housing Assistance? Does any member of the committee have a question in regard to that?

**Dr LIM:** Of course I do. Lots of them.

**Mr DEPUTY CHAIRMAN:** Then ask them in relation to Public Rental Housing Assistance, not Government Employee Housing or the other business line of Home Ownership.

**Dr LIM:** In order of the business line with operating revenue, the Auditor-General reported on TAFS April 2003, he spoke about the nett profit before taxation and dividends for the four years between 1999 and this financial year. Your budget nett profit for 2001-02 was -\$12.281m, although the actual turned out to be -\$17.944m, a difference of some 46%. Last year, you budgeted for a loss of \$7.713m, while already the anticipated loss for this financial year, yet to end, is \$9.8m, or a difference of 27%. Why are your calculations so far removed from the actuals, and what do you anticipate will be the causes of your budget losses of \$12m for the year 2003-04?

**Mr AH KIT:** I will ask the CEO to respond to that question.

**Mr DILLON:** I think it might be best if I very quickly went through the financial position for the GBD.

**Dr LIM:** If it is a long, drawn-out response, I would rather you just table it and then I can look at it at my leisure.

**Mr AH KIT:** I do not think I am going to allow this to be tabled and will ask the ...

**Dr LIM:** You are an open and transparent government, what is there to hide? This is something that has been audited by the Auditor-General.

**Mr DEPUTY CHAIRMAN:** Member for Greatorrex, it is the minister's call whether he wants to table it or not.

**Dr LIM:** I am just debating with the minister.

**Mr DEPUTY CHAIRMAN:** No, well, we ask questions. We do not debate.

**Dr LIM:** Well, everybody else does.

**Mr DEPUTY CHAIRMAN:** Do you wish to table that document?

**Mr AH KIT:** Through the Chair, I do not wish to table this document. If the member for Greatorrex wants to challenge us on open and transparent government, let me explain to him, and he has been here a bit longer than me, that, on many occasions during the five or six years I was in opposition, there was very little tabling of documents.

**Dr LIM:** I responded to you very openly. It is not true.

**Mr AH KIT:** In this case, I will ask my CEO to respond to your question slowly so you can take notes. You are well educated and you are pretty good at shorthand. Take notes, and we will slow him up so that you can get the answer you are looking for.

**Dr LIM:** You can be very patronising, can't you, minister? Just as well I studied English, too.

**Ms Lawrie:** Is that a question or a statement?

**Dr Lim:** If it is a question, the minister has problems, hasn't he?

**Mr DEPUTY CHAIRMAN:** It would be great to move on. The question was I think, member for Greatorrex ...

**Mr AH KIT:** I have asked me CEO to answer.

**Dr LIM:** He heard the question.

**Mr DILLON:** I can answer this question briefly to assist the member for Greatorrex. Housing Business Services is a GBD. It runs on the basis of revenue and expenses, and profit and loss. The member is correct in suggesting that we are currently running at a loss. It is a loss projected to be \$12.024m in 2003-04. The loss is largely due to a non-cash expense of \$17.895m associated with depreciation. In other words, this is the run-down in the assets owned by the GBD. If we were looking at it in straight cash terms - that would be by excluding non-cash items like depreciation of assets - Housing Business Services realised a cash profit of \$5.87m. The loss is increasing mainly because of the decrease in the CSO following the Commonwealth's action to cease GST compensation for the Commonwealth-State Housing Agreement.

Since 1992-93, the GBD Housing Business Services has run at losses ranging from around \$4m to \$28m per year. Only in 1999-2000 did Housing Business Services run at a operating profit of \$5m, and that was a result of a \$52m sale of assets. The continuing losses are an issue for us, and a number of steps are currently being taken, at the minister's direction, by the management of Housing Business Services to address the measures that need to be implemented to reach a neutral operating result in future years. By that, I mean that we are not looking to making a profit because we want to put back all profits into social housing, nor do we want to make a loss, because that is ultimately a drain on Northern Territory Consolidated Revenue.

**Dr LIM:** All right. That is ...

**Mr AH KIT:** Through the Chair, I can table a copy of that graph if you wish.

**Dr LIM:** Everything is helpful, minister. If you would like to table the graph, I will accept it.

**Mr AH KIT:** I am not that hard to deal with, member for Greatorex.

**Dr LIM:** Minister, I draw your attention to the Auditor-General's report on TAFS handed down in April 2003, where he noted:

*...for the 2001-02 financial year, is Housing Business Services whose loss of \$17.9 million has not been included in the determination of the deficit.*

Can you explain this anomaly?

**Mr DILLON:** I am not familiar with that quotation from the Auditor-General, but I assume his rationale for that is that, basically, this is internal to the GBD. Housing Business Services is funded from the earlier appropriation from the department. The cost each year for funding from the department to the GBD would add to the deficit, but the losses or profits within the GBD are insulated.

**Dr LIM:** I cannot follow you there. I will read your words in *Hansard* closely and consider your comments. Mr Chairman, I do not have any further questions on Line 1, as you call it, Operating Revenue.

**Mr CHAIRMAN:** Questions are obviously concluded on Line 1. We will move to Line 2.

**Dr LIM:** As long as it is not line dancing.

**Mr CHAIRMAN:** We could even do that.

**Dr LIM:** Let me come to Line 2 in regard to Government Employee Housing. The question I asked earlier is that you budgeted for government employee housing expenses at \$10.681m for 2002-03, but it was blown out to \$14.331m or a 34% change according to the estimated actual. Why, then, have you budgeted for only \$13.702m for 2003-04, which is a cut back of 4.39%, when you overspent your budget by 34% last year?

**Mr DILLON:** Just a point of clarification, if I may: which page are you referring to in the budget papers?

**Dr LIM:** 179.

**Mr DILLON:** 179 for GEH?

**Dr LIM:** Yes, in line number 2. I can follow the line.

**Mr AH KIT:** Sorry, can I seek some clarification, through the Chair? We are into operating expenses, Public Rental Housing Assistance. Have we finished that output?

**Dr LIM:** No. It is Line 1, Line 2, Line 3. I am on Line 2, which is operating expenses. This is what the Chairman demanded I do.

**Mr AH KIT:** Yes, but I thought your question was related to the second item, Government Employee Housing, was it not? Or are we going to the top of operating expenses and you are asking questions on Public Rental Housing Assistance?

**Dr LIM:** Mr Chairman, at the start, I was instructed by the Deputy Chairman that we had to operate according to Business Lines 1, 2 and 3, Business Line 1 being Operating Revenue, Business Line 2 being Operating Expenses, Business Line 3 being Operating Result.

**Mr KIELY:** No, no.

**Dr LIM:** Hang on. You are not a Chair any more.

**Mr Kiely:** I am not going to have you telling me what I told you when it is wrong!

**Dr LIM:** Having been instructed to do that ...

**Mr CHAIRMAN:** Member for Greatorrex, we really do need to clarify this. I was taking a break.

**Ms LAWRIE:** Mr Chairman, I have a suggestion. In the minister's opening statement, the minister said when we reach this point of outputs how he proposed dealing with the output areas. From my understanding of that opening statement and how we would deal with this output section, he would deal with it under the outputs of Public Rental Housing Assistance as 1. Then we would deal with it under the output of Government Employee Housing as the second, and then we would deal with it as Home Ownership as the third. That is my understanding of what was stated in the minister's opening statement.

**Dr LIM:** Thank you very much, member for Karama, because is exactly what I was intending to do until the Deputy Chairman jumped in, boots and all, and told me that I could not do it.

**Mr Kiely:** No, he didn't. Your short-term memory has gone.

**Mr CHAIRMAN:** Now that that has been clarified, member for Greatorrex, you are now going to address 2, Government Employment Housing?

**Dr LIM:** So, now we are back to what the minister originally wanted?

**Mr AH KIT:** No.

**Dr LIM:** No?

**Mr AH KIT:** Through the Chair, as I understood ...

**Dr LIM:** Please explain.

**Mr AH KIT:** Pauline would like that: please explain.

**Dr LIM:** I can identify with the red-head.

**Mr AH KIT:** Well, she went out to the CLP fundraiser for you mob at Humpty Doo a few years ago.

**Mr Wood:** Humpty Doo?

**Mr Mills:** What has this to do with it?

**Mr AH KIT:** Anyway, through the Chair, I thought, as I explained it, that we finished Operating Revenue and we are going through 1,2, 3 outputs. We are now in Operating Expenses and if the member for Greateorex wishes to ask questions about Public Rental Housing Assistance, he may. When we are finished with questions there, we will go onto Government Employee Housing and then onto Home Ownership.

**Dr LIM:** There was not ...

**Ms LAWRIE:** Mr Chairman, I have a suggestion as a pathway forward ...

**Mr AH KIT:** Okay, sorry. You are right.

**Dr LIM:** I just wish that ...

**Mr CHAIRMAN:** Okay. Everything is fine.

**Dr LIM:** Everything is fine?

**Mr CHAIRMAN:** Let us move it to Line 2, Government Employee Housing.

**Dr LIM:** Hang on a minute, Mr Chairman. I have to dissent on this. I was told that Business Line 1 was Operating Revenue, okay? Now I am told that Business Line 1 was Public Rental Housing and I am suddenly on Government Employee Housing, Business Line 2. You have denied me the questions I have along the lines that I need to question the minister according to the way he determined. I have been gagged.

**Mr AH KIT:** Hang on

**Mr CHAIRMAN:** Can I just clear this up? My understanding is that matters relative to Public Rental Housing Assistance have been concluded.

**Dr LIM:** No, it wasn't, Mr Chairman. What happened was I was asking about Public Rental Housing Assistance revenue, then I went to Public Rental Housing Assistance Expenses, and was told no, I can't. I had to complete operating revenue, Public Rental Housing Assistance, Government Employee Housing ...

**Mr CHAIRMAN:** Is that all right, minister?

**Mr AH KIT:** Yes. I explained that we would go through those. Can I repeat, Mr Chairman, with regard to the appropriation of the Housing Services Government Business Division, any questions should be addressed in order of the business lines. That is, first, the Public Rental Housing Assistance Business Line, then the Government Employee Housing Business Line, and finally the Home Ownership Business Line.

**Dr LIM:** Precisely! That was what I was trying to do. Now, I was stopped by the Deputy Chairman.

**Mr AH KIT:** Okay, well ...

**Mr Mills:** Good one, Len.

**Mr Kiely:** No, you weren't!

**Members** interjecting.

**Mr Kiely:** No, no. I won't have that. You ought to listen.

**Dr LIM:** Go and read your own words.

**Mr Mills:** I think you need to apologise, Len. You stuffed it all up.

**Mr Kiely:** Thick as two short planks at ...

**Mr CHAIRMAN:** Member for Greateorex, if you wish, you can go into Public Rental Housing Assistance expenditure.

**Dr LIM:** Thank you, Mr Chairman. I appreciate that. Now, if I come to Public Rental Housing Assistance expenses, referring to page 179 of Budget Paper No 3, it has gone down by \$6.195m. That was explained earlier by your CEO and I assume that the response stands. Right? Okay, thank you. I am jumping quite a few because I know the time is running out. There will be lots of questions that I cannot ask. Are we still on Public Rental Housing?

**Mr CHAIRMAN:** Yes, we are.

**Dr LIM:** Minister, in the budget papers, you spoke about the demolition of lots 3, 5 and 7 of Kurringal Flats. What is the timeline for the demolition of those three blocks, and the estimated commencement date of a seniors village at that site?

**Mr AH KIT:** I am just looking for the response, because we anticipated this question.

**Dr LIM:** Good! It should be easy to find it.

**Mr AH KIT:** Well, we are looking for it. We will find it and we will tell you and it will be put on record, but we are doing good things there, unlike the previous government. The demolition of blocks 3, 5 and 7 and the Caretaker's Residence along with the realignment of major service will commence when all tenants are relocated in late 2003.

**Dr LIM:** Late 2003?

**Mr AH KIT:** Yes.

**Dr LIM:** Before the Wet, I hope.

**Mr AH KIT:** We don't want to demolish those houses while tenants are in them. We need to relocate them into other accommodation. It will commence when we are able to relocate people into other accommodation because we are going to build a good seniors village complexes there, like we have been doing. Might I add, through the Chair, the seniors village at Gillen won a commendation in national architectural awards. The great thing about that is that the department consulted with the seniors about the type of design. So there are good things happening, and the ex-Kurringal, which will

hopefully be re-named something like Fannie Bay Seniors Village, will be a good complex once we finish with it because the department is a good operator.

**Dr LIM:** So you have the timeline of commencement date for demolition of around late 2003 when all residents have been relocated, but you don't have any estimated commencement date for the seniors village?

**Mr AH KIT:** Yes. September is when demolition will start. I am informed that we still have 10 tenants to move out. Not to move them out, but to move out and relocate.

**Dr LIM:** Seniors village commencement?

**Mr AH KIT:** Have we got a time yet for the commencement of the senior's village? Money is allocated in the budget and it will commence. We will have to go through the process. That will be something that DIPE will have to handle as project managers, but the sooner the better.

**Dr LIM:** I am glad to hear that, minister, because at least that will help with some certainty about Kurringal because I draw your attention to the budget allocation for 2003-04 for the demolition of Kurringal flats, which is \$3.5m, but I also note that \$3m was allocated in budget 2002-03. So what was last year's \$3m used for at Kurringal, or is the \$3m rolled over the 2003-04? The fact is that you are re-announcing an old project and allocation as a new initiative this year.

**Mr AH KIT:** Be careful what you put on the public record.

**Dr LIM:** I am asking the question. You can tell me.

**Mr CHAIRMAN:** Member for Greatorrex! The minister is trying to answer.

**Mr AH KIT:** You asked the question. You will get a response. I will ask my CEO, Mike Dillon, to respond because he has the answer in front of him.

**Mr DILLON:** The member for Greatorrex is partially correct. There was \$3m allocated in 2002-03 and there is \$3.5m allocated in 2003-04. The total program allocation is \$6.5m ...

**Dr LIM:** Good. Very good! I like that!

**Mr DILLON:** ... and we expect that in terms of the \$3m allocated last year, that has been allocated to the planning processes because it has not been simple to just put the bulldozers in; we have had to plan where the power supplies go in and do the planning process. As I understand it, that is well advanced.

**Dr LIM:** So we can look forward to \$6.5m expenditure on the Kurringal flats complex. Has any of the \$3m last year been expended to date?

**Mr DILLON:** I don't have the cash expenditure in front of me. The cash revote has been put across to this year, so we are expecting to spend \$4m this coming financial year, 2003-04.

**Dr LIM:** Yes, but what did you spend, sorry, of last year's \$3m allocation.

**Mr DILLON:** There would have been minor amounts. From memory, I think it is \$50-100 000 to do the planning design work.

**Dr LIM:** So would you agree that less than \$100 000 was spent last year?

**Mr DILLON:** That is my memory, yes.

**Mr AH KIT:** They're still living in there. There are people still in there.

**Dr LIM:** Not a problem, minister. What I am trying to work out in my head is that ...

**Mr AH KIT:** We are not able to build around people while they are resident.

**Dr LIM:** Minister, what I am trying to work out is that of the \$3m allocated last year, about \$100 000 was spent and the rest has been rolled over to this year's project, which is fine. That's fine.

**Mr AH KIT:** Yes, and there will be for 2003-04 \$4m and \$2.5m is going back into the revote. So \$4m will be spent in 2003-04, and \$2.5m in revote.

**Dr LIM:** Minister, still on Public Rental Housing Assistance, describe what you would call 'appropriate accommodation facilities' as part of the Itinerants Strategy. Outline the numbers and locations of these accommodation facilities. I understand the budget allocation for this is \$2.5m for 2003-04.

**Mr AH KIT:** Yes. We are just going through the paperwork, member for Greateorex. There's \$2.62m to provide adequate infrastructure. This will include provision of expanded shelters and accommodation in Darwin, Alice Springs, Tennant Creek and Katherine.

**Dr LIM:** I know that. That has already been stated in parliament. I am looking for what locations within those centres - have you thought of that? - and what type of facilities.

**Mr AH KIT:** No, we are still in the planning and working through identifying land to put this infrastructure in place. As you can see from the whole budget, with the additional \$2.75m, we will have a total of \$5.25m, and that is extended beyond Darwin and Palmerston. We want to ensure that Katherine has support in dealing with the antisocial behaviour problems, Tennant Creek likewise, and Alice Springs. There is some \$500 000 I am looking at providing.

However, we have to ensure that there is consultation with the stakeholders, and that we work with them to ensure that we find the appropriate block of land. We will talk to them about the type of building that they desire for running programs out of them and making sure that they are adequate and structured properly so that the service is ongoing and will work well.

We are going through that process at this stage. There is no model worked up to be put in these places around the Northern Territory. We will rely on consultations through the Department of the Chief Minister's officers in those regions, along with people from my department who have carriage of the Itinerants project.

**Dr LIM:** Moving on, an allocation is made in the 2003-04 budget for the construction of general purpose public housing in centres south of the Palmerston line. Describe their locations and nature of the housing.

**Mr AH KIT:** I will ask Fiona, the Director of Housing, to respond to that question, member for Greateorex.

**Dr LIM:** Thank you.

**Ms CHAMBERLAIN:** We do not actually have any specific planned projects. We are, in fact, going through a planning process at the moment that may identify specific projects on which that will be spent.



**Dr LIM:** Minister, if I may come back to the last response you gave me about appropriate accommodation for the Itinerants Strategy. When you do the consultation with groups, I would assume that, when you identify a block of land, you will be consulting the neighbourhood as well?

**Mr AH KIT:** Of course. Obviously, we will be involving the local municipal council, the stakeholders - when I say stakeholders, I mean people who are concerned and who have interests and need to have input - so that we locate it on a site that the majority of people are happy with. For goodness sake, if we were to go and put it up somewhere where people were not going to utilise it, as users, or people are not going to be comfortable with it because it is in the wrong location - we obviously would not be wanting to be putting them alongside the pub in Tennant Creek, for example. So yes, we will be consulting.

**Dr LIM:** Thank you. Minister, the average waiting times for public housing has gone from 10 months in 2001-02 to 18 months in 2002-03. There appears, according to your budget papers, to have been no effort to improve the situation. Can you explain what is happening with housing stock that is not tenanted and, obviously, could not be in light of the repairs and maintenance budget allocation for 2003-04? Why are you keeping Territorians waiting for three-bedroom homes for up to 18 months on average?

**Mr AH KIT:** We have a waiting period of between three months to 37 months. Applicants for public housing currently wait from between three months, as I said, and 37 months, depending on the location and type of housing required. The average waiting time of 18 months is a calculated figure of waiting times for two and three-bedroom housing across the Territory. It therefore can only be used as an indicator of waiting times. In fact, the time people have to wait for housing is affected by a number of factors, which vary according to location and type of housing. Some of the factors are the rate at which tenants leave public housing, the availability of suitable stock, and the number of priority applications. But there have been improvements in the waiting time. Over the last two years, my department has improved those times for public housing. For example, in Darwin and Casuarina, the waiting time for two-bedroom units has dropped from nine months in 2001, to three months in 2003.

In fact, in all indications from my department, there is more of a need for one and two-bedroom, especially two-bedroom, units rather than three-bedroom, especially in a place like Alice Springs. We know what has happened in Alice Springs in terms of the shortage of land because of the native title claim that was unable to be sorted out for a number of years. That land has now been released, so I certainly hope to see that there is an easing of pressure on public housing ...

**Dr Lim:** Minister, the ...

**Mr AH KIT:** Nevertheless, the Northern Territory has one of the lowest waiting times in the country and the shortest wait list for public housing of any jurisdiction. In Sydney, for example, people are waiting for 10 years.

**Dr LIM:** Through the Chair, minister, some of your figures are incorrect. But also, I need to correct your statement that land in Alice Springs has been released. It has not. If I can draw your attention to Budget Paper No 3 of last year, one-bedroom non-pensioner, 18 months waiting period; three-bedroom, 10 months waiting period; that is nett average. This year, in your Budget Paper No 3 for 2003-04 it has gone to 18 months. Obviously, when you average it all out, 10 months last year, 18 months this year. Something has changed and I just want to draw your attention to that so that you know that the statement you made has some inaccuracies.

**Mr AH KIT:** If you believe that my figures were incorrect, I am not going to allow you to make that statement without responding. If you can prove that that is incorrect, I invite you to. We can have the argument here and chew up your time if you wish, but I invite you to write to me and point out to me where I am wrong after you read *Hansard*. Through the Chair, I do not want you writing to constituents saying that you accused me of being wrong in this session of the Estimates and look to gain some political point-scoring opportunities.

**Dr LIM:** I would not do that, minister. I was pointing out where you made the error. Anyway, moving on: provide the numbers and types of housing stock by region for 2002-03. If it is a long list, I would seek that you table the document.

**Mr AH KIT:** I will just go to that because it was evident to us in the preparation of our material that you would ask a question of that nature. As of 30 April 2003 there was a total of 6729 houses, comprising 6137 dwellings in public housing, which includes 106 houses leased to organisations through the Industry Housing Program and 592 in government employee housing. You would like me to table the public housing, government employee housing and totals for public housing and government employee housing?

**Dr LIM:** No, I did not ask for government employee housing. I am not in that Business Line yet. I am talking about numbers and types of housing stock by region.

**Mr AH KIT:** This has no names attached to it, and I don't have any problems tabling this, which includes government employee housing. So that is another one that I have given to you.

**Dr LIM:** Thank you, minister. You are very gracious. I draw your attention to the Community Housing Program grants, which received an allocation of \$677 000 in 2002-03. That was overspent by some 24%, yet you have only given an allocation of \$650 000 for 2003-04. What is your rationale for cutting the Community Housing Program?

**Ms CHAMBERLAIN:** There hasn't actually been a cut. What happened in the past is the figures for CAP, the Crisis Accommodation Program, and Community Housing Program are set under the Commonwealth-State Housing Agreement. In past years, where we haven't expended the full amount, we have revoted it or rolled it into the following year, allowing us to undertake more projects with the larger amount of money.

**Dr LIM:** That is a good explanation, thank you. Minister, there are many Territorians, obviously, who need crisis accommodation. Again, you have cut the allocation by \$161 000 from last year's allocation. That is a 29% crisis accommodation cut as well. Is it the same rationale as for the previous question?

**Ms CHAMBERLAIN:** Again, it is not a cut. It just reflects that in the previous year, there were monies rolled from years before that into it. What is reflected in this year's budget is the actual amount for that program.

**Dr LIM:** Minister, are you able to detail the expenditure, region by region, the organisations that receive funding and the level of funding for crisis accommodation and community needs? Again, it will be a fairly extensive table, and I would appreciate you tabling it if it is easier and would save us time.

**Mr AH KIT:** Okay. That's three down. That is a hat trick, member for Grotorex.

**Dr LIM:** You are very gracious, minister. Since the introduction of *Housing 2003*, what is the total value to date of construction of new public housing, region by region, completed to date, and what was the 2002-03 initiated and completed component? Provide details of what construction is currently underway that was initiated in 2002-03 and at what estimated cost? What do you anticipate will be the new construction for 2003-04, and at what cost? Again, it is fairly detailed, but if you have another table ...

**Mr AH KIT:** Total value of construction since the introduction of *Housing 2003* in 1998 ...

**Dr LIM:** No, no. I am just looking for the last two years. I do not need to go right back. If you have whole table that goes right back, it might be easier to just table it.

**Mr AH KIT:** \$5.875m, total value of construction; construction of 56 properties in the Darwin, Palmerston and Alice Springs areas in 2002-03.

**Dr LIM:** 56 units.

**Mr AH KIT:** 56 properties in the Darwin, Palmerston and Alice Springs areas. They were constructed.

**Dr LIM:** At a cost of?

**Mr AH KIT:** \$5.875m

**Dr LIM:** For 2002-03. What is the anticipated construction for 2003-04, at what cost and in what regions?

**Mr AH KIT:** I am advised, member for Greatorrex, nothing under the *Housing 2003* policy.

**Dr LIM:** So there is no new construction planned for 2003-04?

**Mr AH KIT:** There is the Kurringal 40-unit Fannie Bay Seniors Village, but that is ours, in terms of this government ...

**Dr LIM:** I don't care which government is here. I just want to know what is happening.

**Mr AH KIT:** Hang on. I am saying that the challenge is with me to develop *Secure and Affordable Housing to 2010*.

**Dr LIM:** Good. I look forward to reading it.

**Mr AH KIT:** I have had a look at *Housing 2003*. There are many staff working now, ensuring that we plan for the future. We want to invite people to comment. Tomorrow, we are launching *Home Territory – Secure, Affordable Housing to 2010* on the web site. We are going to encourage people to be involved and provide advice on how we best put this *Housing 2010* policy together. It was a good initiative, *Housing 2003*. The challenge is with me to make sure that *Housing 2010* is going to be better. At the end of the day, we will look after Territorians who seek public housing.

**Dr LIM:** Thank you, minister. You can see I am slashing through lots of questions. Minister, how many units of accommodation and types of accommodation did Territory Housing sell in 2002-03? Were any disposed of other than by sale, and to whom?

**Mr AH KIT:** Disposed dwellings in 2002-03: tenants - 41; private market – 49, which gave us a total of 90 that were disposed of. Total receipts from those disposals for 2002-03 is estimated at \$11m. Disposing of public housing stocks through the private real estate market, approximately six every six weeks, has proved to be a useful part of the Darwin and Palmerston market by adding lower cost housing to the housing market that would not have otherwise been available. It is therefore adding to the pool of home ownership options for lower income earners. The 2003-04 projected dwellings sold or disposed, it is estimated at around \$109m.

**Dr LIM:** Any projected revenue from that?

**Mr AH KIT:** Well, just quickly off the top of my head, if we got \$11m for 90 that we disposed of, as I explained earlier, then we would have to be looking at, with 109, 110, I would say \$12m to \$13m.

**Dr LIM:** Were any disposed of other than by sale, and to whom? In other words, gifted or whatever?

**Mr AH KIT:** Yes, a small number were gifted to the Kalano Community Association in Katherine. They have taken on the responsibility of repairs and maintenance and ownership of those houses. As you are well aware, many Aboriginal people live in public housing. It is good that Aboriginal organisations such as Kalano, who are organised and professional in how they provide delivery of service and care for those houses, and they should be encouraged to take that responsibility.

**Dr LIM:** Can you give me the numbers given to Kalano?

**Mr AH KIT:** Five surplus Territory Housing properties that were beyond economical repair were transferred. As I said, the transfer was at nil cost to Kalano. The Kalano Community Association obtained funding of \$430 000 to upgrade the houses to the IHANT-approved standard. The upgrade of the houses was completed in May 2003, giving employees of Kalano Community Association considerable employment opportunities.

**Dr LIM:** So they were the only five houses gifted?

**Mr AH KIT:** I am not sure. There may have been one or two others. The gifting was a part of the discussions, and the offer from Senator Vanstone, the Commonwealth Minister for Housing, in providing \$4.33m additional to what we received under the Commonwealth-State Housing Agreement for Aboriginal Rental Housing programs. She put a condition in that we matched that. I believe that type of condition placed on the \$4.33m is unwieldy and unnecessary in terms of our ability to match it, as with other bigger states or the ACT. I am in discussions with her about not applying that type of condition, especially when we know that that money is going for indigenous housing needs. The Kalano exercise was - while it was at nil cost to Kalano - a part of the gifting which offset the matching of dollars with Senator Vanstone.

**Dr LIM:** Not a problem, minister.

**Mr CHAIRMAN:** We have 25 minutes left

**Dr LIM:** 25 minutes, okay. Moving on and slashing through fairly quickly. Minister, how many evictions and repossessions occurred, region by region, with Territory Housing in 2002-03? What was the timeframe of each eviction and repossession, from the time a complaint was laid to the time of the eviction? What did the evictions and repossessions cost in legal fees and repairs and maintenance of the repossessed Territory Housing homes and units?

**Mr AH KIT:** Sorry, member for Grotorex. The first part of your question, evictions ...

**Dr LIM:** Again, this a table. It is a long table and if you could table the document, it would be easier.

**Mr AH KIT:** It has not got much on it. Evictions and taking possession following the absence of tenants are: Alice Springs – 0; Darwin – 20; Katherine – 1; Tennant Creek – 4; Nhulunbuy – 0. That is it. If you want me to table it, I can.

**Dr LIM:** What did it cost in legal fees?

**Mr AH KIT:** We do not have a detailed breakdown, but I have under Public Housing, legal fees of \$11 885. I would be very surprised if more than half of that was used on ...

**Dr LIM:** I do not hazard a guess, minister. In my experience, sometimes it can take quite a long time to evict somebody and legal costs can be quite significant. Rather than hazarding a guess, if you do not have a figure, there is nothing much you or I can do about it. Do you know how much it cost to repair the repossessed units or homes?

**Mr AH KIT:** No. I am just wondering whether we do have a ...

**Dr LIM:** If the answer is no, I accept that, minister. That is fine, but I observe that under accrual accounting, these things will have to be taken into consideration in the very near future. On that note, Mr Chairman, I will hold off on any further questions on Public Rental Housing.

**Mr CHAIRMAN:** Are there any other question in regards to Business Line 1? Line 2.  
**Business Line 2 – Government Employee Housing**

**Dr LIM:** Government Employee Housing?

**Mr CHAIRMAN:** Yes.

**Dr LIM:** I would like to ask a couple of questions on this. Let me start with a simple one. Has the government commenced government employee housing for qualified, locally recruited staff? If it has, where are these employees located, and what jobs are they doing for which departments? Short answer is no?

**Mr AH KIT:** No, we have not commenced. As you fully realise, member for Greateorex, accommodation for public servants in remote communities has been a problem for many, many years. Rather than being too critical of the former government, we are addressing the issue. I am working with my department and a couple of other departments to develop Cabinet submissions. We will be looking at government housing, the core amenities, better tenancy services. What we are doing is preparing Cabinet submissions to address the issue and, hopefully, get Cabinet support.

It is something we want to deal with. It was great to note the other day that my colleague, the Minister for Health and Community Services, announced an additional \$6.2m, I think, which was provided by the federal Minister for Health and Community Services, Senator Kay Patterson. That is going into PHCAP programs, rolling out the health models, which will provide accommodation for health professionals in the bush.

We certainly need to address not only the indigenous housing component, especially those who work with the public service, but also upgrade, renovate and build new government employee housing. When you travel out to these communities, you see houses that should really be bulldozed. They have been there for 40 or 50-odd years. We are working on it and I hope to announce something later on in the year about our plans to move forward on that housing situation in remote areas with indigenous employees.

**Dr LIM:** Moving on. This is a rather complicated question. I will read it slowly. Budget Paper No 3 of 2002-03 at page 190 had an allocation of \$11m to construct, upgrade or replace government employee housing in all regions, including 20 houses specifically for teachers in remote locations. In response to a question put to you last year, you said, and I quote:

*The 2002-03 commitment to upgrading teacher housing is estimated at \$.45m and will see in the order of 55 dwellings upgraded to current standards for security, fencing, car ports, sheds and replacement of substandard fixtures and fittings.*  
You further said that:

*Housing Business Services has also initiated a replacement program whereby dwellings that are beyond economical repair and the old one-bedroom units are replaced by new two- or three-bedroom dwellings. The 2002-03 commitment to this program is for 13 new teacher dwellings across the NT at an estimated cost of \$2.2m.*

Now, there is no mention of the success or otherwise of the program and no mention of it in Budget Paper No 3 of 2003-04. Where were the 20 houses built? Are they now occupied, and by which professionals? How does this reconcile with the budgetted 33 new dwellings listed on page 191 of Budget Paper No 3 for 2002-03 to be constructed in remote localities? What is the status of this

project? I am happy to table this question for a response on notice. I think it would probably be easier for both you and myself.

**Mr AH KIT:** If you wish, but I would respond by saying that 46 dwellings were identified for government employee housing construction in remote communities for all agencies across government. Thirty four dwellings were completed, costing approximately \$4.7m and the remainder is works in progress. The type of accommodation completed varies between two-bedroom transportable homes to two-bedroom duplex and three-bedroom houses. Of the 34 dwellings constructed, 25 dwellings at a cost of \$3.5m are for teacher housing, which equates to 73% of the dwellings completed. The 25 dwellings built for teachers are in the locations of Yuendumu, Finke, Hermannsburg, Ntaria – there are six; Yuelamu, Papunya there are two; Utopia, two. In the Barkly area, Alpururulam one; in Kiana, one. In East Arnhem, Yirrkala three; Galiwinku five. In Darwin, Wooliana and Dundee Beach, one each. That will make the member for Nelson a little bit happy over there. But if you wish to table the question ...

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### Question on Notice

**Dr LIM:** If I ask the question to be taken on notice, then you will provide the answer accordingly?

**Mr CHAIRMAN:** Minister, are you prepared to take the question on notice?

**Mr AH KIT:** Yes. I don't have a problem.

**Mr CHAIRMAN:** That being the case, that is question 6.2.

**Dr LIM:** There is the written question.

**The SECRETARY:** It is easier if you read it into *Hansard*.

**Dr LIM:** Well, it is there. You can take it to *Hansard* and *Hansard* can type it out.

**Mr Kiely:** Just say it.

**Dr LIM:** I have read it out once, exactly word for word.

### Incorporation of Question

Budget Paper No 3 of 2002-03 at page 190 had an allocation of \$11m to construct, upgrade or replace government employee housing in all regions, including 20 houses specifically for teachers in remote locations. In response to a question put to you last year, you said, and I quote:

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**Dr LIM:** That concludes my questions on Government Employee Housing.

**Mr CHAIRMAN:** I understand the member for Nelson has one.

**Mr WOOD:** Yes, minister. With Government Employee Housing - and I asked this of the Minister for Education - do you supply houses for indigenous teachers? Maybe I can expand on that. Do you also supply housing to indigenous health workers? You supply them for teachers and nurses that come to those communities. Is there a program to supply housing for indigenous workers in the same field?

**Mr AH KIT:** That is the stuff that I mentioned we are working up Cabinet submissions on. What we inherited from the former government is the situation where ministers with their portfolio responsibilities had and still have their own allocation of housing in remote areas, and those houses go to teachers, health workers. In some situations, one portfolio area provides curtains but not airconditioning. In another portfolio area, they provide an airconditioner but no curtains. I want to get this organised in a way that we have a common, central situation that is coordinated in a way where we have standard government employee housing that caters for both indigenous and non-indigenous employees full stop. That is my aim. At this stage, I cannot really give you the answer you are looking for because I can not speak for the other portfolio areas of health, education, etcetera.

**Mr WOOD:** They sent me to you. I mean, the Minister for Education did. He did not know, either.

**Mr KIELY:** Minister, on Government Employee Housing in Darwin, including the Casuarina and Palmerston area: police housing, can you tell me how many of these are allocated to police and what are the management protocols involved?

**Mr AH KIT:** As I just explained to the member for Nelson, I do not have that information available to me because I am not the Minister for Police. That is one of the reasons I am working to get this working group with my department involved, to centralise all of this government employee housing accommodation across the Territory. There is rental policy; the core amenity design standard; furnishing policy, which I just touched on; direct tenancy management approach, which we do not have at this stage; and the supply model to provide housing for key local recruits in remote areas. I just do not have that answer. The Minister for Police would have that answer on government employee housing for which he has responsibility.

**Mr CHAIRMAN:** That concludes Government Employee Housing.

### **Business Line 3 - Home Ownership**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** Yes. I shall limit it to one question, minister. There is a continued demand from Territorians who purchase their own homes, however I note that on page 182 of Budget Paper No 3 of 2003-04, you underspent your new HomeStart loans advanced to purchase homes in the private market by 20%. By that, I mean that in the 2002-03 budget allocation, you had \$260 000, and the estimated actual is \$210 000, so you have underspent by some \$50 000. Can you explain why the budget outcome was not achieved?

**Ms CHAMBERLAIN:** Yes, that is correct, it has reduced. There are certain impacts that are involved in that because it is a market-driven product. It is not that we are reducing the amount of money available for it; people are not taking it up. One of the impacts on that happening was the reduction in the First Home Owner Grant. When the additional monies for that for construction were available,

people were taking up the opportunity and that led to a boom in some of the need for housing loans, which led to an increase in 2001-02, but what we are now seeing is a cool-off this year.

**Dr LIM:** That is a very reasonable answer, thank you. Finally, minister, what is your rationale for decreasing the Early Start Deposit Assistance Grants by 27%, when the policy is to promote more home ownership in the Territory?

**Ms CHAMBERLAIN:** The deposit assistance grants, of course, follow the same pattern.

**Dr LIM:** Good, thank you. That concludes my home ownership questions.

**Mr WOOD:** Very quickly, this is another question that was directed at the Treasurer and he said to pass it on to you, minister. How many people were given First Home Owner Grants in 2002-03? How many received grants in 2001-02? Were any First Home Owner Grants given to people who live outside the Territory's major population centres? The reason I was asking that is to see whether the scheme is going to remote areas.

**Mr AH KIT:** Through the Chair, I will respond to the last part of that question, and maybe Fiona can respond to the first part of it.

I have asked the department to start looking at how we can encourage and extend this HomeNorth loan program into the bush. We have Aboriginal people who have been public servants for quite some time. They have a permanent, reliable income. We have some Aboriginal families that have two incomes, if not a family with three or four. I think we should be looking at ways to extend it, and I have asked the department to look at how we can offer this in the bush. We are talking with the land councils, traditional owners, about allocating a designated living area, whether it is a suburb as such, where infrastructure can be put in place so people can take up these loans and repay it, then the house belongs to their family for the next 100 years, etcetera. It is certainly something that I have been talking to the department about.

**Mr WOOD:** I support that and I hope you can get that off the ground, minister. Do you have the figures?

**Ms CHAMBERLAIN:** In 2002-03, HomeNorth loans of \$21.7m are estimated, which represents about 200 loans estimated to be issued. The HomeNorth Early Start Deposit Assistance Scheme grants in 2002-03 are estimated to be 392 at a value of \$524 000. The HomeNorth acquired share equity in properties which are financed looks to be at a value of \$4.74m. The number and value of loan grants per region, and we only have the break-up per region, is: Darwin, number of loans is 43 and number of grants is 75. I can give you those values as well if you want them. So, 43 loans at \$4.9m in Darwin; 77 grants at \$95 000. In Alice Springs, we have 68 loans at \$7m, and 139 grants at \$181 000. In Palmerston, we have 17 loans at \$1.8m, and 38 grants at \$41 000. In Casuarina, we have 62 loans at \$7m and 125 grants at \$187 000. In Katherine, we have 10 loans at \$1m, and 13 grants at \$20 000.

**Mr KIELY:** Minister, the market is expecting a reduction in home interest rates. Will that also occur with HomeNorth? Do they come down in line with it and, if so, do they come down very close to the time, or is there a bit of a delay?

**Ms CHAMBERLAIN:** Currently, our interest rate is linked to the Commonwealth Bank interest rate for home loans and it will follow that. Therefore, if they reduce their home loan rates, then ours will follow, and it should follow straight away. The loans are administered by Territory Insurance Office and they will put that into place.

**Mr CHAIRMAN:** That concludes Housing Business Services Business Lines 1, 2 and 3.

**ABORIGINAL AREAS PROTECTION AUTHORITY**



**OUTPUT GROUP 1.0 – Protection of Sacred Sites**

**Output 1.1 – Protection of Sacred Sites**

**Mr CHAIRMAN:** Are there any questions?

**Dr LIM:** I have a question. Thank you Alan, Mike, and Fiona.

**Ms LAWRIE:** I have a query. What time are we ...

**Mr CHAIRMAN:** We have about three-and-a-half minutes to go.

**Mr AH KIT:** I would like to introduce Dr John Avery, who is the Acting Chief Executive, and Mr Clive Naylor, who is the Aboriginal Areas Protection Authority's Manager of Corporate Services, Mr Chairman.

**Mr CHAIRMAN:** Welcome to you both.

**Dr LIM:** John, I hope the three minutes will be very useful. Minister, could you detail the current position of the sacred sites debacle and the old Carmichael Caravan Park site in Alice Springs? What resolutions have come out of all the negotiations with landowners in the affected area? What is the government's offer of compensation? What is the government's position with regard to compensation for Ms Maryann Geraghty and her husband? Detail the agreed compensation for any other allotments affected by the Aboriginal Areas Protection Authority's action earlier this year.

**Mr AH KIT:** Before I ask Dr Avery to respond to that question, I really have to respond to you, member for Grotorex, when you say 'debacle'. I have been up-front in saying this was an era ...

**Dr LIM:** I never accused you of anything else.

**Mr AH KIT:** When you say 'debacle', it is a debacle that happened when you were in government, back in 1993 ...

**Dr LIM:** It is still a debacle.

**Mr AH KIT:** It is a debacle that we discovered that was never acted upon. So, let us move on for there ...

**Dr LIM:** Yes, let us move on.

**Mr AH KIT:** ... and I will get John to explain in the last 63 seconds.

**Dr AVERY:** Through the Chair, member for Grotorex, there were a number of issues that arose in relation to the Carmichael Estate in Alice Springs, which is a housing development. It was originally a caravan park, and it was a private subdivision. The authority moved very quickly and, I believe, effectively to address the uncertainties which arose for some landowners. It did that by consulting the custodians, so that we were in a position to issue 10 authority certificates which had the effect of dealing with the uncertainties of landowners that arose at that time.

**Mr AH KIT:** John, sorry, we are getting close to time. Could you just tell them where we are at - the current situation, maybe, to cut to the chase.

**Dr AVERY:** Right. The current situation is that I believe all of the difficult issues that affected landowners at the time have been dealt with. There has been no compensation issue arising under

our act. However, there has been a government move, which is under another minister, to acquire a block of land from one of the landowners.

**Dr LIM:** Has the price for acquiring the land been agreed on?

**Dr AVERY:** It is outside the ...

**Mr AH KIT:** It is being negotiated.

**Dr LIM:** Still?

**Mr AH KIT:** Yes. As I understand it, there was an offer made, it was rejected. There is an offer, I believe, to get the Australian Valuation Office to do an independent valuation. DIPE is paying for the independent evaluation. Once that is passed onto us, we will work out whether that is a fair price and, hopefully, negotiate an outcome that we are all happy with.

**Mr CHAIRMAN:** Thank you very much. That concludes all questions relative to ...

**Dr LIM:** At least I made it ...

**Mr CHAIRMAN:** Can I have some order, please? That concludes all the minister's portfolios. Minister, I thank you for your attendance here this evening. I thank Dr Avery and Mr Naylor for coming in and extend the Committee's thanks to other advisors, minister, who have appeared with you. Please extend our appreciation for their contribution this evening. I adjourn the Estimates Committee until 9 o'clock tomorrow morning.

The committee suspended.

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