

The Estimates Committee convened at 8.00 am.

Madam CHAIR: As the Chair of the committee I formally declare this public hearing of the Estimates Committee of the Legislative Assembly of the Northern Territory open, and I extend a welcome to everybody present.

I acknowledge that we gather this morning on the land of the Larrakia people and pay my respects as I know others do here to elders past, present and emerging.

This is the 18th year of the Estimates Committee process. The procedures of the committee have become well established over that time and are outlined in the Estimates Information Manual, which is available at the back of the room. There are some out the front as well or it is available on the Assembly's website.

Details are also in the Chair's opening statement from last year and I will not be revisiting them this morning. I will, however, highlight a few key procedural points.

The agenda for the consideration of outputs gives the order in which the outputs will be considered. I remind members to seek clarification from the minister at the beginning of a hearing, or in this case the Speaker, if they are unsure which output a matter may fall under.

It is important that each question on notice is given a number and repeated so its terms are clear. I will interrupt whenever a question is taken on notice to ensure this occurs. I may also interrupt when answers are given in order to clarify the question number it refers to.

Questions on notice must be answered by 11 July. Under the Assembly's resolution the committee is not able to accept an answer after that date. Hearings will commence at 8 am, lunch is from 12 pm to 12.30 pm each day, and dinner is from 6 pm to 6.30 pm, if required. Other breaks will be determined at my discretion.

THE SPEAKER'S PORTFOLIOS

DEPARTMENT OF THE LEGISLATIVE ASSEMBLY

Madam CHAIR: The committee will now proceed with consideration of the estimates of proposed expenditure in accordance with the agenda for the consideration of outputs commencing with, as we have here today, Madam Speaker, and outputs relating to the Department of the Legislative Assembly.

I note that whilst the Administrative Arrangement Orders put responsibility for the Department of the Legislative Assembly with the Chief Minister, by convention the Speaker administers the department so will now answer questions relating to the department's outputs.

Madam Speaker, I welcome you and I invite you to introduce the officials accompanying you.

The SPEAKER: Thank you, Madam Chair and committee members.

This is my seventh successive appearance as the Speaker of the Legislative Assembly before this committee. With me today on my left is the Chief Executive of the department, Michael Tatham; the Deputy Clerk, Marianne Conaty on my right; and the department's Chief Financial Officer, Diem Tang on my left.

As you have said, Madam Chair, and as you would be aware that in my role as the Speaker, I have no role in terms of the Assembly's budget. However, in the Northern Territory each year this committee asks me to step in for the relevant portfolio minister who is the Chief Minister.

I will provide some highlights of the department's activities, and then I will cover some of the matters of budget repair and the impact of the budget on the department, before taking specific questions on those matters.

Under Education and Outreach, the Know Your Assembly seminars I report on each year are now five years old and have been attended by over 1400 people since inception. That is more than one in every 250 Territorians. I wonder if a statistically proportionate equivalent of more than 28 000 New South Wales citizens have been to a similar briefing in the past five years.

This initiative has greatly increased awareness of the Legislative Assembly and broken down some myths and misconceptions, and they have improved understanding about the role and functions of the Assembly with a focus on teaching the distinction between the executive government and the parliament.

In addition, the Assembly welcomed 3967 school students here and through our Outreach program and another 1317 through public tours; 468 people attended events such as Law Week and Commonwealth Week; and 1249 attended the parliament's open day and specially arranged individual tours.

All of these figures are a slight decrease on the previous year. The Assembly mace went out to the people on an Education tour from Darwin through to Alice Springs, Ayers Rock and Uluru. It is all cleaned up now, but needs some attention to the crown.

Using the ceremonial mace as a focal point allows people to ask about the role of their parliament and consider its impact upon their lives. The tour was a great success and you can see a summary of it on our department's Facebook page.

Website and communications—the department continues to improve its presence on social media. More than 1200 people now follow the Assembly on Twitter. In the absence of a stand-alone website with video on demand and a smooth search function, the Assembly has continued to utilise the resources of the NT Library's Territory Stories platform for the retrieval of Hansard. User feedback on search functions have been addressed with an instructional YouTube video.

Member survey—members were surveyed again last year against questions relating to Budget Paper 3 and the performance measures reported against annually. Seventeen responses were received in 2018, one more than the previous year. The best return rate was in 2013, when 19 members responded.

Aggregate responses scored well over 90% satisfaction levels in each category. Each year I reiterate, at the commencement of the survey, that when the survey is conducted, each non-return counts as 100% satisfaction across all criteria. This approach permits totally satisfied members to allow their views to be scored automatically.

Budget 2019—I turn briefly to the budget appropriation for the department. The Department of the Legislative Assembly is a government department like all others. The Chief Minister is the Cabinet minister. The Treasurer's advice is to government, not the Speaker, and from time to time it may not differentiate between required expenditure over which the department has no discretion and discretionary areas of the budget.

If, for example, Cabinet applies a blanket saving or efficiency proposal to the entire budget of the department, that budget saving is only impacting on operational areas, such as staffing, education, outreach and corporate support. An efficiency dividend for example cannot apply to the RTD allocated costs.

The department cannot reduce the number of Assembly members or their staffing entitlements, salaries, office accommodation, rents, vehicle leases, allowances and member electorate and constituency work. The government must resource these and the Department of the Legislative Assembly is the agency which administers them.

The full-time equivalent staffing cap and a mandated reduction of one full-time equivalent position applies only to DLA staff. The Assembly cannot apply a saving if a member resigns by deciding to keep that salary and not holding a by-election. Any member contemplating retirement at the next election could assist by retiring in March 2020, because the *Northern Territory (Self-Government) Act* does not require a by-election six months out from an election. That would save money. Seriously though, it is well understood that government has had to find significant savings; that is well acknowledged. These are just matters of fact and we must live within our means.

The impact of Budget 2019–20 on the department will result in a reduction of the department's staff in the coming year. The budget allocation is now \$370 000 less than the full complement of positions. Therefore, a number of positions will go unfulfilled or will be deleted. The Department of the Legislative Assembly will have to try to do as much as it does now with fewer staff available to deliver in Education, Outreach Programs, information programs and member support. Perhaps the time has come for separate consideration and an appropriation bill for the Legislative Assembly as occurs in other Australian parliaments.

I thank the committee for this opportunity to make an opening statement and welcome any questions.

My apologies, Madam Chair, when I mentioned the Know your Assembly I said 1400 people since inception, but I meant 1004 people.

Madam CHAIR: I call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving on to output-specific questions, then non-output specific budget-related questions.

I invite the shadow minister to ask questions first, followed by the committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in on a line of questioning pursued by a shadow minister rather than waiting for the end of the shadow's questioning on an output.

Madam Speaker, would you like to make an opening statement?

The SPEAKER: No.

Madam CHAIR: Are there any questions relating to the statement?

Mr HIGGINS: Yes. Firstly, thanks Madam Speaker for that address. I also want to thank all of the public servants who have prepared all of these answers. I know we sent some global questions out in early April and they have done some work responding to those as well as the briefings for you here today. That huge effort is invaluable when you want to start to compare year to year.

Specifically, to your opening address, you mentioned \$370 000 in savings through that efficiency dividend. Was that in staffing, operational or both? Is that the total savings amount that we have to cut from?

The SPEAKER: In response to your question Opposition Leader, the department will have to find these savings in the only areas left to find them; that will be in programs and staff. The department has statutory and legal obligations where no savings can be made. It cannot reduce the statutorily required services to members, as I mentioned, under the RTD. It cannot find savings in contracted-for services such as the security contract, gardening and cleaning contracts; noting that the contracts have built-in annual increases. It cannot reduce the requirement to hold Assembly meetings and the associated costs there.

The only place to then look for reductions is in staffing and operational costs—as I mentioned about programs. So far we have not backfilled an Education position, which remains vacant, and we will not backfill a forthcoming vacancy in the same Education unit. We have a non-backfilled vacancy in committees as well. The department will need to find the required savings and this will mean a reduction in the total number of staff in the coming year.

We are undertaking an organisational review, which takes into account the government's response to the Langouant report and the actual budget allocation. With staff consultation a new structure to meet the needs of the department, within the amount available to it, will come into effect in the next six months. That is about three positions that have not been filled.

Mr HIGGINS: That \$370 000 is an efficiency dividend. Is that \$370 000 off the bottom line? What you are saying is that if the efficiency dividend is spread across the whole of the agency, there are parts of the agency where you cannot reduce costs and those savings are therefore passed to the areas that you can find savings. Effectively, part of your agency is having a double dip, or being impacted by a double dip, because you are losing the money identified for services which cannot be reduced—now being passed to those areas that can be reduced. Is that right?

The SPEAKER: Probably, yes. The 2% equates to around \$250 000 this coming year. This is in addition to \$100 000 budget reduction associated with the reduction of one full-time equivalent position and \$18 000 whole-of-government savings to be found on savings on our leased motor vehicles, for example.

Yes, there are the areas I mentioned that just cannot be touched. To find efficiency dividends, we have to go to the only area where we can, which is staff and some programs, which means some education programs will be impacted upon.

Mr HIGGINS: Which ones are we looking at actually impacting? Or do you not have that detail?

The SPEAKER: We do not have that detail but I have listed them. There will be less staff travel so there will be less outreach programs. We have a Know your Assembly in Alice Springs that may not occur in the coming

year. There are going to be no more public tours of Parliament House on Saturdays because that involves casual employees, and the Wednesday public tours are now being done in-house by staff. For example, the Clerk will take one and I will take one in the near future as well. It is those kinds of things. It is what I call the public relations program for the department and the parliament that will be impacted the most.

Mr HIGGINS: What would be the impact then—there are two sides to this. You could, in fact, say that travel for MLAs coming to sittings is a cost that you have to fork out for. There are two sides to this. One is, there could be less of that which would give you savings that you would pass across to the other areas. The other side that concerns me more is that if that goes up, where do you find that? Is that automatically funded or is that then funded from further savings?

The SPEAKER: Treasury has to provide the money. We will not take money from future programs or staffing. Treasury has to provide that money to cover the basic entitlements of members. An entitlement of a member is to come to parliament for sittings. If travel costs went up—airplane costs, car costs, fuel costs for example—that has to be met by Treasury.

Mr HIGGINS: You mentioned the savings in vehicles—what does that change?

The CLERK: Opposition Leader, the government has mandated lease savings across government, and for this department it is \$18 000. There are a couple of leases for staff cars and members' cars. We have asked some questions on savings—the savings are \$18 000; we just have to find it. They cannot come off the cars themselves. We still have to pay the lease, so we have to find savings on the number of cars we have. They have given us a quantum and that is the amount we have to save.

Mr HIGGINS: Maybe we do not give them free car parks. We will come to that later.

Mr WOOD: I am a bit concerned—we can ask the question about the number of staff you have to cover scrutiny committees, so that will not expand, but Mr Langoulant said that we should not have the efficiency dividend and that it should be removed. Has your department spoken to the government about the effect this will have, considering that in the budget repair book that is one of the very things he said should not be changed. Now we will see the effect of that.

The SPEAKER: That would be a matter for the government. Yes, we do talk to the government, in various ways, formally through letters and correspondence. That is what this committee is about, highlighting where the impact will be on parliament and the services it delivers not only to its members—of course the members are impacted. If you start to withdraw public tours and Know Your Assembly sessions that ultimately impacts on members because less people are fully aware of the role of a member of parliament. It does have a flow-on effect.

Mr WOOD: Do you have any idea how much overtime is required from scrutiny committees at the present time? Will you not allow overtime?

Madam CHAIR: These are general questions on the statement.

Mr WOOD: The reason I asked is that there would be no more staff for scrutiny committees.

The SPEAKER: There is a position not filled in Committees.

Mr WOOD: There is one less. I am asking is the only way the scrutiny committees can keep up with their job is to have people working overtime, weekends and late hours. Will that still be allowed or will it delay the process because they will have to work normal hours?

The SPEAKER: We are okay at the moment, but in the future we may not be. Since the bills started to go to committees, 44 have gone to scrutiny committees for consideration and report, which I consider to be a lot. About half the bills have been referred, more than 80% have had amendments. The committees have worked well and have produced a lot of work and outputs, but what happens next year, when perhaps we have large bills that need to be considered by scrutiny committees? The work has to be done, so we will either have to absorb the extra cost of overtime for staff, casuals, and Hansard staff in other areas. That then impacts on other areas which are the only places we can cut costs. For example, Education is a prime target, which I do not like.

Mr WOOD: You mentioned that you can have a by-election. You do not need a by-election after March, six months out from the election, so what happens to the electorate office? Is it still manned by ...

The SPEAKER: They generally stay, yes. The electorate officer is generally employed. Under the Self-Government Act we do not have to go to a by-election within six months of a general election. The electorate office is still maintained and it is serviced as usual.

Mr WOOD: The person would stay there?

The SPEAKER: Yes, the electorate officer is employed. They keep the door open.

Agency-Related Whole-of-Government Questions on Budget and Fiscal Strategy

Madam CHAIR: The committee will now proceed to consider the estimates and proposed expenditure contained in the Appropriation Bill 2019–20 that relates to the Department of the Legislative Assembly. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

Mr WOOD: If I read the operating statement right—are we running at a deficit this year? Is that correct?

The SPEAKER: Diem, the Chief Financial Officer can answer that.

Ms TANG: The budget you can see refers to the operating statement. It budgeted for deficit, but I would like to point you to the amount of depreciation, which is a non-cash figure. We do not get funding for that non-cash figure, so the deficit figure is exactly the same amount as the budgeted figure for depreciation.

Mr WOOD: I can see that. So you are basically running—okay. Mr Langoulant will be pleased.

OUTPUT GROUP 1.0 – PARLIAMENTARY SERVICES Output 1.1 – Assembly Services

Madam CHAIR: The committee will now proceed to Output Group 1.0, Parliamentary Services, Output 1.1, Assembly Services. Are there any questions?

Mr HIGGINS: I have a couple of quick ones. We have spoken about the scrutiny and other communities—is it your view that you have enough resources to address those? Or is that only being done through overtime. Is that normal? I know we have one position vacant.

The SPEAKER: The work of the committee depends on the program or the agenda of the government and what gets pushed in to the parliament. It is not only the number of bills; it is the complexity of the bills. For example, the Liquor Bill is what I consider to be a complex bill, so it can take more time for the committee to work through it and have more submissions—more people appearing.

The resources have been stretched. The person in charge of Committees knows that. You may recall that the Select Committee on Opening Parliament to the People specifically recommended more resourcing be provided by the government to the committees, but that has not happened.

Mr HIGGINS: That is why I asked the question.

The SPEAKER: The government rejected that. It is a key component of the process of legislation that we have in our parliament, but they are pushed. Could we do with extra resources? Yes, we could in this area, definitely.

Mr HIGGINS: Can you provide me with the total number of research jobs that have been undertaken by the research staff and can I have that broken down as to the members' use of those resources?

The SPEAKER: Yes, I can. Independent researches?

Mr HIGGINS: Yes.

The SPEAKER: I can table a document, because we do this on a regular basis. There have been 84 research jobs. They are broken down into research report, digestion of bills, meeting briefing notes, rapid requests and legislation summary.

Madam CHAIR: Is that 84 just for the last financial year?

The CLERK: No.

Madam CHAIR: From July 2018 to March 2019, the service received 49 requests from Independent for members for individual research assistance; initiated 31 projects itself, which were provided to all Independent members; and worked on four projects carried over from the previous reporting period.

I do not have them by name, but I can table the document that lists member—some of the research is confidential, so I can table this document. They are gainfully busy.

Mr HIGGINS: Yes, that was in my next question.

The SPEAKER: I get information which I find very useful.

Madam CHAIR: Are there any other questions on Output 1.1?

Mr WOOD: Just following up from the opposition. On the research officers, who sets what their role is?

The SPEAKER: When the government first made the commitment to fund resources for two people at particular salary levels, it was going to be—who they would be reporting to. After discussions from the Clerk's office and the government, they are part of the Legislative Assembly's payroll—they report to the Clerk. Between the Clerk and the staff in consultation, they set what their work agenda—their roles and responsibilities.

Mr WOOD: The government was the one that approved these positions. Did it set the responsibilities that they must do?

The SPEAKER: No, that was done between the Clerk and the staff in question.

Mr WOOD: I noticed—and I am not saying that I want that done, but they cannot to speech writing, for instance.

The SPEAKER: That is correct. That was not one of their jobs. It is basically straight research and gathering of information and data.

Mr WOOD: This one might be a bit cheeky, but they also cannot print anything for us. We have to print—they will send it ...

The SPEAKER: They will send it and you print it. They probably do not have the capacity, they might not have ...

Mr WOOD: They have a printer.

The SPEAKER: Maybe they do not have a printer.

Mr WOOD: It is the paperless society that we pick up.

The SPEAKER: Yes, probably.

Under the key existing initiatives there has been an increase of—I hope I am right here—\$150 000 in entitlements under the Remuneration Tribunal Determination. What was that for? It is mentioned on page ...

The SPEAKER: In the annual report?

Mr WOOD: If you look at the budget highlights for 2018–19 and 2019–20—Legislative Assembly members' entitlements under Remuneration Tribunal was \$139 000 last year and now it is \$281 000, an increase of roughly \$150 000.

The CLERK: The increases is a consequence of the increase under the Remuneration Tribunal Determination—there was a salary increase for members of 2% as of 1 January this year.

The increase is the increase that comes under the Tribunal Determination. That is why there is an increase in the amounts there.

Ms TANG: Member for Nelson, the figure that you see in the budget highlights under 2018–19 represent six months work of the increase that is allowed by the RTD, the Tribunal Determination. The 2019–20 represents the full year, and that is because the RTD works on a calendar basis and a budget presented on a financial basis.

Each financial year we always have six months of impact that affects the current financial year and a full impact for the next financial year, for the reason that half of the year has already been budgeted in the previous budget round.

Mr WOOD: Is it true that the Chief Minister has written to staff on executive contracts asking them to sign a letter agreeing to no wage increase, which obviously would be against their original contract, and what was their response to that?

The SPEAKER: That is really a question for the Chief Minister.

Mr WOOD: All right. I will ask the Chief Minister.

I would like to thank the Clerk for sending out the easy guide to Hansard. I hope one day that we can make it easier than that, as it used to be, but it is an improvement.

Madam CHAIR: Is that a question, Member for Nelson?

Mr WOOD: We asked last year about Hansard and I got a response to it, I would just like to thank the Clerk for addressing that issue.

The SPEAKER: If the government was so kind to give us a couple of million we could have a system like they do in the Queensland Parliament.

Mr WOOD: One last question. The Parliamentary Counsel has been moved out of the responsibility of the Legislative Assembly?

The SPEAKER: We have never had it. Parliamentary Counsel is in Chief Minister's.

Mr WOOD: Does it make any difference to the running of it from your point of view?

The SPEAKER: No, not really. We clean the offices; that is about all.

Madam CHAIR: No more questions?

That concludes consideration of Output 1.1.

Output 1.2 – Members and Client Services

Madam CHAIR: The committee will now move to Output 1.2, Members and Client Services. Are there any questions.

Mr HIGGINS: In regard to the Member for Nhulunbuy and the live translation, has that been funded to the department. As in, is there allowance for that? If not will there be allowance for it in to the future?

The SPEAKER: The short answer is no. We have not made an allocation. It is a 'wait and see'. It is early days and the requirements for interpreters is based on a resolution of the Assembly, and that will be available. But it depends on how long the interpreter stays present in the gallery because I presume it is on an hourly basis.

Similarly, the Assembly asserted in 2013 that it wanted electronic tabling. The DLA found a way to do that using existing government resources and innovative approach using Territory Stories.

The short answer is no; it is not factored in to our budget and we do not its cost. We have only had it the one sitting week and I presume we have not received an account for it yet—it is through the NT Aboriginal Interpreter Services, the people who provided it.

Mr HIGGINS: So, it needs to be a consideration in the future?

The SPEAKER: Yes it does. It was the Assembly that agreed to the provisions of these services. If it will require extra funding, we will be going to Treasury to say, 'The Assembly wanted these services, you have to give us funds to keep providing them for members'.

Mr HIGGINS: Could you table a list of the rent for all the electorate officers?

The SPEAKER: Yes I can. We have annual amounts of all the offices plus the Stuart liaison office. I can table that document so you can have a comparison and review.

Mr HIGGINS: Do we have any works being undertaken in regard to refurbishment of those officers or relocation of any of those offices, and what are the costs associated with that?

The SPEAKER: The Assembly received a minor new works program of \$330 000 in 2017–18 to fit out a new electorate office in Nhulunbuy. This amount included \$50 000 to make good the former Nhulunbuy electorate office. It badly needed improvements. As the only response to the tender for the fit-out was the Nhulunbuy electorate office was \$360 000, Treasury approved a further increase of \$100 000 to the program to complete the fit-out.

The program funding of \$367 344 for the Nhulunbuy fit-out project was revoted to Budget 2018–19. In 2018-19 an additional amount of \$10 152 was allocated to the project to relocate communications equipment, as the Territory Families office on the first floor was relocated. The communications equipment also had to be relocated to the new electorate office.

In September 2017, the Treasurer approved an increase to our budget of \$346 000 for the fit out of the new Drysdale electoral office in the new Gateway Shopping Centre. This funding has been revoted again into the Budget 2018–19.

The Department of Infrastructure, Planning and Logistics has advised that the fit-out cannot be achieved within the \$346 000 budget. There is a greater cost in fitting out an electoral office in the Gateway Shopping Centre compared to other recent fit outs in the Darwin region, due to the differences in the base building. The DLA will allocate a further \$100 000 approximately from its 2018 minor works program to complete the fit-out.

As of March this year, \$38 318 of the project funds had been expended on the fit-out and design at Drysdale.

Mr HIGGINS: How much in total was Drysdale going to cost?

The SPEAKER: We will have to take that on notice, Opposition Leader.

Question on Notice No 1.1

Madam CHAIR: Opposition Leader, can you restate the question for the record.

Mr HIGGINS: What is the total cost of the relocation of the Drysdale office to the Gateway Shopping Centre?

Madam CHAIR: Madam Speaker, do you accept the question?

The SPEAKER: Yes I do. Madam Chair, could I get a point of clarification from the Opposition Leader? Do you want the lease amount and the fit-out, because it is two different things?

Mr HIGGINS: Just the fit-out. I presume the lease amount will be shown in the list of leases, if we could have that?

The SPEAKER: That is the existing, you want the lease and fit-out costs, every cost?

Mr HIGGINS: Yes.

Madam CHAIR: The Opposition Leader's question has been allocated the number 1.1.

Madam CHAIR: Member for Nelson, did you want to carry on with a question?

Mr WOOD: For clarification, if someone wants to move their electoral office, does that come out of the budget we are talking about today?

The SPEAKER: No. We do not have funds sitting around, if a member for whatever reason believes that they should relocate somewhere else in their electorate, they have to put forward a proposal to me, as Speaker, and if it is appropriate and reasonable—bearing in mind the member has to have certain entitlements for their electoral office, certain size, shapes in certain offices—I then write to the government and say I have no issue with this request and relocation proposal, but they need to provide the extra funds.

The government ultimately signs off on a relocation, because they have to provide the funds. As you can see from discussion points, there is no change out of about \$300 000 to \$400 000 to relocate an office.

Mr WOOD: I presume that part of what the government is trying to do is to reduce its deficit. One of the issues, from my point of view from my electorate office, is that I have five air conditioners operating. One of the problems is that when you use it, sometimes for community use, air conditioners do not go off and you come in the morning and find they have been running. Has anyone looked at trying to reduce the running costs of an electorate office to save money, to save energy costs? At the moment there is no way that I am going to come in at 10 pm and check to see if all the air conditioners have been turned off.

The SPEAKER: We could. If you wish to write to us, we are happy to do it. I do not know why your air conditioners do not turn off because in my electorate office they go off automatically at a certain time.

Mr WOOD: Mine are switched on manually.

The SPEAKER: Okay, it is something we might take on notice for your specific electorate office. To answer your question about whether we could review the running costs of an electorate office, yes, we could undertake that review. The rents vary, as you know, and the question that I ask myself is, given our tough economic times, why could NT Property not negotiate for a better deal? That can be a question for the Infrastructure minister but we can look at operating costs and for example your air conditioners should go off automatically. I think they should. We can take that on board for you, Member for Nelson.

Madam CHAIR: That concludes consideration of Output 1.2.

Output 1.3 – Building Management Services

Madam CHAIR: The committee will now consider Output 1.3, Building Management Services. Are there any questions?

Mr HIGGINS: Mine relate to the new car park but the question is, have you been asked for any input into the operational model of that new car park?

The SPEAKER: In short, no. Not operational. The parliament and the Speaker's and the Clerk's office has been well-briefed. The Deputy Clerk has been on a working group from the beginning. As to the final operating costs and how car parks will be allocated and who will be responsible, no, we have not had any involvement in that at all.

Mr HIGGINS: How many car parks in there will be allocated to Parliament House itself and what is the cost of those?

The SPEAKER: We have been told by the Department of Infrastructure, Planning and Logistics that we will get the same amount of car parks that we have in the DLA car park in the precinct, but we have no information as to any potential costs and we have no information as to how they are going to be allocated to the DLA staff and staff on the fifth floor. Bearing in mind, that car park will also accommodate all the car park spaces and people from outside the Supreme Court which includes the jurors and Supreme Court staff as well. There is no information that we have. We would like to think we have priority, but there has been no information forthcoming.

Mr HIGGINS: We do not pay for the car parks out there at the moment?

The SPEAKER: No that is part of the precinct.

Mr HIGGINS: I presume the jurors do not pay for that.

The SPEAKER: No, they do not. Our jurors—by way of interest, the Northern Territory is the only jurisdiction that provides free parking for jurors.

Mr HIGGINS: We are the only jurisdiction that provides free parking at the hospitals too, but that is beside the point. That is a different portfolio.

It is my understanding that the car park is also going to be a cyclone shelter which means that it needs its own power. Is that going to link into our power here, our uninterrupted power?

The SPEAKER: No, it is not. Not at all. Whoever is ultimately responsible for that car park will become the agency or the group that has to manage the cyclone shelter. From my preliminary discussions with the department people from Infrastructure, they will need a stand-alone generator above-ground. They may well have changed it, I do not know, but originally it was to be above ground on the corner of Bennett and the Esplanade. Those plans may have changed.

Mr HIGGINS: Maybe it will be solar.

There is no guarantee that people that have DLA car parks now are going to get them in that new car park, I presume, with the Supreme Court ones?

The SPEAKER: No, we have been assured that we will have the same number of car parks in that underground car park, but we have no indication at this stage of any potential cost to the Department of the Legislative Assembly.

Mr MILLS: Last year, I think it was the Member for Nelson who asked the question about solar panels. The answer at the time was that it had been assessed and it was determined that it was not viable. How comprehensive was that assessment?

The SPEAKER: Very comprehensive. We usually get approached about once a year by a different agency of commercial concern. The last time, I believe, was when the CLP was in power. We asked the operator how they would guarantee 24-hour power under full load. We also questioned them as to the type of equipment they would be using. We also questioned them as to the back-up service. At that stage that particular business was not based in the Northern Territory. I have had discussions not with solar power people, but people who supply the power and people who also provide and service the power via our generators here at Parliament House. Their advice to me is that it cannot be sustained for what we require.

We have it on documentation—we have written to various people who have approached us. Everyone has this idea that—it is a big building, I understand that. We are also on the coast and the salt intrusion onto the roof is higher than on a normal building, so the cost of maintaining solar panels on this building will be higher than on any other house or building around Darwin.

Mr MILLS: Madam Speaker, you say it was under the CLP, the former government.

The SPEAKER: One approach was, yes.

Mr MILLS: Has there been any recent approach?

The SPEAKER: The year 2015 was the last request by a government minister.

Mr MILLS: Right, and is that comprehensive assessment available?

The SPEAKER: We can look at that for you, Member for Blain. Just to see if there is anything commercial-in-confidence. It was an unsolicited proposal at that stage, but we did reply to them formally. We can take that on notice.

Madam CHAIR: Do you want to take that as a question on notice?

Mr MILLS: Certainly.

Question on Notice No 1.2

Madam CHAIR: Member for Blain, please restate the question for the record.

Mr MILLS: I am requesting a copy of the detail or comprehensive assessment and response to an unsolicited proposal regarding the installation of solar panels on the top of Parliament House.

Madam CHAIR: Speaker, do you accept the question?

The SPEAKER: I accept.

Madam CHAIR: The question asked by the Member for Blain of the Speaker has been allocated No 1.2.

Madam CHAIR: Are there any other questions on Output 1.3?

Mr WOOD: I copied down last year's *Hansard* about having to have full-load power for 24 hours. On that question, why can you not just have input into the existing system and get a rebate from Power and Water, like most households do? Why does it have to supply 24-hour power?

The SPEAKER: I do not think that is possible. The building can be used in an emergency. We have enough diesel to run the building for seven days under full power. Under full power is basically when sittings is on. It is a complicated system—our power system here, by generator and mains power, shall we call it. We also have a contract with the supplier of that power.

Every time we have—which is not every couple of years—received an approach to either do full solar or something like you are suggesting, a hybrid system, the advice still comes back that it is not sustainable given those other factors that I have mentioned.

Mr WOOD: Okay. I am interested in the report you will get back. The other issue you raised was the salt. I googled yesterday. There are 450 panels sitting on Palms City Resort across the road. They are just as close to the sea as we are and that is a commercial operation. There are some on the Paspaley building, and West Lane car park has a whole heap of them as well.

The SPEAKER: They are not a parliament.

Mr WOOD: They are not a parliament.

The SPEAKER: And a precinct.

Mr WOOD: They are next door and close to the sea. That is my argument.

The SPEAKER: That is fine, but it is still not—they have made that commercial decision. We have to guarantee power to this building. Also, bearing in mind that it is not only the building internally, there is also the precinct. All the power, lighting and CCTV that goes all around this building—their choice is their choice. Trying to equip this building for solar when there is no large-scale person—that I know of, and I stand corrected—who can deliver it to a building such as this and have the 24-hour call-out when things go wrong.

For example, when Lift 1 stopped during the sittings before last, that call-out was at 9 pm. They have to be able to provide 24-hour call-out, and no one has been able to deliver that guarantee to us.

Mr WOOD: You do not think the hybrid system would cover that? You would be back on mains power.

The SPEAKER: I am not an engineer. I cannot answer that.

Mr WOOD: Was any consideration given to the use of the underground car park as an area we put solar panels on to feed in to Parliament House?

The SPEAKER: In our briefings the government has told us it will become a green area, and at one stage it was going to become a museum.

Mr WOOD: You could probably have both if it was designed carefully.

The SPEAKER: That is a matter for government. The other thing is, if it something like that was to turn solar it would cost millions. I do not think that money is there.

Mr MILLS: You made mention that every couple of years there are proposals or approaches made.

The SPEAKER: Sometimes verbally.

Mr MILLS: Was the last one in 2015 or have there been others since then?

The SPEAKER: There is a business in town, a solar business—I will not mention the name—which has spoken to me informally and they are interested. Nothing has come through. Two businesses that I know of in town sees this large roof space and think ...

Mr MILLS: But no formal approaches since 2015?

The SPEAKER: No.

Madam CHAIR: Are there any further questions on Output 1.3? That concludes consideration of Output 1.3 and Output Group 1.0.

OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE

Output 2.1 – Corporate and Governance

Madam CHAIR: I now call for questions relating to Output Group 2.0, Output 2.1 – Corporate and Governance, Output 2.1, Output 2.1 – Corporate and Governance. Are there any questions?

Mr HIGGINS: I am after a number—how many workplace health and safety incidents, accidents or injuries have occurred in Parliament House since 1 January 2018.

The SPEAKER: It is a reasonably safe building, I am pleased to say. There were no major issues in the reporting period. There have been some minor issues, hazards, slips and trips, and there is a thing called body stressing, which on the form you fill in means muscle strain. There was one person who reported a body stressing injury. When it is an online reporting system, they are the categories you fill in.

The front steps are an area we have to be conscious of, and security watch people, particularly the elderly. The other was a facial injury from a kitchen cupboard door opening into their face.

Mr HIGGINS: How many workplace incidents have involved bullying, harassment or intimidation within the department between elected members firstly, and then between elected members and staff?

The SPEAKER: There have been no reports of DLA staff experiencing any behaviour you describe, such as harassment et cetera. One political officer has complained about the behaviour of a minister towards them, which was referred to the Chief Minister for resolution. I am not sure if it has been resolved, but that is up to the Chief Minister. A member of the government Caucus complained to me about alleged behaviour within the Caucus, which I referred to the Caucus Chair for resolution. I am not sure of that outcome either.

Basically, bad behaviour is not tolerated in parliament. It does not matter who is involved, whether it is public servants, contractors or security officers. A member of the public has been excluded from the precinct because she was verbally abusive and nasty to security officers. It is not tolerated at any level. They might be questions for the Chief Minister.

Mr HIGGINS: Have there been any by staff against elected members in this building?

The SPEAKER: Yes, that was the one with a political officer who complained about the behaviour of a minister. I received a written complaint and representation from that officer, and I referred the matter to the Chief Minister, given that minister is part of Cabinet.

Mr HIGGINS: Was that subject of a work health claim as well?

The SPEAKER: Yes, I believe it was.

Mr HIGGINS: I think you have answered whether they have been resolved, and it would seem they have not all been resolved.

What impact does the reduction in the Protocol budget have on the department's revenue?

The SPEAKER: Very little, really. The department provides space at request and once I have received a request from the government that they wish to use the Main Hall or one of the function rooms—there may be a small saving to the department where staff do not have to work overtime on-site for government and Protocol functions which are not parliamentary in nature. Those costs are under the Department of the Chief Minister, so you may want to direct some questions to him in that regard.

Mr HIGGINS: How many functions are held here that you do not receive payment for? My understanding was that if anyone leased these or rented them, they made payments. Are there any that are done that we do not receive payment for?

The SPEAKER: Yes, there are. Fees are usually waived from functions where there is a public benefit, such as a charity or something that is a general benefit to the community. We also waive fees for government functions at the request of a minister. We do not want to compete with the hospitality industry in the provision of rooms. Since July last year, there has been 61 Protocol-related functions that have been held that do not attract fees and this would be equivalent to \$92 500 if booked by an external client, for example, a private enterprise or company.

From July 2018 to March 2019, a total of 352 functions have been held at Parliament House with the Speaker's approval. These bookings were: 254 that do not attract charges such as ministers, Legislative Assembly; 27 venue hire fees were waived totalling \$22 380; and 71 venue fees were enforced, invoiced and generated a revenue of \$58 243. I have a list of the functions where fees were foregone.

Mr HIGGINS: Yes, could we get that tabled?

The other question—Protocol actually go and purchase their own alcohol and supply it to these functions. Why is that not just passed back through Karen Sheldon Catering? Do you know why?

The SPEAKER: No. That would be a question for the Chief Minister but during the 12th Assembly, the government proposed doing away with Protocol buying and supplying its own alcohol for government functions at Parliament House but it did not go through with that proposal to source everything through the caterers at Parliament House.

At that time the Chief Minister's department CEO, Mr Gary Barnes, advised the Clerk of the intent to change and then the decision not to. I cannot answer that, but they do provide their own alcohol for government functions.

Mr HIGGINS: Do we have a liquor licence here in Parliament House?

The SPEAKER: Parliament House does not hold a liquor licence. There is a liquor licence here and that is for Karen Sheldon Catering. No Parliament House in Australia holds a liquor licence; the in-house caterers do. The Liquor Bill that is currently before the Assembly—and I know there was some publicity generated about this in the media which was incorrect—continues the exemption under clause 39 of the bill.

Karen Sheldon holds the liquor licence, and if she wants to vary that licence, she deals directly with the Liquor Commission. It identifies the area where liquor can be sold and the hours and everything else that goes with that. That business holds the liquor licence, not the parliament.

Mr HIGGINS: If Protocol is supplying the alcohol to a function and there is a breach of technically a liquor licence, is Karen Sheldon responsible if she is doing the catering but not supplying the alcohol, or does it fall outside of that?

The SPEAKER: It would be under the Karen Sheldon Catering liquor licence. The Protocol people purchase the alcohol and then the Karen Sheldon staff serve the alcohol. If there was an issue—say someone was underage—that would fall back onto the licence holder. All of Karen Sheldon's staff have Responsible Service of Alcohol certificates.

Mr HIGGINS: So, while parliament does not have a liquor licence, Karen Sheldon is the one with the liquor licence. Basically you fall under the same rules if you have a liquor licence, if it is at any of those functions other than if it was in your own office that would just be like any private office anyway.

The SPEAKER: That is right. I recall there was an incident at a function where someone was disorderly and insulting to fellow event people. We wrote a note to all members saying if you are at an event and this happens, you contact security as a matter of priority and have that person removed from the event. If the unpleasant behaviour is of such a serious nature then that person can be excluded from the precinct for a period of time.

Madam CHAIR: Are there any further questions on Output 2.1?

That concludes consideration of Output 2.1.

Output 2.2 – Shared Services Received

Madam CHAIR: The committee will now consider Output 2.2, Shared Services Received. Are there any questions?

That concludes consideration of Output 2.2 and Output Group 2.0.

Are there any non-output specific budget-related questions?

That concludes consideration of outputs relating to the Department of the Legislative Assembly. On behalf of the committee I thank you, Madam Speaker, and your staff for appearing today. I also thank the departmental officers who provided advice.

The committee will now move on to consideration of outputs relating to the Department of Treasury and Finance.

The committee suspended.

MINISTER MANISON'S PORTFOLIOS

DEPARTMENT OF TREASURY AND FINANCE

Madam CHAIR: Treasurer, I welcome you and invite you to introduce the officials accompanying you today.

Ms MANISON: Thank you, Madam Chair. Would you like me to make an opening statement as well?

Madam CHAIR: We will come to that in a moment.

Ms MANISON: Today I have with the Under Treasurer, Mr Craig Graham; the Deputy Under Treasurer, Ms Catherine Weber; Assistant Under Treasurers, Mr Tim McManus, Ms Sarah Rummery and Mr Michael Butler. We will also have other Treasury officials here, as required.

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

I will ask the shadow Treasurer to ask their questions first, followed by committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in on a line of questioning pursued by shadow minister, rather than waiting for the end of the shadow's questioning on an output.

Treasurer, would you now like to make an opening statement?

Ms MANISON: Thank you, Madam Chair. As Treasurer I will address the financial and economic matters from a whole-of-government perspective related to the 2019–20 budget including the Territory's consolidated financial statements and fiscal strategy; Territory revenue, including taxes, royalty and the GST; the Northern Territory economy; and overall cash program position of the infrastructure budget.

Details on individual agency budgetary matters, including specific infrastructure projects, will be addressed by ministers responsible for those portfolios.

As shareholding minister for Power and Water Corporation, Territory Generation and Jacana Energy, I will also address issues in the budget related to these government-owned corporations, including community service obligations, dividends and tax equivalent payments.

Operational and other policy questions relating to the government-owned corporations, should be discussed at government-owned corporations scrutiny hearing held next week.

When we came to government, we inherited an \$876m budget deficit from the former CLP government and a declining economy as construction on the incredible INPEX project wound down. We also had just received a downgrade from Moody's in August 2016. Today, Moody's has announced that a credit rating of the Northern Territory has been downgraded from Aa2 negative to Aa3 stable, as we continue to see stable economic growth post-INPEX, but largely because of an unprecedented cut to the GST over recent years.

Moody's attribute the changes in their rating to the main cause of the weakening fiscal position and the cumulative effect of the lower GST grants from the Commonwealth Government of Australia, as announced in fiscal 2018–19 and 2020 budgets; the Territory's deteriorating stand-alone credit profile as captured by its BCA due to the weakening revenue in the wake of the slow economic growth and lower goods and services tax receipts.

The last credit downgrade for the Territory occurred in August 2016 during the CLP's final year and month in government. Under the CLP, Moody's said the ratings downgrade reflects the Territory's deteriorating financial performance and that larger deficits, partially offset by asset sales proceeds, are in turn projected to drive up the Territory's debt further.

While Moody's will acknowledge that the Territory Labor government's plan to fix the budget and return the budget to surplus in 2017–18. The decision to downgrade is not a surprise considering the challenging economic times following the end of the INPEX construction phase and, of course, those brutal federal government GST changes.

The Northern Territory continues to face the biggest fiscal and economic headwinds we have ever experienced. But as government, we continue to do the hard work and the heavy lifting to take the Territory forward and tackle these issues. The good news is that Budget 2019 certainly shows that the economy is starting to turn for the better and that things are starting to improve. We are not there yet, but there are green shoots and there is much to be excited about in the future.

The 2019–20 budget demonstrated that the government has a plan to fix the budget and drive the recovery of the Territory economy. Budget 2019 puts Territorians first by creating local jobs, delivering a safer Territory and driving generational change. There has been an improvement in the Territory's projected fiscal position and outlook when compared to the 2018–19 budget and, importantly, we now have a clear pathway to surplus.

In response to those brutal GST cuts, our government established the Fiscal Strategy Panel, headed by former Western Australia Under Treasurer John Langoulant, and delivered a plan to fix the budget in April. The plan included 76 recommendations for budget repair through structural reforms of the Northern Territory public sector. We accepted 68 in full, two in part and four in principle. The budget repair office has been established within the Department of Treasury and Finance to oversee the implementation of these recommendations.

The final report provided a plan to reduce expenditure by \$11.2bn over 10 years, compared to a business-as-usual approach, and return the budget to balance by 2028–29. It comprised immediate savings and revenue measures identified through the root-and-branch review of government programs and medium- and long-term structural reforms to the NT public sector. The plan is underpinned by a new fiscal strategy with twin objectives of supporting the economy in the short-term and providing a pathway to a balanced budget to keep debt at a sustainable level.

Through this work, the Territory is now projected to achieve its fiscal surplus a year earlier, in 2027–28. Our economy is transitioning from unprecedented levels of private investment and construction activity driven by INPEX. As such, investment in infrastructure projects is crucial for the Territory economy, local businesses and creating jobs.

The 2019–20 budget maintains the government’s serious investment in job-creating infrastructure at \$1.45bn. Major projects include investment in remote housing and upgrades to the Territory’s road network. Our number one priority is creating jobs, growing our economy and delivering a sustainable budget that allows us to continue doing this.

To fix the budget tough decisions were needed and made. Unlike the CLP, we did not take the approach of cutting frontline jobs, cutting important activities like the Arafura Games, cutting the Banned Drinker Register or jacking up power prices by 30%.

I am now happy to answer questions from the committee relating to the responsibility of the Appropriation Bill and budget papers, the Department of Treasury and Finance, the Central Holding Authority and the Northern Territory Treasury Corporation. Thank you, Madam Chair.

Madam CHAIR: Thank you, Treasurer. Are there any questions relating to the statement?

Mr HIGGINS: Thank you, Treasurer, for your opening address. I actually note that government members have to realise they are in government and stop blaming everyone else. You are nearly three years into it and continue to blame the CLP and federal government. Your priority is jobs, and jobs have gone down. I find that quite interesting and people out there do not accept that. They expect more of government.

Madam CHAIR: Do you have a question, Leader of the Opposition?

Mr HIGGINS: I thank the public servants for all the work they have done leading up to this. I acknowledge that the Treasurer has been the only minister to provide answers to the global questions at this point in time. I appreciate that. I presume I will get the rest of them from the other ministers in time for their response.

Ms MANISON: I would like to point out, Leader of the Opposition, we are certainly not going to go away and do what used to happen under the former CLP government. I think we can remember the absolute mockery that the former government made of the estimates process where written questions that were provided by the then-Labor opposition miles in advance of estimates were not provided until the actual day of estimates.

Some ministers towards the end of that term of government would actually table them at the start of the estimates process as opposed to providing them beforehand. I do not think we will ever forget, some of the ministers who would not provide them would insist they were asked there and then on the day. Then they would proceed to respond very slowly when they read out the responses to the questions.

Mr HIGGINS: We are talking about the government now and I will restate the question.

Ms MANISON: We will not be making a mockery of the process, unlike the former government.

Mr HIGGINS: I will state that you did supply those questions in time, but no other minister. When you say that this government will not do the same as the other, every other minister bar you has taken that approach of the previous government.

Ms MANISON: I have absolutely no doubt you will get those written questions. We take the estimates process very seriously. We certainly will not be doing the old CLP way of either not providing them or reading them out on the day.

Mr HIGGINS: Well you are at the moment. The other ministers are at the moment. We do not have the answers.

Madam CHAIR: Leader of the Opposition, the Treasurer is the only one with us today. If you have a question on the statement ...

Ms MANISON: I am glad I got my question to you, Leader of the Opposition. I thought it was very important.

Mr HIGGINS: I know, but you are the only one who—the rest of them will say the Chief Minister. Are you following the CLP way that you have outlined?

Ms MANISON: I have no doubt that they will be provided to you, Leader of the Opposition, because it is an important process.

Madam CHAIR: If you have a question on the statement ...

Mr HIGGINS: They are questions on the statement. She did not actually make those in the statement.

Ms MANISON: I will never forget those bad old days.

Mr HIGGINS: Can you tell me the specific amount of efficiency dividend your agency will have to make?

Ms MANISON: That depends on what agency that is ...

Mr HIGGINS: Treasury.

Ms MANISON: Of course Treasury, which is not a frontline service delivery agency. I will pass over to Craig Graham to go through details of your instructions of efficiency dividends, but also how we roll it out to other agencies to help you with a bit of—we are not here to answer all the questions of different agencies, but clearly we are responsible for overseeing the efficiency dividend each and every year in the budgeting process—but also how it has been recommended in the plan to fix the budget.

Mr HIGGINS: I am actually after the specific efficiency dividend for Treasury as an agency.

Ms MANISON: As we know, frontline service agencies, 3%; non-frontline, 1%.

Mr GRAHAM: Leader of the Opposition, the efficiency dividends for Treasury and Finance is \$609 000 in 2019–20, increasing to \$2.7m by 2022–23.

Mr HIGGINS: So, that is the efficiency dividend that Treasury has to find over the next couple of years. How is that going to be achieved within the Treasury?

Mr GRAHAM: That will be achieved through natural attrition and ongoing efficiencies in the way we deliver services.

Mr HIGGINS: So could we have an example of that—not attrition, as I understand attrition, but the way we produce services. What sort of programs are we going to see, or how are we going to alter some of those programs?

Mr GRAHAM: We will look at the way we have the agency structured at the moment and ensure that it is structured in the most effective way to meet the government's priorities.

Mr HIGGINS: How is that going to be undertaken?

Mr GRAHAM: We will do that internally. We need to find a reduction of 10 FTEs next year under our staffing cap. We will do that through that a natural attrition. Our normal turnover is higher than that each year. As people leave they will not be replaced. We will need to restructure internally to make sure we can meet the government's priorities.

Ms MANISON: What I will say is that when it comes to dealing with managing budgets, Treasury—you would expect—would ...

Mr HIGGINS: Set the example—the high bar?

Ms MANISON: ... walk the walk and set the example. They do a lot of heavy lifting. It has become a much leaner agency over the last four years. It is not the size that it used to be. The people in Treasury work incredibly hard, but in these days, where you do have budgetary pressures across the Northern Territory Government, every agency has to do its bit. Treasury certainly does.

One example of how it has found more efficiencies has been working with the Department of the Chief Minister on shared corporate services in some areas. They are just some of the ways in which Treasury has streamlined how it has gone about doing its work, but there is no doubt that every public servant in Treasury works very hard and they have a lot on their shoulders. But we appreciate that if Treasury cannot lead by example, then you have some issues.

Mr HIGGINS: When we talk about natural attrition, and you say we have that sort of attrition each year, have you got any figures that show us what level that attrition is occurring at? My thing would be—okay, if you are

going to cut your FTE by 10, what levels is that going to be at? Is that just in total, or is that specifically targeted at areas, and how does that match the natural attrition?

Mr GRAHAM: So the 10 FTEs is in total. We have priorities going forward. As the Treasurer mentioned, we have implemented a shared services model for our back-office functions. There will be further reforms there as we move to the machinery of government changes under the fiscal strategy review. We had initiated that already.

We need to make sure that we are establishing program evaluation functions and the budget repair office. It is about making sure we allocate our resources to where the most pressing priorities are and recruitment—making sure we recruit the right people to meet those ongoing demands, and building the capability of the people we have so we can meet those priorities.

Mr HIGGINS: Okay, I noted in the budget repair documents that some of the changes that were there. I think your 10 FTEs equates to \$1m a year—so that is \$100 000 for each staff member. Is that figure being used across the whole of the public sector?

Mr GRAHAM: The average.

Mr HIGGINS: My questioning about the 10 that are leaving, if you have them under the \$100 000 and I know that \$100 000 includes some other costs, but if they are under that are you going to, through your natural attrition, what I am getting at is you could save at the lower levels and you still have your executive contracts at the top, so you will save your 10 FTEs but you will not save your \$1m, or is the \$1m just going to come out automatically?

Mr GRAHAM: Yes, that is right. That is built in to the agency budget.

Mr HIGGINS: That \$1m, I note, is projected forward every year, but in your budgets going forward you allow for increases in salary.

In the graphs when I was looking at it you have the original budget that was there then we have \$1m coming off, so in that original budget you would have had the salary increases for those 10 FTEs that you are going to lose. How is that taken in to account?

You might have \$100 000, but you might be increasing your salary by 3% each year. The first year you have \$3000 so the next year that \$100 000 is now \$103 000 but you are only taking \$100 000 off—Treasury has a windfall of \$3000 and so has every other agency—how is that being allowed for?

Mr GRAHAM: There is also the efficiency dividends that apply. The ultimate requirement is that we live within our budget. The savings have to be found both through personnel and to the extent that they cannot, it has to be found through operational savings or other costs that the department—we have just managed the budget in a global sense and live within our funding allocation.

Ms MANISON: It would be fair to say that in the discussions we have had with Treasury they look very carefully at every bit of expenditure across the agency, where they spend, and where things might be considered nice but not necessary. They have been making those changes. They scrutinise their travel and so forth.

We are at a level where there is a lot of work being done agency to agency to account for each and every dollar, because the GST changes mean that we have far less revenue coming in and we have to live within our means. We have done a lot of work around that area.

I am glad Treasury is the first example that gets to speak about this because this agency runs very efficiently and leanly and gives good guidance to other agencies about how to go about that work.

Mr HIGGINS: My question is very specific. It is \$1m in the first year—why are the salary increases that are projected forward not included in that \$1m? Why is it not \$1m in the first year, \$1.2m in the second, \$1.3m, \$1.5—because that was projected in the original budget? Why is there that discrepancy? How is that being picked up? That is what I am trying to find out.

Ms MANISON: We will get Tim McManus, who is our budget guru, to answer that question.

Mr McMANUS: With the budget we have a base budget and then each year we apply parameters, being the efficiency dividend, wages indexation and CPI indexation. The baseline of \$1m would have been taken out and then the parameter of the wage indexation would have also been applied as a separate line item in the budget. You will not see it in the budget but at a global level we would have taken that amount out. The wages parameter of 2.5% now applies to a lower base. It is picked up.

Madam CHAIR: Does that answer your question, Opposition Leader?

Mr HIGGINS: Not really but I will just leave it at that.

Madam CHAIR: Do you have further questions on the opening statement?

Mr HIGGINS: Not at this point.

Madam CHAIR: Any other members with questions on the opening statement?

Ms MANISON: Madam Chair, to go to what the Leader of the Opposition raised at the start about receiving written questions. I understand that several other ministers have provided written questions to you as well. That is the latest advice I have received. You can expect to get written confirmation on those written questions to give you time to prepare for those estimates as you require, but we will not be doing it the old CLP way of not providing before estimates.

Mr HIGGINS: We had not received those questions as at 8.00 am this morning. Full stop.

Ms MANISON: My understanding is that you have a bit more to go through on your desk when you get back to the office later today.

Madam CHAIR: Thank you, Treasurer.

Agency-Related Whole-of-Government Questions on Budget and Fiscal Strategy

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

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

OUTPUT GROUP 1.0 – FINANCIAL MANAGEMENT **Output 1.1 – Financial Management**

Madam CHAIR: The committee will now proceed to Output Group 1.0, Financial Management, Output 1.1, Financial Management. Are there any questions?

Mr HIGGINS: Treasurer, Budget 2019–20 as I have said before is the worst budget in the Territory's history. Our net debt has increased by \$2bn. Treasurer, can you speak to some of the assumptions that underpin the final report of the plan for budget repair and Budget 2019–20. I would appreciate if you could explain some of those assumptions.

I am a bit concerned that there appears to be two problematic assumptions, that is, the interest rate on borrowings will basically remain the same or similar and Treasury is still able to borrow—if it is still able to borrow—so what happens if they cannot raise those funds and we cannot service the debt?

Ms MANISON: First and foremost, before we answer the question, I want to address the issues to do with the changes to the Australian accounting standards, so we can have a bit of a conversation about net debt and what is apples for apples and what is not.

If you compare this year's budget to last year's budget, you will see that we have actually made an improvement of \$200m on net debt, if you are to compare apples to apples. Because this is the budget where we have had to apply the new Australian accounting standards. It is 16—all other jurisdictions have had to do that as well.

The private sector have been applying this for some time. This year the Australian Accounting Standards Board has said that it has to be applied to public sector budgets as well. It applies to leases, so things such as your property leases, vehicles and even the photocopiers that we all have in our offices. That has applied. It has not meant that we have had to go out and borrow more money. It has not affected the way that the credit agencies look and assess those governments. It comes out in the budget papers, so we have done a bit of a comparison.

I will hand over to Treasury to give further explanation about that net debt. I want to stress to you that if you look at the work that has been done through budget repair to where net debt is sitting now, we have actually made significant improvements from the last budget going forward. However, because of this new accounting standard, when you look at it on paper it does not reflect that.

I will get Treasury to talk you through how that Australian accounting standard works.

Mr GRAHAM: The impact of the accounting standards means that leases which were previously not included on our balance sheet are now included. It increases our liabilities to the extent of the value of those leases. The main leases we are talking about are for office accommodation, remote land, office equipment and those sorts of things. It increases our net debt by about \$870m.

As the Treasurer mentioned, it does not require us to borrow to fund that amount. It is primarily an accounting treatment.

Ms MANISON: Just to let you know, for example, other jurisdictions that have released their budgets this year: Western Australia had a \$2.5bn increase in net debt; in Victoria it was an \$8.1bn increase in net debt, simply because of the application of this accounting treatment that now all jurisdictions have to wear.

The Board of Treasurers is a group that I sit on. We meet as the state and territory jurisdictions in the lead-up to our COAG meetings, the CFFR meetings with the federal Treasurer. This is something that we have had discussions about knowing that this would be the first year each Treasurer would have to deal with this situation and how it might be perceived as a net debt increase. We are still dealing with not having to go out and borrow the additional money, but the treatment of it places it differently on the books. We all have to deal with it going forward. It has been quite a big year for everybody in that regard.

Mr HIGGINS: The Under Treasurer just mentioned—which is a figure that I agree with—\$870m that is attributed to the leases. That falls \$1.13bn short of the \$2bn. Where is the \$1.13bn in accounting adjustments?

Ms MANISON: Given the technical nature of that question, we might need to take that on notice.

Mr HIGGINS: I will let you take that on notice but it goes to the emphasis around the question that we are saying \$2bn is because of accounting yet I have only been given \$870m for the leases. I am now after the \$1.13bn.

Question on Notice No 2.1

Madam CHAIR: Opposition Leader, can you please restate the question for the record.

Mr HIGGINS: Out of the \$2bn net increase in debt, \$870m is attributed to accounting changes around leases. What is the other \$1.3bn increase in net debt attributed to?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Opposition Leader of the minister has been allocated the number 2.1.

Mr HIGGINS: We can ask questions of ...

Ms MANISON: Sorry, Opposition Leader, we can possibly actually answer that question now.

Mr McMANUS: Table 2.13 on page 26 of Budget Paper No 2 provides a breakdown of the cumulative effect all the budget variations have on net debt. That is a breakdown of the recurrent commitments, capital commitments, GST, revenue impacts as well as the accounting standard and all other variations. From that you will be able to see the impact of each of those.

Mr HIGGINS: What is the figure against the accounting standard?

Mr McMANUS: It is \$871m in 2019–20, and \$772m in 2020–21.

Mr HIGGINS: So, \$871m is a hell of a lot shorter of \$2bn. That is \$1.13m short. When we try to say our increase in net debt of \$2bn in the 12 months is attributed to an accounting change—less than half of that is attributed to an accounting change. Am I correct in those quick little calculations in my head?

Mr McMANUS: I will have to see where you get the \$2bn figure from.

Mr HIGGINS: The \$2bn is increase in net debt over the 12 months. It was \$4.2bn and it goes to \$6.2bn. So, 2018–19 is \$4.2bn, and 2019–20 is \$6.2bn. It is a figure that has been used extensively across the media and in releases by government and opposition.

Ms MANISON: We will get you further detail and clarification on that.

Madam CHAIR: Just to clarify, Question on Notice 2.1 still stands.

Are there any further questions on Output 1.1?

Mr HIGGINS: Yes. In regard to some of this there has been a lot of talk about bailout. Where would that bailout come from if we had to do that?

Ms MANISON: What are you referring to?

Mr HIGGINS: You are in a pretty precarious position, so we need help. In the lead-up to the last election ...

Ms MANISON: This is a ridiculous assertion you are making. If you look at the work we have been doing ...

Mr HIGGINS: You are saying you do not want any help ...

Madam CHAIR: Let the minister answer the question, please.

Ms MANISON: To say that a bailout is required to run and manage the Territory's finances every day is not the right way to frame it. By all means, as an elected member of the NT parliament and as Treasurer of the Northern Territory, I will put the case to the federal government every day for investment in the Northern Territory. We have historical infrastructure deficits, remoteness, isolation, the smallest population in the country, and the highest disadvantage when it comes to housing, education and health. We have the highest proportion of Aboriginal Australians living here.

I will always put the case to the federal government to fight for more. My colleagues at the table have conversations with me about the needs of their constituents, as do you. It is important that we address that.

But to frame it as requiring to go to Canberra to get a bailout is a ridiculous notion. We have done the heavy lifting of the plan for budget repair. We are going through the implementation of the root-and-branch and the budget repair. It does not come with easy decisions as you well know.

You know that when you have to make changes to the public sector—and looking at reducing expenditure in some cases—it comes with difficult decisions and conversations. One of those conversations we have had—and what we will be implementing is the reduction of the executive numbers across the public sector. That is about 52 positions.

Other agencies have identified savings and are going about implementing them. Treasury has just spoken to you about their 10 FTEs—again, not easy conversations.

What I am positive about is that this economy will pick up. We have gone through an incredibly big change in the economy, when we look at the size of the INPEX project and the record, off-the-charts private investment that brought to the Northern Territory.

We are returning to life post-INPEX and the construction phase. The Territory economy is very cyclical and that we have seen it, over the years, go from big projects to not having some of the major projects there, to the economic impact it has when they are on the books.

What we have on the horizon is a raft of major projects that are coming closer to the final investment decisions. We have had great news at East Arnhem Land the other day with regard to NASA and contracts for rocket launchers. We have had fantastic news with Project Sea Dragon opening their office over here, which is a huge aquaculture project. We are seeing fantastic signs within the mining sector of real confidence in the industry. We are continuing to work forward to get more major project investment and facilitation here in the Northern Territory.

We have a very large emphasis on looking at industries such as agriculture, looking at the development of onshore and offshore gas. The shiplift is another project we are pursuing and, when we are talking about conversations with Canberra, I put on the record that we really want to see the federal government invest in the shiplift. We had a fantastic commitment of \$300m from the Labor opposition, who were not successful in winning government. We put to the federal government that they should invest in the shiplift, because it is a good project for economic diversification, growing jobs and growing this economy forward.

Mrs LAMBLEY: Treasurer, the last ...

Madam CHAIR: Do you have any further questions for Output 1.1?

Mr HIGGINS: Yes, I do, but the Member for Araluen has a supplementary-type question for some of the answers that have already been given.

Mrs LAMBLEY: Treasurer, the last couple of years have been diabolical for the Northern Territory. You have taken us into a fiscal crisis. Blind Freddy could see that you were sweating it out on the federal Labor Party winning at the election three weeks ago, to bail you out. To say to Territorians that was not the case is underestimating the intelligence and the ability of Territorians to be able to analyse what is going on.

Are you trying to tell us that was not the case? You were not hoping for a Labor win at the federal election to bail out the Northern Territory?

Ms MANISON: I will put it this way, Member for Araluen. Whoever is in government, we work constructively with. We work as hard as we can to build those relationships. I have to tell you, there was a fair bit of work to do in 2016, because I spent every first meeting that I went to on a national level with ministers from around the country saying, 'How about that Northern Territory Government, that place was complete chaos for the last four years' ...

Mrs LAMBLEY: And it continues to be.

Ms MANISON: ... and building the reputation. I think that is absolute rubbish. What we have delivered is stability.

I will put this to you, Member for Araluen. When you look at the federal commitments made in the last election, they were poles apart. There were significant differences in the federal commitments made to the Northern Territory by the Coalition government and the Labor opposition. A clear example was \$300m for the shiplift; significant roads expenditure going well beyond the package that the Coalition has on the table for the national partnership agreement—for example, the Member for Namatjira there has advocated long and hard for the Santa Teresa Road to be sealed. There was \$30m in the package for that, which would have been life changing for a lot of people in Santa Teresa. They were really important investments in those areas.

The federal Coalition has successfully won that election. I tell you what, it would be very unwise of the government and the Northern Territory to go about placing bets on who wins the federal election to determine how they go about business. Well and truly before that, as we know well, we had started the plan for budget repair, the root-and-branch work and the other things to support that.

Mrs LAMBLEY: There are plenty of words there, Treasurer, but there is not a lot of evidence to support what you say.

Madam CHAIR: Member, please allow the minister to finish.

Ms MANISON: Member for Araluen, the one thing we had fully accepted was that the GST had been legislated. We knew that neither side would go back and change the GST. It was legislated forever and we were with \$500m less revenue than we were used to getting in over the last 10 years. It had changed.

Mrs LAMBLEY: When do you stop complaining and just get on with the job?

Ms MANISON: Member for Araluen, that is exactly what we are doing.

Mrs LAMBLEY: Where is the evidence for that? Actions speak louder than words.

Ms MANISON: It is called 'A plan for budget repair' and it is a pretty thick document. I know we ran a copy down to the Leader of the Opposition the other day.

Mrs LAMBLEY: Nine years for a surplus, disgusting.

Ms MANISON: You know what? We will not do it the way you did it during the mini-budget. We are not going to employ the million-dollar men.

Mrs LAMBLEY: Well, reverse the changes I made, Treasurer.

Ms MANISON: We are not going to do an interim report and then never produce the final report.

Mrs LAMBLEY: Instead you have had 20 reports and no action.

Ms MANISON: We are not going to jack power prices up by 30%. We are not going to cut frontline services.

Mrs LAMBLEY: How much did the Langoulant report cost?

Madam CHAIR: Member for Araluen—Treasurer, can I ask you to pause a moment.

Mrs LAMBLEY: How much do Territorians have to pay for the 10 reports you have commissioned in the last two-and-a-half years? It is probably about \$5m.

Madam CHAIR: Member for Araluen, please consider this a warning. This is a warning.

Mrs LAMBLEY: Throw me out; I do not care.

Madam CHAIR: I will.

Ms MANISON: We certainly did not pay \$1m, Member for Araluen. I think that is very clear. We had already gone about doing this hard work.

Mrs LAMBLEY: No one believes you, Treasurer.

Ms MANISON: You always say things like that, Member for Araluen. I am just telling you how it is as opposed to playing the politics of it.

Mrs LAMBLEY: They are all words.

Ms MANISON: We are doing the hard work and the heavy lifting of government. It would not have mattered ...

Mrs LAMBLEY: You could not even give me five examples of heavy lifting of government in parliament last month.

Ms MANISON: Good Lord.

Madam CHAIR: Please, everybody, that is enough. Member for Araluen, I consider your conduct to be disorderly and I warn you, if you persist I will order you to withdraw from the hearings under paragraph 12 of the Assembly's resolution establishing this committee. Please allow the Treasurer to finish in silence. Thank you.

Ms MANISON: I think I have finished there, Madam Chair.

Madam CHAIR: Thank you. Are there any further questions on Output 1.1?

Mr HIGGINS: I still have some more. Just in following up on the GST issue, can I get a copy—you probably do not have this. We talk about the legislative changes to GST. Can I get something that says what we will get into the future and what we have projected, and then mapped matched against actuals?

My understanding is that when they had legislated for this, in actual fact, sure there is a decrease in GST, but that legislative change will give us more than what we projected to get into the future. It is a minimum amount. In actual fact, that is a positive for us in that regard.

Ms MANISON: Not really, no. speaking to the changes that have occurred ...

Mr HIGGINS: I am after the actual figures. That is what I want.

Ms MANISON: Yes. We have managed—working with the then Treasurer, who is now the Prime Minister of the country—to negotiate with him a deal for the Territory which kept our relativity at 4.66. That relativity comes to an end, I believe, at the end of next year. We negotiated that for three years. As the Treasurer, I am deeply worried going forward about where that relativity and assessment comes in after that. That will be below 4.66 again.

I will continue working with Treasurer Frydenberg. It is fair to say that we have always had a very strong working relationship and I look forward to continuing that going down the path of working together as Treasurers on important issues for the Northern Territory.

What we did do was that in the last relativity we had prior to our first budget was about 5.2. That dropped to about 4.6 and then 4.2. We are still down in the CGC relativity assessment of about 4.2. The year before that when we dropped down to 4.2, which was when we managed to negotiate keeping relativity at 4.6. The Commonwealth recognised that this is a very difficult issue for the Northern Territory to grapple with, given that if you were to look at our 10-year average of GST takes before that, they were sitting in the vicinity of about 5.2. That had been around our 10-year average, that 5.2 relativity. Naturally your services are aligned around that area.

Unfortunately, that when the GST changes ever so slightly on a per capita basis it hits us far harder in the Northern Territory because of our very small population. We have negotiated the 4.6. That has one more year left in it. After that, I am worried about what happens. It is something I will be raising with the federal Treasurer further to try to lock in some longer-term certainty for that because, as we know, the GST has a deep impact on how we can go about business in the Northern Territory when it comes to doing what governments need to do.

Mr HIGGINS: I presume from the fact that you have deep concerns about it going down south, which I do as well—I go down there and fight as much as I can, exactly the same as you. I see Canberra as the place where the parties should be one, not separated. I want to know what the impact out into the future would be if we had not legislated. Have we done any modelling on that? I would like to see what those figures are.

I know I can go digging around, but Treasury have that, if they could provide that to us at some point, not today? Craig is nodding his head, so he knows what I am after.

Ms MANISON: We would be happy to put that on notice and get back to you.

What I have learned in my three years as Treasurer, is that my biggest frustration is with the Commonwealth Grants Commission methodology. I have met with the Commonwealth Grants Commission on two occasions regarding this: one here in Darwin; and last time I asked them to meet in Alice Springs so they could go out and have a look at some of the Town Camps and understand some of the challenges we deal with every day, rather than coming up to Darwin. I think Alice Springs was a great example of showing them the isolation—and that is not even going out to a remote community—and some of the different living standards we grapple with each and every day when it comes to service delivery.

They came to Alice Springs and we took them out to some of the Town Camps. The thing that I have been so frustrated about in recent years is where we have seen those huge swings and massive drops in the GST. It has not been because of expenditure in the Northern Territory, or growth patterns, it has been because of the activities, largely driven off the activities of expenditure patterns in other jurisdictions and how they have gone about business.

That is where my frustration lies. It would be fair to say I do not think the Commonwealth Grants Commission bought into it too much in the first year, but when they saw it happen a second year in a row they could understand some of the complexities and frustrations I had.

The methodology will be set for 2020 soon. We will continue advocating to make sure that we do what we can. It is a very complex process—you meet with professors of economics who calculate these methodologies, and they are complex meetings. I have certainly put the case forward for the Territory—they sat down with a lot of our public service heads so they could get a real understanding of how service delivery works in the Northern Territory, and some of those complexities, and how we need that factored in to those GST calculations.

That is where we are at, we will put the question on notice so we can get them some more numbers. It is fair to say that, forecasting in the last couple of years had left the Territory down from the CGC perspective. We had never seen anything like that before. What we had seen has been quite consistent forecasting up until that point. It has been a frustrating couple of years.

Question on Notice No 2.2

Madam CHAIR: Leader of the Opposition, could you please restate the question for the record.

Mr HIGGINS: Can I get figures projected forward on what Treasury presumed we would get from GST, what the legislative changes are—and keep those updated? I think Territorians would like to see those updated out into the future.

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

Ms MANISON: Yes.

Madam CHAIR: The question asked of the Treasurer has been allocated the number 2.2.

Madam CHAIR: Are there any further questions on Output 1.1?

Mr HIGGINS: With regard to the Grants Commission, you know I did a presentation when they were in Darwin.

Ms MANISON: I think that was Productivity Commission. That was part of the assessment for the legislative change to the GST.

Mr HIGGINS: You know that I agree with the whole assertion around the disadvantage of our Indigenous people and the money that seems to be wilting away because of what other states and territories are doing.

Ms MANISON: Remoteness as well and that level of disadvantage. Historically, we have not been around as long as those big states, we are younger in the sense of when non-Aboriginal people have been in the Northern Territory.

Mr HIGGINS: Remembering that they are all independent of government, so while we might try and interfere politically, there is only so much that we can do with those people without getting them to change policy.

Talking about policy, how much of the 2019–20 deficit is due to policy change?

Ms MANISON: With regard to the exact number ...

Mr HIGGINS: I know this was a question in the budget repair. Supplementary to that would then be, how many of those were subject to evaluation or cost benefit as the Langouant review said?

Ms MANISON: Just bear with me, I am getting the exact figure so we can get it all here and have the discussion.

Mr HIGGINS: I thought I was just going to get an answer.

Ms MANISON: You will get the answer but it comes with discussion as well, Leader of the Opposition.

About 238, Leader of the Opposition. What I will say about this budget though, granted the extremely tight fiscal circumstances we are in but also the very difficult economic situation we are in with the transition out there at the moment—the areas that we really look through the lens of prioritising investment for and any policy change areas where it is absolutely essential, where it just has to be done, where we know it goes directly to economic growth, diversification and growing jobs. Those are some of the places where we have made a priority of investment and it was very tightly implemented this year.

You have been in government, so you know there are all sorts of things you would love to do. You talk to your colleagues as well about all the things that they would like to see done. However, granted the tight fiscal situation we are in with those GST changes, we really are placing a lens over everything that unless we can see that it is really advancing the Northern Territory forward in a positive way, they are just not getting new investment. We are getting very tight on the agencies about what they put forward.

We see through the Langoulant report that a big part of that has been major reform about how budgetary processes have happened historically for a long time in the Northern Territory—really driving that cultural change throughout the public sector that you have one chance and that is at budget time and you need a compelling case to have something put forward.

For us, there is a lens of having a direct economic benefit to the Northern Territory. Is there certainty for future investment in the Northern Territory? Is it something that ensures jobs for the Northern Territory? They are the lenses that we have been putting over things.

Mr HIGGINS: When we say ‘lenses put over them’ in the Cabinet process and Cabinet submissions—if I just deal with the Cabinet submissions I will then go to decisions just made by Cabinet outside of that process. If a Cabinet submission is being put up, it is circulated to various departments, so is that being looked at?

In other words, one of the recommendations was that you have a look at that and ask what the cost-benefit analysis et cetera. Has Treasury now been given the responsibility of passing a comment on that cost-benefit analysis? I do not think that has been—Treasury has always passed comment like the answer is no, it will cost money. That is their standard starting point and the best you will get out of them.

Ms MANISON: Not all the time. Sometimes they surprise you, Leader of the Opposition, when they can see an economic gain.

Mr HIGGINS: They do. They say we need to consider this further. You never get a yes. The thing is, are they now actually having a close look at that cost-benefit analysis. Is there something in place now that says every submission that is happening—the second part of that then is, there are decisions made by Cabinet by someone taking a submission in themselves without that formal circulation. If that is approved by Cabinet, is it conditional on Treasury then actually doing that process itself?

Ms MANISON: So there is already a pretty rigorous process when it comes to Cabinet submissions, and as a former minister you would appreciate that ...

Mr HIGGINS: The circulation ...

Ms MANISON: The circulation—you get blues ...

Mr HIGGINS: Yes.

Ms MANISON: As we all know. There is such a thing called a ‘dirty blue’ ...

Mr HIGGINS: Yes, they are the Treasury ones.

Ms MANISON: ... where an agency may not be so supported. There is a process where agencies get an opportunity to apply rigorous assessment to Cabinet submissions. From time to time some things become urgent, and sometimes those assessment processes are not as robust as what we would like.

There is no doubt that Treasury always applies a very fine-tooth comb over everything that comes in. But we are putting in a new charter of budget discipline, which will be far more rigorous across the agencies. Again, it is also already flowing through to the public sector, where it recognises that it has one chance when it comes to those new funding commitments when it comes to the budget.

That is something we are pushing through and putting in place. I think that you would appreciate that the job of government—there will be emergency situations that come up from time to time, things that are unexpected and situations that the community has an expectation that you respond to. I think we all know of the bucket of money called the ‘Treasurer’s advance’—we are going to have more rigorous reporting on that.

In my time as Treasurer I do not believe I have seen abuse of the Treasurer’s advance, but it is making sure that there is more rigor regarding that to ensure that does not become a way that people try to circumvent the budget process—to go, ‘That is alright, I will just get a Treasurer’s advance and sort it out that way’. We are having more rigorous reporting on that too.

You are going to see a lot more work on budget discipline, but it would be fair to say that, given the tight fiscal constraints we have had to deal with over the last few years, we have always been very mindful of where the money goes. The things that have been invested in are the things that we believe go directly to the heart of supporting jobs and the economy, particularly at the moment, as it has been a transitioning economy—like I said, those essential things that will improve people’s lives and ultimately save government down the road.

An example of one of those recurrent commitments would be the Barkly Regional Deal, where we have had to put money on the table over there for the next few years to match a co-contribution from the federal government—one of the most significant investments into Tennant Creek and the Barkly that we have ever seen, and it is absolutely needed. I do not think anyone would question it being needed out there.

Turbocharging Tourism—an area we have made significant investment in to stimulate the tourism sector and bring interstate and overseas money to the Northern Territory. We are looking at areas that create jobs through training. These have been the types of areas that we have prioritised. Back on Track as well—that is an area that we have prioritised.

Mr HIGGINS: I think there will always be some policies implemented that will never be of cost benefit, they will have a social benefit et cetera. I accept that. I do not profess to say that every policy change should have a cost-benefit sum, as some do not. Effectively, in the end, they may.

If you look at staffing numbers—according to the public service figures that came out a couple of weeks ago, we have had a reduction of 58 positions since December 2018. Is that in line with the targets that Langoulant had?

Ms MANISON: There is a body of work going through the government at the moment looking at FTEs and the staffing cap. That is something we are working through because each agency has its complexities. We also have agencies where we have mandated rations. For example, where you have a teacher in a classroom, you need so many students; where you have a patient in a hospital, they need so many people to support them. We are working through those.

There are also areas where we have made commitments such as the extra 120 police, which we will not compromise, and the 75 police auxiliary liquor inspectors coming on, who are absolutely essential. We are working through those figures to ensure that we meet the cap. We have set a cap that was a recommendation out of the plan to fix the budget. That is a body of work we are working through, agency to agency.

That is an example of the hard and heavy lifting because, ultimately, we are looking at making sure agencies meet those caps. That means things such as not renewing some contracts and restructuring internally in some of the agencies to streamline some of their services. It is a difficult conversation.

The biggest bill we have in the Northern Territory is wages, so it is important that we live within our means and maintain the staffing number.

Mr HIGGINS: When we talk about the staffing number it reminds me of a conversation I had with someone over the weekend in regard to exactly that: the ratios that are there.

When Treasury dictates these numbers—like with Education, I think you need 27 kids to a teacher ...

Ms MANISON: It is also important to recognise global school budgets. Schools have autonomy in some areas to determine ...

Mr HIGGINS: They can move that budget around, but my question is, when we talk about that disadvantage that we have in a lot of these communities, how do we take that in to account when we are looking at it?

This teacher said to me—I will not say which school it is, that is more for Education. When you actually mandate this, is the FTEs that you will have—how do we take in to account that this lady actually said the maximum kids you could actually handle in that area is 10 or 15. It is not just a general across the board—how do we take that in to account?

Ms MANISON: Agency by agency they are the issues that we work through, but it would be fair to say frontline service positions are the ones that you ensure that are front and centre with priorities when it comes to recruitment and ensuring that those jobs are protected. We need those teachers in the classroom because they make the biggest difference.

An area like Education, when it comes down to a school level, there is a level of autonomy. In the example you spoke about, if that school has a range of students with highly complex needs they might prioritise having more assistance in the classroom as opposed to having assistant principals—those types of things. They are some of the conversations that they would have.

At the moment we are working through agency by agency on those issues, but it is fair to say agencies recognise that we expect that they live within their means and within their budgets. There is a staffing cap which we are working to implement and maintain, given the tight fiscal constraints that we have.

Mr HIGGINS: If a school decided that they cannot live within that 28, can they do a submission to say our FTEs should change because of that?

Ms MANISON: That school should have a global school budget.

Mr HIGGINS: That budget is based on staffing and the number of kids, which if it is based on a general thing—it is a criticism that we make of Productivity Commission, Grants Commission et cetera, yet we impose the same conditions locally. How are we getting around that? How are we sticking by our word on what we tell other people to do?

Ms MANISON: They are the conversations we are having federally as well. We want more recognition of isolation and remoteness. It is important to recognise that where we see the highest level of disadvantage the more remote you go is where we see—we have needs-based funding models, particularly within the schools. That is an important point to make.

The infrastructure budget, for example—over 50% of that goes out bush. That is important because that is where we have the greatest level of disadvantage and need, but it is something we are very conscious of.

There is no doubt that there is always attention—and historically there has been—on making sure those who live in the most isolated and disadvantaged parts are not forgotten. It is really important that we make sure we see strong investment in those communities.

As a government we have a very strong track record of that. Our housing program is one example; our roads program is another example—ensuring that we are investing in to the regions, in particular to the frontline services. That is something we are deeply committed to. There is a lot of work happening in those spaces.

Mr HIGGINS: I will ask a couple more questions, about the ECO contracts. We know a letter has gone out from the head of Chief Minister's in regard to a freeze on the pay of those on executive contracts. Prior to that, what was the advice from the Office of the Commissioner for Public Employment? Did he give some advice on the implementation of that?

Ms MANISON: I would have to refer that to my colleague, the Member for Barkly, to get that to you. I will let him know to expect that question coming his way.

For example, for politicians—for us—we have applied a pay freeze to ourselves for the next three years, but it is clearly legislated that we have an independent Remuneration Tribunal that sets our wages. We wrote to the tribunal and they wrote back to us to let us know, given the fiscal situation and the recommendations of the report, they would be applying a pay freeze until 2021 and looking at the budget situation in 2021.

Mr WOOD: They have not written to me.

Ms MANISON: We have corresponded with them. I am more than happy to ask the Chair to talk to everyone.

Mr WOOD: Yes, could someone ask and let us know?

Mrs LAMBLEY: Yes, it would be good to know.

Ms MANISON: I think we are well remunerated and we can certainly handle a pay freeze.

Mr HIGGINS: I am not saying that ...

Mrs LAMBLEY: We are not all particularly well remunerated.

Mr HIGGINS: The members are saying were we consulted about it. That is my question about the ECOs. How many ECOs are affected by that in Treasury? Specifically to Treasury?

Mr GRAHAM: Nineteen.

Mr HIGGINS: Nineteen. Do you have any indication of how many of those people have agreed to that and what happens if they do not agree to it?

Ms MANISON: Ultimately we are the government and we have said that we will be applying it across the public sector and it is being applied. It is happening. We are also, as you know, as one of the recommendations or a couple of the recommendations out of the report into fixing the budget around executive contracts—there were a few different recommendations.

One was just to cut out the ECO1 structure full stop and just remove all the ECO1s. That was a recommendation that came out of the report. We thought that was a bit too blunt an approach, so instead we reshaped the ECO structure from six to five and are also removing 10% of ECOs across the Northern Territory public sector. That will be the removal of 52 positions. That is happening over the next 12 months as well. That is how we are handling those recommendations from the Langoulant review as well as implementing the pay freeze on those executives. That is the work happening at the moment.

Mr HIGGINS: When you say ‘your government’—these executive contracts are actually a contract that has been signed. My understanding from the document I have here is that people have to sign two variations to that to be able to implement it. My question is, what happens if someone does not want to implement those or agree to those changes?

Ms MANISON: I think those questions are better placed for the Commissioner for Public Employment and the Minister for Public Employment when they appear. It is our expectation that dealing with the GST changes is a difficult situation. Everybody has to do the heavy lifting to live within our means and make sure that we have a sustainable budget. A sustainable budget is good for the Territory, and that includes executive contract officers doing their bit.

Mr HIGGINS: Have all 19 in Treasury agreed to do this?

Ms MANISON: I have no doubt that Treasury will lead by example as they always do. I am feeling very popular around this table right now, Leader of the Opposition.

Mrs LAMBLEY: Imagine how other Territorians are feeling, Treasurer.

Ms MANISON: Exactly. It is not easy work—this is heavy lifting.

Mr HIGGINS: I will let a few other questions be asked in the general area and then I will come back to it after.

Mr WOOD: Before I get onto the question of wage freezes, is this the area—financial management—where we should be talking about the budget repair report? I am following on from the questions of wage freezes.

Ms MANISON: I am totally comfortable if you want to bring them on here.

Mr WOOD: I understand that government has some difficult decisions to make but first of all, in relation to executive contracts, school principals are on executive contracts, I presume?

Ms MANISON: Yes.

Mr WOOD: You would regard a school principal today as being a frontline worker?

Ms MANISON: Just to be clear, when it comes to those 52 reductions, school principals are not included in that. You need a principal of a school. You cannot dispute that as they are critical positions to the future of the Northern Territory.

Mr WOOD: But you are applying a wage freeze to school principals?

Ms MANISON: Yes. Everybody has to do the heavy lifting, Member for Nelson.

Mr WOOD: You have said that there would not be any wage freeze for frontline workers—it is in your media release that the Chief Minister put out, that there would be no wage freeze for frontline workers.

Ms MANISON: What we have said is that all executives would have a wage freeze.

Mr WOOD: Yes, I understand that. But that the Chief Minister said that it will protect frontline workers like teachers, nurses and police. Do you ...

Ms MANISON: Yes, that means that because we are constraining our budget and are making sure that we are living within our means so we can invest in those positions.

Mr WOOD: Hang on, let me finish. What I asked in the beginning was, do you regard school principals—and I know a lot of them—do you not regard them as frontline workers?

Ms MANISON: They are frontline executive principals and we will be applying the wage freeze to them as well.

Mr WOOD: Right, they will be pleased to know that.

Ms MANISON: We appreciate their work. We think they are amazing. We all know that if a school does not have a good principal, it makes a huge difference to the effectiveness and the impact the school has on the education of its kids. They are vitally important. That is why we are not reducing their numbers and are still investing in them.

Mr WOOD: Knowing the pressure on those school principals, I think you should regard them as frontline workers. They cop a lot. I understand that you have to make some cuts, but I think that in some areas it is nice to talk about frontline workers as if they are not part of the executive contract group.

My question is in relation to contracts. When is a contract a contract and when can you override that contract legally?

Ms MANISON: Again, when you are this question, I will get you to seek advice from the Commissioner for Public Employment and the Minister for Public Employment, but what I am saying—as the Treasurer and the person who has charge of driving through the 76 recommendations and the report that comes out of the plan to fix the budget—is that everyone has to do their heavy lifting.

We appreciate people from executive levels down to AO1s. Public servants work very hard in the Northern Territory and that they all take their jobs very seriously. This is not easy to implement.

Mr WOOD: I am not disputing any of that, but if I have been employed on a contract and the government says, 'Well, we are not going to adhere to that contract', and you made a press release this morning saying that you will put a wage freeze—not the Commissioner for Public Employment—and the Chief Minister has said exactly the same thing, what is the legal basis for you to enforce a wage freeze on a person who has a contract to work for the government?

Ms MANISON: Yes, we will get the Commissioner for Public Employment and the Minister for Public Employment to go through that detail with you.

This is a challenging time. We must live within our means. The GST has changed forever. This takes tight fiscal discipline. Executives have to do some of that heavy lifting. It is not an easy decision as we need some of our very best and brightest to be leaders in the public sectors. This issue with the changes to GST is so great that if we are to make sure that we can keep investing in schools, in those important services that Territorians need every day, and in those things that will grow our economy, it is really important that we manage the budget.

That is why we are trying to make sure that we spread this difficult decision ...

Mr WOOD: I understand that. I have not come here to comment—I am not making this as a basis for saying that we should not tighten our belts. But the point I am raising is that you have released a press release today and the Chief Minister has made one. I would have presumed that before you said that there will be a wage increase ...

Ms MANISON: It would be fair to say ...

Mr WOOD: Hang on—my turn. Before you make a media statement saying that there will be a wage freeze on executive officers who have contracts, you would come here saying that I have legal backing to that statement that I can do that?

Madam CHAIR: Is that your question?

Mr WOOD: Yes. Where is the legal basis for what you are doing?

Ms MANISON: As you can appreciate, I do not have that advice right in front of me. But there is no doubt that we have been working through these matters with the Commissioner for Public Employment. This has been ongoing. To get that specific advice tabled for you, it would be in that session. You will be able to get those answers, but I do not have them with me now.

Mr WOOD: Then should you have put out a press release today saying that there will be a wage freeze?

Ms MANISON: We have accepted that recommendation and are implementing it. All the advice that I have received is that we can go forward with it.

Madam CHAIR: Member for Nelson, I think it is three times that we have talked now about that going to another officer, so we will bring it up in that session when it is appropriate.

Mr WOOD: It was raised about my salary. I will tell you straight out that I am quite happy with my salary, but I feel the government—pardon me—has no manners. If it wants an independent Remuneration Tribunal to be independent, it does not say that it will freeze my wage until it talks to both the independent Remuneration Tribunal and maybe me as a member of this parliament.

I put on record now that I am quite happy to have a wage freeze on my salary. To be told I will have a wage freeze without being asked or without going through the proper process, do you think that is a fair way to deal with people? I work for the public as well. Do you think that is a fair way the government should deal with this?

Mrs LAMBLEY: Hear, hear!

Ms MANISON: I appreciate that you may have your concerns about the process around how we have applied it to politicians' pay. Generally from the punter, I would say that they probably do not have the same level of sympathy for us.

Mr WOOD: I am not asking for sympathy. I am asking for a process.

Madam CHAIR: Can we allow the Treasurer to answer the question?

Ms MANISON: We have spoken to the Remuneration Tribunal and asked for their support. They said they will give us their support to do this. This is not an easy situation, Member for Nelson. These are the difficult decisions you are expected to make within government.

Mr WOOD: I am not asking for a repeat of 'we are in difficult times'.

Ms MANISON: You keep asking me the same question.

Mr WOOD: All I am saying, which I have said before, is do not try and turn my question on me as if the public will not give me any sympathy. I am not saying that I will not be part of what the Langoulant report wants. That is part of trying to fix the budget. I am just asking why the Chief Minister or even you could not say to members of parliament, 'We are in a tight time. Would you agree to have your wages frozen for three years?'

To not make a statement or even coming to talk to us, sending us a letter or using the independent Remuneration Tribunal, which is meant to be independent of the Chief Minister—why is the process not based on good manners?

Someone could simply ask us, would we come along with the government and Mr Langoulant and try to help the Northern Territory economy. I am quite happy to do that, so why has it been done in a way that treats us as if we are not part of this?

Ms MANISON: Sometimes you have to take swift and decisive action in government, Gerry. I apologise if my manners have not come off so well with you.

Mr WOOD: Your manners are fine.

Ms MANISON: Usually I like to think my manners are pretty good. In this case, I get that you feel that way, but the job of government is to make decisions. You have to make decisions sometimes, and this one was a no-brainer.

Mr WOOD: We are not always the enemy on this side. I am happy to work with the government to try to fix things up. As I said, I do not have a problem with my wage. It is just that the way I have been told 'you will have a wage freeze' is not the way I would treat any of my workers. That is a point that I raise.

Madam CHAIR: Member for Nelson, do you have any further questions?

Mr WOOD: I do. Could I ask a couple of questions on the budget repair? Is the Budget Repair Standing Committee now operating?

Ms MANISON: It has been for some time. We have a Budget Review Subcommittee of Cabinet. It includes me, the Chief Minister and the Member for Drysdale.

Mr WOOD: Is that the same one that Mr Langoulant had, the Budget Repair Standing Committee? The Department of Treasury, Chief Minister, Commissioner for Public Employment, Department of Corporate and Information Services and the service delivery agency—is that the one you are talking about?

Ms MANISON: Yes, but there will be times when we will call in the public sector commissioner more as well. That is an important point when it comes to wages and conditions of course across the public service and looking at some of those numbers. We have an active Budget Review Subcommittee which has been in place for some time.

Mr WOOD: Can I then just ask a couple of questions in relation to budget repair? They may be out of sync a little bit. Recommendation 2.1 was to:

Reform the current major projects process to expedite and improve the efficiency of project approvals.

What do you mean in practice 'to expedite and improve the efficiency of project approvals' and will that mean taking short cuts that could jeopardise the long-term sustainability of the project?

Ms MANISON: It is a really important matter that you raised. We want to see that when an investor comes to the Northern Territory, their investment journey is swift, we give them as much certainty as possible and that we are a can-do place for business and industry. However, that said, we all know we need to have the right checks and balances in place. We need to protect the environment, for example. We need to make sure we strike the right balance there and follow planning processes. You and I have had many planning debates over the years, and they are important processes.

It is about ensuring we have timeliness around decisions and getting information back to some of these proponents of the projects. There are ways in which we can do better.

The report has recommended moving in all those investment attraction-type positions to the right place so it is more streamlined—ensuring we have people working together across agencies. It is not uncommon for me to have businesses coming through the door and expressing frustrations in some of the dealings with the Planning department or Power and Water through those processes.

Mr WOOD: You would know both of those ...

Ms MANISON: Yes, very well. It is giving them more certainty and making sure we have more definitive time lines for them.

We are also embarking on a body of work, looking at regulation in the Territory, in which we will look at the important microeconomic reforms and regulatory reforms when it comes to how we can streamline things and do them more quickly—recommendations from the report. I will hand over to Craig Graham to speak about the reform process.

We want to make sure we do not have red and beige tape in the way of businesses making investment and ensuring their investment journey is as swift and timely as possible, and that we are standing on a good level compared to other jurisdictions when it comes to doing business and investment attraction.

Some businesses have said some jurisdictions do it better. You take those conversations seriously when they do occur.

Mr WOOD: Before you pass it over, is this where the office of investment attraction comes in?

Ms MANISON: Yes.

Mr WOOD: Has there been any investment attracted so far through that office?

Ms MANISON: The office will be in place from 1 July to start with.

Mr GRAHAM: Those recommendations were responding to concerns raised by a range of stakeholders regarding the fact our major project approval processes were seen as deterring investment and major projects. The idea was to consolidate functions across government to the office of investment attraction so that processes can be coordinated more effectively. It is not necessarily about taking shortcuts; it is about improving the efficiency of the existing processes to the extent they can be. It is also looking at how our processes compare, and benchmarking against other jurisdictions to make sure we have a competitive major projects process.

The office of investment attraction is still being established. It is being done as part of machinery of government changes. It is about consolidating corporate functions and infrastructure planning functions. As the Treasurer mentioned, this is due to start on 1 July.

Ms MANISON: I have seen examples where we have fantastic, professional public servants in different agencies who want to do good work and get things moving more quickly, but sometimes you need them all sitting in the same room, applying the same pressure, rigour, speed and pace, and holding each other to account to get things done sooner.

Mr WOOD: You hear a lot about cutting red tape, beige tape, green tape—all sorts of tape. That sounds good, but some tape is there for a good reason. If the government is to expedite and therefore remove some of that tape, will the removal be open and transparent so the public knows what is being removed from existing tape regulations? My concern is that some things might be done because there is pressure to get a job done more quickly, and some of those recommendations may work against sustainability of that project.

Ms MANISON: There will always be checks and balances in the system because it is important. I come back to the example of the environment where, if you do not make sure you have a sound and functioning environment, nobody wins. It is not good for the economy. Of course, there will be those processes and they will still stand.

We have had a look around the nation and internationally to see how other jurisdictions do this and are there areas in which we need to improve and how do we best go about improving them.

We were having a conversation with regard to beige tape and that is an important factor when it comes to certainty. Often an example that is used by business is the frustration about timeliness of decision-making processes through different government agencies. Sometimes it is because frankly some of those time lines, in my view, are too long for some simple things that need to be done. Whilst, there are other agencies and other parts of the decision-making in the process where you do not necessarily have a time line, you can leave something open-ended. That is not good for certainty or investor confidence as well.

Having a look across the agencies, do we have any unnecessary red tape? People often say red tape to us is an issue but then you ask them to drill down to what is the red tape and provide the answers and it can be difficult to get down to that level of detail.

To me, it really does turn to the beige tape question, which again is about the timeliness of decision-making in giving the investor the certainty about when they will get an answer, yes or no, which is what we need more work. That is a body of work that is being embarked on through this reform process. We want to be globally competitive as an investment destination and we recognise that there is a bit more work to be done.

Mr HIGGINS: I think some of that beige tape does not just apply to business; it applies to private people wanting things done. A classic example of beige tape is when someone rings up and says, 'I have to get a permit to put a replacement bore down', and they are told, 'Sorry, we cannot do it this week; we are doing a review on a restructure here.' When the person rings back, it is school holidays and a lot of staff are away. That, to me, falls into that beige tape.

I would like to see it classified as something else. That is a private person and that is not an uncommon outcome.

Ms MANISON: Streamlined service delivery across the public sector is something that we have all had to experience. As local members, that is probably where we see it firsthand, how it can affect people each and every day. I completely agree, it goes beyond business and industry. It is also the private everyday Territorian who might want to do a renovation to their house or upgrade their property, which ultimately does mean that it flows through to benefit local business as well.

There is room for improvement; there always is. It is about that competitive edge. We want the Territory to be seen as a place where you can come, do business and have a good experience dealing with government. You get certainty about how those processes will work and how they are going about it. That is important when businesses and boards are sitting down making their decisions about where they will move their money to and where they will put their effort into.

Mr WOOD: Mr Langoulant said:

Ensuring agencies operate within their approved budget is fundamental to successfully returning the budget to balance at the whole of government level.

He went on to say:

To increase the level of accountability for agency and financial performance it is important that there are clearly defined and understood repercussions for the key influencers of agency financial performance including ministers and chief executives.

What happens if a CEO goes outside the budget, will they be sacked?

Ms MANISON: This is a body of work that we are going through to ensure there is more rigour. I think the Chief Minister has been very clear that there will be some firm repercussions if agencies blow their budgets and make no effort to try and deal with it.

Mr WOOD: Will ministers be responsible if they do not have enough control over it?

Ms MANISON: I think it would be fair to say that there would be plenty of heat on the minister if it ever came down to that as well.

Mr WOOD: Do you think they might get a different job?

Ms MANISON: I think we all know that ministers are held to account each and every day. There are processes like this through our parliament, through media and through the conversations we have with our constituents in our local shopping aisle. There is a lot of scrutiny. If a minister is performing poorly and one of their key parts of performance is financial management of your agencies, particularly in this tight fiscal environment, they would be held to account, I have no doubt.

Mr WOOD: The Langoulant report also said the efficiency dividend discount for frontline agencies should be removed to drive productivity and improvements across the NT public service more broadly and in recognition that these agencies account for the bulk of the Territory's expenditure. Why has the government rejected this

recommendation? I refer you to the issues that we have had already from the Legislative Assembly of the effect that those efficiency dividends will now have on staffing in the Legislative Assembly.

Ms MANISON: Again—no easy decisions here. We have asked everybody to do their bit because there is major reform required in order to deal with these GST changes. It has been a brutal change to the level of GST that we are getting and we have to live within our means.

Mr WOOD: Why did you not support this recommendation?

Ms MANISON: Just to come to that. That was one of the very few recommendations we did not support. The reason for that is that when you are talking about frontline service agencies, you are talking about police, health, Territory Families. We know that they have huge pressure on them to meet service demands each and every day. We did not believe that it was sustainable or able to be implemented.

What we preferred to do was look at each of them and say, 'Here is your budget. We believe this can be met and implemented and you will have far more rigorous checks and balances throughout the year to ensure that you are tracking well.' If things are going wrong and if there are issues, we look at it sooner to understand those issues and to work with them on meeting their budget.

We felt that it was too blunt to apply that efficiency dividend to those frontline service agencies when they already have immense pressure on them day-to-day as it is.

Mr WOOD: Am I misreading this? It said the efficiency dividend discount for frontline agencies should be removed.

Ms MANISON: Yes.

Mr WOOD: But it was the efficiency dividend that cuts your budget.

Ms MANISON: No. What they are saying is that it would be in line with the non-frontline service agencies.

Mr WOOD: It is confusing.

Mr McMANUS: The efficiency dividend is applied at 3%. Those frontline agencies such as Police, Corrections and Health have a discount on that efficiency dividend. They would receive a two-thirds reduction to the efficiency dividend. An efficiency dividend of 3% is effectively a 1% efficiency dividend for those frontline agencies.

Mr WOOD: That makes a bit more sense. On the efficiency dividend, is it not a bit like reverse compound interest? If you keep taking 3% off every year, you will have people sitting at a desk with no car and no computer. You will have all the 3% efficiencies—I have asked this before—but is there someone there who says, 'Hang on, this is stupid'? Because you will have a department that can hardly operate. Does someone check to see whether this makes good sense from the point of view of providing a public service to the community?

Ms MANISON: This is about ensuring that there is always a fair level of rigour about agency efficiencies. It is important. I think Territorians expect us to operate as efficiently as we can in how we go about business. I will get the Under Treasurer or the appropriate Treasury staff to talk a bit about the efficiency dividend a bit further and the rationale behind it.

Mr GRAHAM: Efficiency dividends have been used by successive governments in the Northern Territory for some time and they are commonly used across other jurisdictions. The expectation is that agencies will continue to find efficiencies over time through the use of technology, improved operational practices and things like that. It is an incentive for agencies to look at the way they operate and continually look at how they can do things more effectively. If there was no efficiency dividend, the impetus for them to look at efficiencies over time is not as great.

Mr WOOD: This might sound like a silly question but we have a computerised society. When I did my economics a long time ago, the belief was that we would have a lot of recreation time because we would not have to work as long because computers would take over. I look at the staff numbers for the Health department, for instance, and ask what achievements this has made. Has it made running our departments more costly because we are getting more information? Do we need all that information?

Do we have a technological society that has worked in reverse and is now costing us far more money to provide a bed for someone in hospital?

Ms MANISON: I do not believe that is the case. I believe we have far more rigorous decision-making assessment and more complexity in our lives. We have higher standards; people live longer and receive far better treatment. That is because we have more information technology and knowledge in our hands each and every day.

Some of the core recommendations that came out of this body of work looked at how we embrace information technology further. The world is changing. We now have access to more connectivity and services than ever before thanks to technology such as mobile phones, video links and where people can meet with services they otherwise would not be connected to. This report recommends that we look at further digitisation where appropriate and keeping people connected to deliver services.

What I come back to when I discuss that is the importance of having connectivity. One thing I hear a lot about from my bush colleagues is the lack of telecommunications in different areas of the bush. A lot of work has been happening. It is a federal government responsibility but we have had to put significant money into it as well as telco to get connectivity happening in the bush. There is no doubt that to be a participant in today's world, particularly for kids out bush. They need telecommunications. They need to access IT, mobile phones, data and so forth.

We got to a lot of the big locations, so now it is about getting to the more remoted and isolated locations to keep technology rolling out ...

Mr WOOD: There are gaps even in my area, would you believe.

Ms MANISON: It is so important. It is an important area. The Territory always seems to be left off in some of those federal funding buckets to the bigger states—rather than the places here where it can make a massive difference to people's quality of life. We will continue to lobby for that, and we have continued to invest in those areas.

The world today is more complex. We have more information but it makes for better decision-making and care of people.

Mr WOOD: We employ a lot more people.

Mr Langoulant said the Territory should also consider rewarding agencies that achieve outcomes and spend within their approved budget by allowing departments to retain a share of underspends. This would reduce the perverse expenditure incentives created under the current 'use it or lose it' system, which I have known about for years and years.

I have seen people turn up at the local hardware with a heap of money to buy stuff they did not really need. What guarantees are there that you will not reduce the departments' budgets next year, if they have saved money?

Ms MANISON: It is important to have a few carrots in the mix to encourage good behaviour by agencies in their expenditure, and to reward appropriately. Whoever has worked in the public sector has probably seen some examples of, 'Gosh, we are pushing a bit close; 30 June is getting close, so I had better use this money and get it out the door.' Sometimes some great things are purchased, or services and training of immense value are accessed. They might be nice but are not necessarily and do not value-add to the level we hope.

This is a part of rewarding some of that good behaviour. I will get the Under Treasurer to talk a bit more about that and how it will operate in practice.

Mr GRAHAM: That recommendation will be implemented as part of a broader financial management reform, so it will be through a Treasurer's direction. There will be a rule that applies. The important part of that is that it is linked to objectives and outcomes. Where an agency can demonstrate it has achieved the objectives of the funding appropriated for that purpose, and has done it within budget ...

Mr WOOD: Will they cut their budget next year, if they had a surplus?

Mr GRAHAM: If the agency has—well it depends if they have met the objective, the outcome.

Mr WOOD: That is one of the reasons they expend it, because they know that ...

Ms MANISON: It would be ...

Mr GRAHAM: Even if they do ...

Mr HIGGINS: This is one of those examples of Treasury—the answer is no. The best you will get is, ‘I will think about it’. You will never get a yes.

Ms MANISON: Again, there is more rigour and scrutiny of each agency’s expenditure. But we need to have some recognition of those that continue to do the right thing and meet their budgets. If we can see there is value in the things that they will invest in with those underspends, such as training, upskilling, purchasing things that we think will benefit their service delivery or agency and what they can do, then they should be considered without being penalised.

Mr WOOD: Thank you.

Mrs LAMBLEY: The bad news we heard this morning about Moody’s credit downgrade of the Northern Territory from an Aa2 to Aa3 will have a significant impact on the fiscal position of the Northern Territory. Can you explain, in detail, how it will impact?

Ms MANISON: So, there are no surprises with what Moody’s have done. They have moved us to Aa3 stable. That news came through this morning just prior to me appearing here at estimates. We have done some calculations on what we think that might mean for borrowing—let me just check that.

We think that might add to our borrowing expenses to the tune of about \$18m over the forward estimates. What Moody’s have said though, as part of their assessment, is that GST is the number one reason why we have seen this unfold. This is the second downgrade we have had in recent years. In August 2016, at the end of the last term of the former CLP government, we saw Moody’s downgrade the Northern Territory at that point.

At that point they pointed to economic conditions, deteriorating revenue and the fact that the only reason it had been backed up at that time was because of the sale of public assets. It was a path that was well and truly there. We have seen the huge changes with INPEX, but what no one predicted was the huge change to the GST, which Moody’s put front and centre as the reason behind the downgrade.

Around \$18m over the forward estimates is the estimate I have been provided by Treasury.

Mrs LAMBLEY: That is for the cost of borrowing money—it will increase?

Ms MANISON: Yes. Just one thing I wanted to point out is that in recent weeks we have seen that Western Australia has been upgraded by Moody’s. Western Australia has had some significantly challenging years. It also used John Langoulant to drive its reform process. He is the former Under Treasurer of Western Australia, and he is the Chair of the Power and Water Corporation here. That is who we used as the independent Chair to do this reform work on fiscal repair.

Western Australia has managed an upgrade in recent weeks from Moody’s. But the one thing that Western Australia has had from this GST change that we did not—we are on the exact opposite side—GST has been given an base forever in Western Australia. I think it goes up to the tune of 75c—the floor. That is the adverse impact that will affect everybody else, bar WA.

WA got the best deal ever last year. This has set it up for life. It is starting to see a pick-up in its minerals sector as well.

Mrs LAMBLEY: That is great for WA, but what about us?

Ms MANISON: Life is pretty good in WA—it is good to be in Western Australia. Anyway ...

Mrs LAMBLEY: It is great to hear about WA, Treasurer, but in the Northern Territory did you predict this downgrade?

Ms MANISON: We have been on negative outlook for the last two years, as you are well and truly aware. That was driven off the GST, the first assessment that had significant pressures added to our net debt and our fiscal situation. This came as no surprise ...

Mrs LAMBLEY: So you factored it into the 2019 budget, this extra \$18m in interest?

Ms MANISON: No, we had not factored that in because it had not happened at the time. Again, it will be adjusted in our mid-year report. That would be something you would see there, but at this point you have to deal with the facts as you have them at the time at which you present the budget.

Madam CHAIR: Member for Araluen, I am just wondering if we are moving into a different question. I am aware of the time.

Mrs LAMBLEY: I just want to ask one question in this and then I will go into a different question.

I noted in the response you gave to a previous question this morning you said there was no forecast of lowering the GST receipts for the Northern Territory. When I was Treasurer for a very brief time in 2012 I was advised of forecast decreases in GST. It was made very clear to me that there would be increased competing demands by other states and territories. Aboriginality was increasing in other states, which meant that we were less competitive. All those things you described were described to me in 2012.

I am wondering when you were told about this forecast decrease in GST and why you did not take that into account from the day that you became Treasurer in August 2016. Why did you place us in this position knowing full well what I knew in 2012 would happen during your time as Treasurer?

Ms MANISON: Let us be very clear, Member for Araluen. I think since those six months that you were Treasurer, things have moved significantly.

Mrs LAMBLEY: It is seven years ago, indeed. You have had plenty of notice, Treasurer.

Ms MANISON: What I need to point out is that—I think a clear example of how things change in this economy is the INPEX project. That construction phase went a bit longer than INPEX anticipated and that pushed numbers and forecasts out further. Also, when you look at that pre-election fiscal outlook that came through, that was based on Commonwealth Treasury forecasting at that time.

I note since we had those massive changes, the Commonwealth Treasury and federal budget books have now changed their forecasting of the GST to I think yearly now, rather than going over the forward estimates. We were going off the numbers with which we were presented through the federal government. We always update our numbers going forward to what we are getting through, often to the latest information from the federal government as well.

There was no doubt we could see that the GST has a flow-through effect of three years. We could see that from the peak construction phase when we were going into government, that we would be the ones who would then get that flow-through effect of three years, and then see there would be some downturn in the GST. Nobody in their right mind, including the Commonwealth Government or the Grants Commission predicted what would happen when we dropped from 5.2 to 4.6 and then 4.6 to 4.2. That was never foreseen by anybody.

The issue around Indigeneity is a huge contributing factor and one we are mindful of. We keep pressing the case to say that if you are an Aboriginal person living in Yuendumu, your circumstances are very different to an Aboriginal person living in Melbourne. There is no doubt about it. We keep pushing that case forward when it comes to the weight of assessment in ensuring that the more remote an Aboriginal person is located, there is a far greater need.

For us it was those expenditure patterns from interstate that dealt us the biggest blow of the calculation of the formula. Another area I want to point to that we continue to lobby the federal government on and want to see other members united and lobbying the feds with us on is when the feds comes to us with a lovely looking roads package. They come to us with hundreds of millions of dollars in roads. It is really important funding because we know that to build one kilometre of road out bush costs about \$1m.

When we get that roads money, they do not exclude GST, so we get it in one hand and then lose it on the GST in the other. Something I continue to lobby the federal Treasurer and northern development minister about is that the Treasurer has the capability of excluding things from the assessment from the CGC. You

will see from time to time that they will do some massive urban infrastructure projects from different states. We had to negotiate long and hard to get them to exclude the \$550m for remote Indigenous housing, because that was going to come in on one hand and go out on the other. You cannot say that we do not have disadvantage or need there.

The roads are the same story; it comes in on one hand—it can be hundreds of millions of dollars coming on to the books in a year, and then we know it is equalised with the GST. That is something we continue to lobby for, and we appreciate everybody trying to help in that regard.

Mr HIGGINS: Can I put a question on notice, as I know you will not have these figures readily available?

Madam CHAIR: Still under Output 1.1?

Mr HIGGINS: Yes. It is in regard to the GST. There are three lots of figures we hear, and I am not talking about the specific figures but the source. I want to see what the Treasurer projected as the GST in the last budget in 2016 compared with the pre-election financial outlook, compared then with the Commonwealth figures you are talking about.

Question on Notice No 2.3

Madam CHAIR: Opposition Leader, please restate the question for the record.

Mr HIGGINS: I would like to see a table that shows me what Treasury's prediction for GST was in the final budget of 2016, produced by the CLP. I would then like to see how that compared directly with the pre-election financial outlook, which Treasury produced independently. I would then like to see the Commonwealth's prediction of GST, which the Treasurer referred to earlier.

Madam CHAIR: Treasurer, do you accept the questions?

Ms MANISON: Yes, most of them are in the budget books.

Madam CHAIR: The question asked of the Treasurer has been allocated the number 2.3.

Madam CHAIR: I call a quick 10-minute break.

The committee suspended.

Madam CHAIR: The Member for Araluen had a further question.

Mrs LAMBLEY: Yes. Probably the most horrendous example of waste of tax payers' money has been in the Infrastructure Development Fund—the most horrendous ways we have seen probably in the history of the Northern Territory. You have been asked many questions about this in parliament, Treasurer, and not to my satisfaction.

I still do not know what your responsibility is in terms of tracking that \$10m, making the NT Beverages company who received that money accountable and just giving an explanation to Territorians as to what happened, and any efforts you are taking to try and recoup that money?

Ms MANISON: There is no doubt there is a bit of history when it comes to the Northern Territory Infrastructure Development Fund, and we have had conversations about it over the years.

When the CLP government sold TIO and leased the port there were proceeds that were put forward in to a raft of different projects and one of these projects was establishing the Northern Territory Infrastructure Development Fund.

At that time, the then Treasurer, Dave Tollner, moved to set up this fund. They approached us, as the then opposition, seeking support. They continued working forward, looking to progress the fund—which, to remind

everyone, was a \$200m investment with the aim to attract \$800m of private sector investment to get more major projects out of the ground. It was new and different for the Northern Territory. A major part of this was to run it at arm's length of government, to have an independent board, a board of experts that were to make the decisions and help cut through some of the processes when it comes to getting these jobs done sooner and more swiftly—so the fund was established.

As the minister working with the Northern Territory Infrastructure Development Fund, it would be fair to say that I was not very satisfied with how it was progressing. I would meet with the Chair of the fund and we would have conversations. Eventually the fund made a decision to make their first investment into NT Beverages. I think we all know how that went.

It would be fair to say that there were two issues I had with that. Firstly, it went belly-up pretty quickly so there were some very big problems there. Secondly, in my view it did not exactly meet what I thought the fund was all about, that is, attracting new industry, new projects and creating new jobs in the Northern Territory.

The fund had made what I believe is a very poor decision as their first investment decision. It did not proceed very well. It went into administration, as we know. The administrators have gone through, they have now secured the sale and I believe that we have recouped some of those funds. We came to an agreement that the NTIDF had to be wound up. It was not working. I was not satisfied with how it had gone.

With the remainder of those funds, half of those were used to settle debt and the other half have been put towards the local jobs fund which is with the Department of Trade, Business and Innovation. I am sure that the Chief Minister will be able to talk to you more about that.

Mrs LAMBLEY: How much was recouped, Treasurer?

Ms MANISON: Are we talking about NT Beverages?

Mrs LAMBLEY: Yes, out of the \$10m, how much was recouped?

Ms MANISON: From NT Beverages, there was \$2.5m recouped.

Mrs LAMBLEY: So, Territorians have lost \$7.5m in this deal?

Ms MANISON: Yes.

Mrs LAMBLEY: What ramifications have there been on the board members?

Ms MANISON: It was an independent board.

Mrs LAMBLEY: Was due diligence followed?

Ms MANISON: They let me know that due diligence was followed. It was a process where they have an investment manager who followed due diligence, provided that to the board and the board made the decision from there.

Mrs LAMBLEY: As Treasurer you do not seem very convinced by that.

Ms MANISON: Well, it did not work. How could you be convinced?

Mrs LAMBLEY: What is your statutory responsibility as the Treasurer of the Northern Territory to find out exactly what happened within the Infrastructure Development Fund?

Ms MANISON: We have seen what happened. When you have a board that is fully independent, and making their decisions—they made a very poor decision there. It turned out the business did not work out and went into administration, and \$2.5m of that has been recouped. Hence why we moved to shut down the fund and ensure that we establish something that supports local jobs, new industry and growth in the Northern Territory economy whilst being in control of government.

Mrs LAMBLEY: The most senior Northern Territory public servant, Jodie Ryan, sat on that board. Will there be any implications or ramifications for her, being a part of that very expensive decision to invest in NT Beverages at a loss of \$7.5m of taxpayers' money?

Ms MANISON: I think it is important to recognise the structure of that board, being at arm's length of government.

Mrs LAMBLEY: What do you mean by 'arm's length'? You are the Treasurer.

Ms MANISON: It was independent of government. That is the way it was established. That was how it was set up.

Mrs LAMBLEY: But with Northern Territory Government money—100% funded. Taxpayers' money ...

Ms MANISON: Yes.

Mrs LAMBLEY: So, you have no responsibility at all?

Ms MANISON: This was the whole point of when the NTIDF was thought of by the previous Treasurer, Dave Tollner. That was the point—to keep it at arm's length of government, to be independent, to go out there and attract \$800m worth of private investment. It was something completely new and it did not work in the Northern Territory.

Mrs LAMBLEY: Will any legal action be taken against the board?

Ms MANISON: We are not looking to take legal action.

Mrs LAMBLEY: Why?

Ms MANISON: This was a decision of the board and it did not work out.

Mrs LAMBLEY: On behalf of Territory taxpayers, should you not be taking legal action against the board?

Ms MANISON: I saw that they had done a level of due diligence. My concern has been making sure that we recouped as much of the expenditure as we could. There has been \$2.5m recouped through the sale of NT Beverages.

Mrs LAMBLEY: Was an independent investigation done in to the matter?

Ms MANISON: We had seen the Auditor-General review into the NTIDF and how things had been operating. We have moved to close the fund. I feel we have moved forward. We have stopped it going forward any further. I believe the work has been done.

Mrs LAMBLEY: Nowhere on the planet does a business get away with basically taking \$7.5m of public money without some sort of legal recourse or action taken against them.

Ms MANISON: I believe it was the structure that let it down.

Mrs LAMBLEY: How do we know that? How do Territorians know that?

Ms MANISON: Clearly the decision did not work out because they made an investment that went into administration pretty soon afterwards.

Mrs LAMBLEY: I just cannot believe that in a time of fiscal crisis you are willing to let \$7.5m of public money just go out the window without even considering legal action against the board and against the people that were involved in this very bad decision.

Ms MANISON: It would be fair to say that my priority has been shutting the fund down, making sure that we got as much money back from the fund as possible—\$2.5m has been recouped from the sale of NT Beverages. That has come back and we are focusing on the Local Jobs Fund going forward.

Mrs LAMBLEY: Do those board members have any personal liability?

Ms MANISON: The advice that I have is that they are indemnified.

Mrs LAMBLEY: Is that absolutely correct? Do you know that for a fact that they are indemnified?

Mr GRAHAM: That is my understanding.

Mrs LAMBLEY: Should you not know that, Treasurer? This is really important. We are facing a fiscal crisis. We are talking about \$7.5m of public money and you do not even know if the board members are indemnified, and you are ruling out legal action based on a lack of information. Surely you need to go back to the drawing board on behalf of Territorians and make an effort to recoup that money.

Ms MANISON: Member for Araluen, we have just gone through a process that has only wrapped up recently.

Mrs LAMBLEY: Recently? How long ago?

Ms MANISON: We have seen \$2.5m recouped to the Northern Territory. We have established the Local Jobs Fund. The NTIDF, it is safe to say, did not work. It was something new and something that was constructed under the previous Treasurer, Dave Tollner. It just did not work for the Northern Territory.

Mrs LAMBLEY: You will freeze the pay of every principal in the Northern Territory, but you are not willing to take this further. You are not willing to go the extra yard and find out if the board members are indemnified and if you can take legal action against the people on the board, including the most senior public servant in the Northern Territory, Jodie Ryan, to try to get that money back in some way, shape or form.

Ms MANISON: It would be fair to say that we have been looking at the closure of the NTIDF. We have been looking at the administration and the process of getting money back to the Northern Territory, which is what we have been focused on.

Mrs LAMBLEY: Is the matter closed for you?

Ms MANISON: No. I do not believe that the matter is closed.

Mrs LAMBLEY: What will you do next? People need to know this. This is a public forum about looking at the budget of the Northern Territory. This is a critical issue that is on the table. You have managed to dodge and swerve this issue for many, many months.

It is your opportunity to tell Territorians how you will make an effort to get this \$7.5m back in to the coffers of the people of the Northern Territory.

Ms MANISON: My focus has been making sure we that we see what comes back in to the Northern Territory to close the fund down. That has been my priority.

Where to next is something we will consider, but the other thing I will point out is that there is more scrutiny around the processes in the Northern Territory than ever before. We have \$2.5m back. We are focused on the Local Jobs Fund moving forward.

The NTIDF, a brainchild of the former Treasurer, did not move out.

Mrs LAMBLEY: It has been under your supervision ...

Ms MANISON: We did close it down.

Mrs LAMBLEY: ... the whole time it has operated, Treasurer.

Ms MANISON: We gave it a go. We sought to see if it would actually work, and guess what? It did not work.

Mrs LAMBLEY: Do not mislead on that point—partly because you failed to oversee it.

Ms MANISON: When we saw that it was failing ...

Madam CHAIR: We are going back and forth, members.

Mrs LAMBLEY: No, this is an important issue, Chair.

Madam CHAIR: I will just remind all members that under Standing Order 109, the questions are not to be debated. I do not want to see us going back and forth.

Mrs LAMBLEY: Once it gets hot the Chair steps in and bails out the Treasurer.

Madam CHAIR: I am just doing my job, which is to keep things civil. If you have a further question that is not repetitive, I will ask you now, Member for Araluen ...

Mrs LAMBLEY: I would like to clarify with the Treasurer exactly what she will do from this point on to try to recoup this \$7.5m lost to NT Beverages by the Infrastructure Development Fund, which has essentially been under her watch for the last two-and-a-half years.

Ms MANISON: It would be fair to say that I feel the same frustrations as you.

Mrs LAMBLEY: I am sure you do not ...

Ms MANISON: I think it is fair to say that I do.

Mrs LAMBLEY: ... because you have not answered questions in parliament for over 12 months.

Ms MANISON: Because there have been processes happening, and sometimes the best thing to do is to allow due process to happen, to put the Northern Territory in the best position it can be going forward. To look at how you try to maximise the recuperation of what that administration process had presented. That has happened now. We have wrapped that up, we can see that \$2.5m has come back to the Northern Territory.

By all means, I will still have a look to see where we go forward, but at this point my priority has been the Local Jobs Fund allowing due process to occur with the administration of the NTIDF to make sure that process is followed and that they were most likely to get the successful sale they could to maximise recuperation of funds through that sale.

Mrs LAMBLEY: Do you think the board should be held accountable?

Ms MANISON: I am sitting here in an estimates process. It is clear that the decision the board made did not work out; it was a failure. I remind you about how boards work.

Mrs LAMBLEY: You are the Treasurer of the Northern Territory. You can ask any question you like. I am wondering why there is a measure of reticence in your attitude.

Ms MANISON: I appreciate the complexities of decisions by boards.

Mrs LAMBLEY: This was a big mistake and Territorians have paid the price. I have one more question.

Listening this morning has been quite illuminating for me in terms of the austerity measures you are implementing. This is the most information, I think I have heard of the precise 'heavy lifting' that you have decided to implement in terms of ...

Ms MANISON: We have been talking about it since April.

Mrs LAMBLEY: I am asking the question in regard to addressing the fiscal prices that you have created basically over the last two-and-a-half years. We come to parliament on a regular basis, yet we have not heard a lot of this detail. Are you prepared to discuss and debate your austerity measures in parliament going forward?

The Member for Nelson made a good point. You are freezing the pay of executive officers right across the Territory, including politicians and principals. This is the first we have heard of it in detail this morning. The morning of the first day of estimates. Surely this sort of stuff can be shared with us in a timely manner and within parliament so we can use the democratic processes available to us to discuss and debate these issues and decisions you are making on behalf of all Territorians.

Ms MANISON: I do not know where you have been since April. I really do not. That report was released in full. It is fair to say there was pretty rigorous questioning from the media. It was all fully disclosed and put out to public. You are most welcome to get a briefing that could be provided at any time. It makes me wonder whether you have sat down and read the report. We put out the report and we put out our responses. It was a busy day on 16 April.

Mrs LAMBLEY: Are you saying that you have already announced previously that you intend to freeze the pay of principals across the Northern Territory prior to ...

Ms MANISON: Yes, I said all executives.

Mrs LAMBLEY: Okay. I guess because you have nussed it out so clearly to me today ...

Ms MANISON: If you want another briefing, we are happy to get you a briefing. There is no problem at all.

Mrs LAMBLEY: I did ask you a question in parliament a few months ago to give me some examples of your 'heavy lifting' and you would not even answer, and neither would the Chief Minister.

Ms MANISON: Sometimes I wonder if you listen. I think we would have said, 'Executives, reduction by 52—freezing politicians' and executives' pay'. We would have said a fair few of these things. We put this out—76 with our response to it, and the root-and-branch review. There has been a lot of information out there since 16 April.

Mrs LAMBLEY: Tangible examples I was asking for. Remember, I asked that question in parliament?

Ms MANISON: Yes, and I stood up in parliament and given plenty of the examples, press conferences, multiple interviews ...

Mrs LAMBLEY: The Under Treasurer is saying that there will be 10 positions cut within Treasury and Finance.

Ms MANISON: If you read the root-and-branch review, you might see that it explicitly says that.

Mrs LAMBLEY: I do not recall reading it.

Madam CHAIR: Member for Araluen, do you have any further questions on Output 1.1?

Mrs LAMBLEY: No, thank you.

Madam CHAIR: I might come back to the Leader of the Opposition who indicated that he has some questions.

Mr HIGGINS: I ask for a bit of clarity on the head of the Department of the Chief Minister sitting on that board. When you say at 'arm's length'—my understanding is that she was the government's appointee or representative on that board—it is just a yes or no; that is all.

Ms MANISON: Yes, but there is no doubt that there was tension there because you have somebody who is expected to act as part of that board.

Mr HIGGINS: Yes, I know. That is alright. I just wanted clarity. When you said that it is completely at arm's length—the government did have a representative on that board.

Ms MANISON: Yes.

Mr HIGGINS: I know the confidentiality on that and that is fine.

Ms MANISON: We all know how boards work. They have obligations. I think we all know about their duties to the board.

Mr HIGGINS: Yes. A lot of the public would not have known that distinction, so I just wanted that made.

Last year at the Estimates Committee you said:

I think there is a very exciting pipeline of works coming up. Project Sea Dragon is coming closer ...

...

There are a raft of major projects at the moment.

Can we get an update on that and what things have changed since then?

Ms MANISON: Tomorrow, when you have the Chief Minister here, who has carriage of the Major Projects portfolio, you will have his executives here from the Department of Trade, Business and Innovation. They will be able to talk you through where they are at, project by project.

Some of the recent examples I think of where we have had some really great progress are in Arnhem Land, with the work that is happening there, such as the satellite launching and securing work with NASA. We have seen Project Sea Dragon established and open its offices here in Darwin. We know it is progressing further and further along. It has received more private investment, too, so it will be important to sit down and understand where that is at with it.

The luxury hotel is starting to come out of the ground down there at the Waterfront. Darwin LNG backfill project briefings have started. Again, that will present some incredible opportunities here in the Territory.

The Chief Minister will be able to take you through, project by project, all the projects that have received major project status and where they are at. One of the areas where we invested in this budget was project champions through the Department of Trade, Business and Innovation. They are for the projects that might not be as complex or as large to receive major project status but are bigger than the requirements of the small business champions—so to put more support around them.

Again, where we have made decisions about new expenditure, it has been in the areas which we feel will go directly to new job creation and economic diversification.

Mr HIGGINS: Okay, page 16 of the interim report states that:

Over the next 30 years the Territory's population is projected to grow by over 30 per cent ...

What I want to know is where that figure came from and what modelling underpins it. What is the socio-demographic makeup of these additional people? Do we have any of that, or is it just a figure plucked out of the air?

Ms MANISON: I will hand over to Craig Graham to talk a bit about that.

Mr GRAHAM: Those population forecasts are based on the long-term population projections that Treasury publishes. There are some breakdown there on Indigenous/non-Indigenous status, male/female gender splits, and those sort of things. They are published on the Treasury website.

Mr HIGGINS: But where do they come from? The fact that you published them on the Treasury website does not—it is a bit like going to Facebook and getting facts. Where did it come from in the first place? Did you get it from Facebook—no, I do not ask that.

The thing is, where do these figures come from? What are you basing that on?

Mr GRAHAM: They are based on long-term trends.

Mr HIGGINS: Looking backwards, we were in a bad economic position, but we are still based on those backward trends. If you look backwards at our GST, and we are using the same thing—the Treasurer claimed that that is why we are in such a mess.

You are saying we will get out of this because we will get a 30% increase in population over the next 30 years. When I look at everything that is around, I think 'Well, we are supposed to create 14 000 jobs per year'. I think we have lost two years of those, plus a few more. Why should we have faith in that? What can you tell me to give me some assurance that it will be the case?

Ms MANISON: I have faith in the incredibly professional work Treasury does. I know that when the staff there put these numbers together, they are generally very conservative about it. When it comes to issues regarding population we also consult with Charles Darwin University, with which we have an agreement to work on these types of areas. Treasury tends to be very conservative in its analysis.

Mr HIGGINS: That is all well and good, but my thing is, where do they come from? I am not doubting that Treasury does some terrific work, but I am not too sure the Treasury staff are experts in predicting the

population going forward, other than looking at trends. That is why I am asking that question. Where are we getting these figures from?

Mr GRAHAM: Again, they are based on ABS data.

Mr HIGGINS: Looking backwards?

Mr GRAHAM: Looking backwards—projecting forward, yes. Sure, there are projections over a 30-year period and I understand there are short-term fluctuations. Our population is relatively volatile and growth varies significantly from year to year. It is just an expectation of what will happen over time when you look back over our historical population.

Ms MANISON: Look at the Territory 30 years ago compared to where it is today.

Mr HIGGINS: I know.

Ms MANISON: I think it is a very different place to where I grew up. With some of those projects on the horizon—I look at INPEX and the establishment over there. That is two trains with the potential to expand significantly with further gas investments—Darwin LNG as well. There are lots of mines on the horizon. I think there are seven mines at major project status as well as others behind that.

Mr HIGGINS: That is all well and good, but it still does not give me the 30% and what we base it on. I know there are projects around. We can all do that. The question has to be asked, how many times have we had a decrease in the Territory's population over the last 30 years? Are we not predicting a decrease either this year or next year?

Ms MANISON: No, we are actually moving into forward territory. We have seen a decrease this financial year, but next year we are on the up again. There will always be a natural increase, too.

Mr HIGGINS: Yes, but I am past that. I will leave that to the grandkids.

Ms MANISON: There is the natural increase as well as population growth driven by migration, job creation and economic diversification. Those are the ways the population grows.

Mr HIGGINS: I think the bottom line is that there is no real science behind it. It is basically a figure that someone gets from somewhere and stuff like that.

Ms MANISON: I am sure the academics will like to debate that.

Mr HIGGINS: I may as well get it off Facebook. Anyway, when we talk about productivity measures in the public service, how is productivity for the public sector measured at the moment? What benchmarks are in place to evaluate that? You hear about KPIs, but who comes up with them? Who is putting them in place?

Ms MANISON: Again, I think this would be more within the realm of the Commissioner for Public Employment to talk about across agencies and how performance is measured. When it comes to the individual productivity of an agency, yes, KPIs are worked through in regard to the important measures that we need to get across.

Mr HIGGINS: What are these ones in Treasury at the moment? How are we measuring the productivity of Treasury staff?

Mr GRAHAM: Because Treasury is a central agency, its main output is policy advice. We look at things in regard to the quality and timeliness of our advice, the extent to which our forecasts are reasonable and accurate and that we achieve our deadlines in providing policy.

Mr HIGGINS: How have we tracked in predicting population over the last 18 years?

Ms MANISON: That is a very big question. In all fairness, the Under Treasurer has been in this position for the last three years, but seriously ...

Mr HIGGINS: So he can give an honest answer without incriminating himself.

Mr GRAHAM: I think our population forecasts have been reasonable over the last 10 years.

Mr HIGGINS: Can you define ‘reasonable’? It is okay. I will accept that as an answer.

Mr GRAHAM: We can track our forecast against actual population growth over the last 10 years and provide it to you if you like. I think our population forecasts have been within a reasonable level of accuracy over the last 10 years.

Mr HIGGINS: How do we evaluate the rest of our budget forecast stuff? You know all the things that affect that—interest rates, paying loans, grading up and down, all of that. How does that track? Do we measure that at all within Treasury? Is that one of the performance indicators we might look at?

Mr GRAHAM: We forecast all those things—interest payments ...

Mr HIGGINS: Not forecast—do we go back and check the accuracy of that through performance?

Mr GRAHAM: Yes, we report our actual outcomes in our annual reports as well as the TAFR, which gets published each year.

Ms MANISON: It is fair to say there is more reporting, scrutiny and checks and balances through Treasury than anywhere else.

Mr HIGGINS: But there is not a pass mark put on it, like we do with some of the other departments. What evaluation have we done on the economic stimulus programs such as Building the Territory, boosting our economy or the economic stimulus package of 2017–18? Have we done any evaluation on those?

Ms MANISON: The most important feedback and evaluations we have are from the businesses and industry groups that have been able to tell us directly that it has had a strong impact on them. It has supported local jobs. We generally get figures that go into how much economic activity and growth it has provided, how many people have been successful—whether it is home ownership or how many jobs have been supported. I do not have the latest figure in front of me right now, but it will be through the Chief Minister and Trade, Business and Innovation. They can give you the economic impact of some of those programs.

With the home ownership programs, the Master Builders Association is seeing some strong effects. We have seen fantastic numbers when it comes to—it has been a challenging year in the housing markets. There is no doubt about that. One area where we have continued to perform strongly is with first home owners. The rate at which people are signing up to buy their own piece of the Northern Territory is a direct result of the policy levers we have pulled to make it far more attractive for first home owners to make that financial commitment to live and invest in the Territory.

We are also looking at public housing stimulus. We are upgrading that stock. That has had direct impacts on local businesses, but it has also prolonged the age of stock, meaning we do not have to go through the processes of building new. We are prolonging stock and seeing better social outcomes for the quality of life.

They are all good projections, but I am more on evaluation—looking at the economic stimulus we will get out of it. How do you justify it? They say, ‘We will create jobs and upgrade so much’. People predict those figures, and Treasury does a good job of that, but have we gone back to those projects and asked how successful they were?

Ms MANISON: Yes.

Mr HIGGINS: Which one is better? Which one returned a greater return to the Territory when you compare those projects? Those things seem essential in all this. I want to know if we have done any evaluation on those and if there are reports. Cabinet would have to sit and look at those.

The next question is, do we go back once Cabinet has made the decision? Have we decided that as well as looking at all this cost-benefit with every policy change, do we look at what the agency said it would achieve and make sure we achieve it? Is that happening with every new Cabinet submission that comes through?

Ms MANISON: If we are staying on the theme of economic stimulus and those programs, there is a lot of rigour around those. We look at the economic analysis and figures that come through. We look at the investment numbers, job numbers, private investment and public investment and compare all that to other economic indicators to do with growth and investment in the Northern Territory and how it flows through to that activity, particularly if it comes through ABS data.

We look at those in each and every case. The other thing we look at is when a project has finished, when it is completed, what the outcomes were and what was achieved. What did we see get out the door? Where did that money go? What did it actually deliver?

These are the questions we ask. This is the information we receive and these are the things we look at when making decisions going forward. It is also important to understand that there is a level of advice we also take from industry. As you would know, as the Opposition Leader, you would have industry knocking on your door, too ...

Mr HIGGINS: More and more.

Ms MANISON: Yes, exactly. You will find them coming to the door more and more towards next year because they want to lobby you for things they believe will be good for their industry and good for the Northern Territory. Home ownership and public housing stimulus are two of those areas.

Mr HIGGINS: When you say 'look at'—is there an evaluation report, is information given back to you, and if so can we access that?

Ms MANISON: A raft of information comes back to you. Some of that is in Cabinet documents. I would say you are best to ask tomorrow through Trade, Business and Innovation regarding those stimulus programs. When you go through the Cabinet decision-making process you have a raft of information provided in regard to that.

Mr HIGGINS: I have taken, from all this answering, that there is nothing that say the Building the Territory stimulus—there is nothing that evaluates that and says, 'That was a good project; this was the return we got; these were the jobs we got.' That report does not exist.

Ms MANISON: We do have that; we look at it as part of the information provided at a Cabinet level.

Mr HIGGINS: Can we get access to that report? You are saying it is at a Cabinet level. We have invested millions of dollars into these programs saying they will produce things, but the public is not entitled to see it.

Ms MANISON: There is rigour and process around it and we have a good look at it.

Mr HIGGINS: What is the proof of the rigour? The proof of outcomes is in an evaluation report. You said you had a report on Building the Territory; can that be tabled? Yes or no?

Ms MANISON: No. The rigour you can see every day—I want to put a few things on the table. We have an incredibly professional public service that provides frank and fearless advice, and a lot of analysis of decisions of Cabinet.

Mr HIGGINS: I am not doubting that at all.

Ms MANISON: That is the first thing I wanted to put on the table. The second is that we have several reporting processes through annual reports every year which look at what we do. Some agencies provide regular updates and reports specific to those programs that are delivered. For example, if you were to look at remote housing as one, you would see that regular information goes out. The Housing department puts out a lot of information about the stimulus program.

Mr HIGGINS: Look at the housing one—it says, 'This is how many houses we will build'. Full stop. It does not tell us the economic impact of that on the community or the lift in disadvantage. The question is then—it is obvious to us all that it is of benefit to those communities, but where is the benefit to the Territory? Where is it documented for people to look at?

Ms MANISON: This is where I would have to ask more ministers to get back to you. Off the top of my head, I see the information through a range of departments which goes to the questions you are asking on the economic impact, jobs, businesses, outcomes and outputs produced. There is a lot of work on it.

As well as formal reporting, agency by agency—there are some that go on to further regular and ongoing reporting on those outcomes. There is the scrutiny of parliament and the scrutiny of media day to day as well. We have a lot of different mechanisms. I need to look at where we have some pieces of work that I can point you to.

Mr HIGGINS: When people do their Cabinet submissions in regard to policy changes, is an issue in those submissions that they in fact say how they will evaluate it? In other words, how will we evaluate that and will they be published? It would seem that the other projects did not have that. I want to know all these new projects going forward. Will you identify how they will be measured and what you expect out of them up front?

Ms MANISON: There already is a level of program evaluation, and the extent of that differs depending on how big the program is. What we will introduce is even more rigorous program evaluation. That is part of that review for budget repair, which was ensuring that we have a more rigorous process across the public sector for all programs—also ensuring more formal processes before they receive ongoing funding with time lines on any new programs—to ensure their effectiveness.

This is part of some of the cultural change across government, making sure we do things better. But there are mechanisms in a range of different forms, whether it is annual reporting, regular reporting or Auditor-General reporting. Sometimes I can remember working with the National Partnership Agreement on Remote Indigenous Housing—federal government reporting as well. There are a raft of different measures in which things are reported and evaluated against already, but we will put more rigour into that process.

Mr HIGGINS: I do not think they do it to a low enough program level. I heard the Under Treasurer say earlier that one of the ways you get departments to review their programs is the efficiency dividend. It forces them to look at how they will get efficiencies.

Ms MANISON: I expect that there is regular review, and it is something that we work through. Every year, going into the budget process, we go through each agency and ask those hard questions about what is working and what is not. We expect you to live within your means. That is where they have to make hard decisions about the effectiveness of programs.

Mr HIGGINS: If you are looking at a program, a new program ...

Ms MANISON: Some things might not be the priority of government.

Mr HIGGINS: ... going forward, how do you know how you will measure them if you do not identify upfront what you are going to measure?

Ms MANISON: These are things that are identified when they are put forward. We have measurements that are in place for most of these things. But what we said through the plan for budget repair is that we need to do more and we need to have a more robust and rigorous system and that is what we are putting place.

Mr HIGGINS: I will ask the original question about the evaluation of the economic stimulus programs by building the Territory, and the 2017–18 economic stimulus package. Can we get a copy of how or what you are going to measure the success of those and where that is documented.

Ms MANISON: Again, that will be a question tomorrow for Trade, Business and Innovation, which does the administration of those program. They will provide the advice.

Mr HIGGINS: As long as they do not say to go back to the Treasurer—then we would have to do it as a written question. We will move on past that one.

Ms MANISON: We have the home ownership grants and so forth, so we could give you advice on that.

Mr HIGGINS: I am after these for the Building the Territory, building our economy ...

Ms MANISON: There is a stimulus element to the first home ownership, particularly through the renovation grants that went on the first home buyer grants. We have the new programs under the Territory, which are very new, but that is the type of information we can give you regarding outcomes, performance and how they are going out the door.

Mr HIGGINS: What I think we have to do moving forward—when people ask for money like this—and when I say people I mean a minister—they have to identify very clearly upfront what they expect to get out of it and what the benefit is for Territorians. Then we have to guarantee that it is measured.

Ms MANISON: Yes.

Mr HIGGINS: If it is not succeeding, it should be scrapped. Some of these things that are being implemented at the moment do not seem to have that. I could on about the car park and the cost-benefit analysis of doing that. We cannot even find out figures of what we are going to charge people. The Speaker this morning said that she has no idea whether she will charge for it.

If that project was properly planned and would be looked, all those things would form part of the submission through Treasury. That is where I have the issue. I do not want to talk about the car park at the moment.

Ms MANISON: There is thorough assessment when you make new spending decisions, particularly within this current fiscal environment when it comes to the investments you make. As Treasurer, when somebody puts a new program on the table, or wants to continue one, we look directly at what the outcomes were and whether it got the results it needed. You look at some of those raw, hard numbers. They are considered, as is their economic impact. We look at those figures.

We also talk to industry groups to get an understanding of the impact directly on their members, workers and businesses, because it is important to get that level of assessment, too. Decisions on those types of areas happen, as does evaluation and assessment. We can provide you with the programs in the area of home ownership and housing, so we can get you details on that. With regard to some of the other programs, particularly those administered through DTBI, they will be able to give you some of that. Through the housing stimulus work, you will be able to talk to the minister for Housing and Community Development on that regarding the public housing work. Then with Turbocharging Tourism as well ...

Mr HIGGINS: It seems the answer we get from the minister for Housing is, 'This is how much money we will spend and how many houses we will build'. You have built them, but if there is more than that I would love to see it.

Ms MANISON: No, I can assure you they look at how many businesses it goes through and how many workers it flows through to. These are all things they report against.

Madam CHAIR: Members, there might be a question on notice there. The Treasurer has a component of what you were asking.

Ms MANISON: I have that, Madam Chair.

Madam CHAIR: The offer was made. Are you interested in that information?

Mr HIGGINS: I would be interested in the Treasurer supplying all the information about all the stimulus packages that they have evaluations for.

Ms MANISON: I am saying that the ones we administer and report against, I am happy to provide information on. The other programs, which are administered by those specific agencies, Turbocharging Tourism one and two, the public housing stimulus and a range of grants that have gone through the Department of Trade, Business and Information are best placed with the appropriate minister. With regard to reporting back on the housing incentives, particularly to first home owners, and the impact it has had, we can provide you with information.

Question on Notice No 2.4

Madam CHAIR: Leader of the Opposition, could you restate the question for the record please?

Mr HIGGINS: Can the Treasurer supply me with all the evaluation reports done on all the economic stimulus programs, packages or whatever they want to call them, that are administered by Treasury?

Madam CHAIR: Treasurer, do you accept that question?

Ms MANISON: Yes.

Madam CHAIR: The question by the Leader of the Opposition to the Treasurer has been allocated the number 2.4.

Madam CHAIR: Are there any further questions on Output 1.1?

Mr HIGGINS: There is a 50% renewables target. Have we done any evaluation on the effect of that on the cost of generation and the cost being passed on to consumers?

Ms MANISON: With regard to the renewables target, that would sit with the renewables agency, which is within the Department of the Chief Minister—implementing that particular target. Clearly, I have oversight of the GOCs and their financial performance and so forth, but the delivery of the work on the 50% renewables target is sitting with a specific group that works within the Department of the Chief Minister as well.

Mr HIGGINS: So, that sits specifically with the Chief Minister.

Ms MANISON: Yes.

Mr HIGGINS: I hope he is listening at the moment.

Ms MANISON: I think we had the same last year.

Mr HIGGINS: Yes. Page 19 of the interim report on the plan for budget repair states that TGen's financial performance has rapidly declined due to increased operational costs. Can you explain that to me?

Ms MANISON: With Territory Generation, as you know we have had to do a substantial amount of work since structural separation. We have a lot of assets there and thermal generating assets. It is a changing market. That is the world; it is changing. There is a greater call for more renewable energy. Also, it is important to recognise that we have a reasonably small customer base here in the Northern Territory.

A lot of work has been done at Territory Generation of the last few years. We had to look at their financial performance. Part of the fiscal repair report was also looking at accountability against performances of statements of corporate intent. That is something on which we want to see more work done to ensure better work is done by government-owned corporations in meeting their targets, too.

We know that government-owned corporations have a significant impact on the Territory's books. With TGen we had to go through and have a thorough look at them. We have been working with them to ask how they can run as efficiently as possible. I am sure when you have them up next week you can chat to them about it. We have been trying to make sure there is more rigour around those costs which are fixed and which they can control.

I might get the Under Treasurer to comment further on that with regard to Territory Generation. We have been doing some pretty rigorous work with them over the last few years.

Mr GRAHAM: TGen have also implemented a range of initiatives which should improve their financial performance into the future. They have instigated a control centre at Berrimah, where they can control their power stations centrally. They are invested in new power stations in Alice Springs and Tennant Creek.

They have implemented a range of other efficiencies, but I think it is fair to say that they face challenges in terms of transitioning to the renewables target, as well as the current economic environment, which has impacted on their revenue streams.

Mr HIGGINS: On page 20 there is another comment that says:

... borrowing to fund recurrent expenditure will ultimately lead to higher taxation and/or reduced services in future, potentially undermining public and investor confidence.

What is meant by that? Can you explain that one?

Mr GRAHAM: This is generally. This is not related to government-owned corporations.

Mr HIGGINS: Yes, generally.

Ms MANISON: It is very clear that we are having to go through a reform process at the moment. I keep coming back to those three letters, GST, and the changes that have occurred which have put significant pressure on the Northern Territory budget. The thing that I also have stressed is that it would not matter if it

were you or me sitting in the chair, you would have faced the same challenges because the GST has changed for ever. This has had a significant impact on how we go about business here in the Northern Territory.

Our job has been to make sure we put the budget on a sustainable footing and make the hard decisions, many of which we have been discussing here this morning. We have put them out there and we make significant changes right across the public sector. There is a compelling argument to do this.

The first is one is that the revenue has changed. We have less to live on, so we must live within our means. If we make sure that we do not bring that back in, that could create a net debt problem going forward. That is why we are making the hard decisions and why we have been driving the reforms of 76 recommendations of that report, most of which we have accepted and discussed here this morning. We believe that will save over \$11bn going forward.

We also have had the root-and-branch review, which we put forward to put in place some more immediate savings. We will continue to rigorously assess every department's expenditure year by year and throughout the financial year to make them more accountable for their financial performance, because if we do not then it creates a greater need to borrow in the long run, which puts further pressure on our finances and the cost of borrowing.

There is a compelling argument why we are doing this massive reform and making the changes we are making.

Mr HIGGINS: How are we going with the 250 voluntary redundancies that were announced as a saving measure in Budget 2018?

Ms MANISON: Each agency has been working through it. Some agencies have done a lot of work in that space, identifying positions that are no longer a priority to them. Either way, that has been factored into their budgets and they are expected to live within the means of their budgets. Agencies have had to ask very hard questions about how they go about it.

For example, there has been a lot of work in Power and Water. I know there has been a lot of work on the administrative side of Police, because the frontline jobs are the priority. Agencies have been going about that and identifying those positions.

Mr HIGGINS: The answer is that we do not know, number wise—but it has been taken into account in the budget, which makes it more urgent for the department ...

Ms MANISON: I do not have the information at hand right now, but I know from the agencies I have dealt with that they have been dealing with it very efficiently.

Mr HIGGINS: If I ask the Minister for Public Employment that one, will he be able to give us an answer on that?

Ms MANISON: Yes.

Mr HIGGINS: The other thing that worries me with these, and frontline staff—you mentioned police. I know police will come up later, but one of the questions will be on how many police have been moved to administrative roles. We have to be very careful that departments are not doing this shift of work. In other words, you have a backroom person who is doing stuff—they are not frontline staff, but someone ultimately has to be doing that work. How does that work? What is happening with it? That is something more for Police, so I have given you a warning on that one.

Ms MANISON: I think it is a relevant question across the board, as we are having to manage budgets very efficiently. There is no doubt our public servants are working extremely hard. They have always been very professional and worked very hard, but there is no doubt that we continue to ask more of them in these difficult fiscal times due to the changes with the GST.

Mr HIGGINS: Yes, and we want to get rid of some of that orange tape, or whatever it is.

Ms MANISON: Beige.

Mr HIGGINS: Beige tape. That is it. It is the same thing.

What about debt ceiling? How will this debt ceiling that we heard you talk about work?

Ms MANISON: That is a body of work we are going through at the moment. It will require significant change, so it is important to get that right. Again, it is a body of work we are taking the lead on from a Treasury perspective. It sets all those fiscal discipline performance issues within that. By setting that debt ceiling it sets of the limit of how far an agency can go and where the Northern Territory can go with its budget figures.

It also delivers a bit of certainty about where we are going to, so it will add a whole new level of rigour and discipline across the Northern Territory. I might hand over to the Under Treasurer to talk a bit more about that work.

Mr GRAHAM: Yes, we are working on the design of the ceiling and, more importantly, what triggers or arrangements we need to have in place to ensure we do not actually come up against the ceiling. It will require stronger monitoring and triggers along the way to make sure we are not in a position where we cannot operate as a government because we cannot actually borrow, or we need to go to parliament to get approval to borrow.

Mr HIGGINS: Yes. Could you give some examples of how it might work without saying, 'These are things we have'. You have talked about triggers, what sort of triggers are you talking about?

Mr GRAHAM: Say, if you are approaching 10% of your borrowing limit—what measures you need to step in to identify where the overspends are arising, where the budgetary pressures are coming from and what you need to do to alleviate that pressure. We could be looking at a global limit on debt, or it could just be a limit on borrowings.

Mr HIGGINS: The Treasurer mentioned agencies. How would that apply to an individual agency? I can see it applying to Treasury organising stuff, but another agency.

Ms MANISON: We have the debt ceiling. They have their budgets. It is all calculated. They have to live within their means. If they are heading towards a position where they are going over budget, then that puts pressure on that debt ceiling. We reigned them in.

Mr HIGGINS: So these are the sorts of things we are looking at implementing.

Ms MANISON: We will be.

Mr GRAHAM: They are the sorts of things we are looking at as part of the design of that overall ceiling.

Mr HIGGINS: Yes. This is for the Treasurer. One of Labor's pre-election commitments was to set up an independent data and research unit. I think this links back to some of this evaluation stuff. Will that be implemented? What is the current situation?

Ms MANISON: That is another question for DCM because it is within that agency.

Mr HIGGINS: So, that data and research unit, I presume, would be within Treasury's agency.

Ms MANISON: No, in this case it is DCM.

Mr HIGGINS: Right. When we talk about that final report that details a return to surplus—I think you mentioned it this morning regarding 2027–28. How confident are you in achieving that given that there will be at least two Territory elections before then and probably two federal elections?

Ms MANISON: That is what I am holding myself accountable to. As you would appreciate, there are lots of complexities that happen over time. You are right; who knows who will be in government next year or in 2024? They are some of the complexities. The federal government relationships, and how they work with the Territory government and the federal government's investment priorities, will also be a complexity that adds to it.

I feel confident that we can get there—and I am happy about this—because of what I can see with regard to economic diversification and major projects. We are looking at some of the main drivers of where we are going to see some of that growth.

Gas, for example. We have a world class offshore gas industry. There will be exploration onshore to see how that stacks up. Project Sea Dragon, something that has the potential, from an aquaculture sense, to be as big as the pastoral sector—that is a huge project. We are seeing a lot of confidence in the mining sector at the moment, with lots of mines on the horizon and a lot of work happening to make those mines come to fruition.

We have a wonderful agribusiness industry, pastoral sector and tourism industry. We have seen the diversification through the space base happening in Arnhem Land. I am optimistic about where we are going forward with this economy. It is important to recognise some of those tourism assets. We are about to see the biggest investment in Kakadu that we have seen in a long time. That will help restore Kakadu and put it on the global stage as a must-see, world-class tourism destination. That makes me very excited.

International education—through the City Deal and the work there. The shiplift is something we are pursuing, whatever the federal election outcome. A lot of work has been done over the last few years and we want to see that happen, because we can see that as diversifying the economy here again—by having a look at marine engineering and becoming a real service hub. We will continue working towards that. We know there are other parts of the country that will want to hold on to their slice of that pie, but we are aggressively pursuing that.

I believe that we can bring economic growth sooner and more quickly, and we are also making the right machinery of government changes to help pursue that, too.

Mr HIGGINS: In the final report of Langoulant, he actually says:

... uncertainty ... is deterring private investment ...

You mentioned mining and the pastoral industry. We know there is a lot of uncertainty around both at the moment. Have we been able to put a figure on that uncertainty? How much it is actually costing us? Could you cite some examples of where that is causing us problems?

Ms MANISON: I think we are doing a lot of work to give those industries more certainty. On the mining front, things are looking good at the moment. We have had record production, we have passed the \$4bn mark for the first time—\$4.4bn of production. We had a record year of royalties collected from the mining industry, we have had a fantastic year in the resources sector.

We have also seen a strong level of activity in exploration. We have not seen such a big level of investment ...

Mr HIGGINS: You think that this comment in his report is incorrect?

Ms MANISON: No, what I am saying is that we have seen some fantastic work happening in those sectors. I think that goes to the heart of certainty. Looking at some of the areas that currently—it would be fair to say that this report went out and consulted with our industry groups very broadly. I do not think the pastoral sector or the Cattlemen's Association would be backwards in coming forward when they talk about things such as pastoral diversification, which is a body of work we are doing at the moment. That is something we are looking at.

When it comes to mining, the Minerals Council, AMEC and individual companies—big projects and big mines—catch up with the Resources minister. They are never shy of knocking on my door and coming in to have a chat. I have always welcomed them, because it is a fantastic industry here in the Northern Territory and one that supports thousands of jobs. They are important to us now and into the future. They support thousands of jobs and lots of businesses. They pay incredible amounts of royalties to the Northern Territory to help fund important services across the Northern Territory.

They will also come in and vent frustrations on, for example, time lines of assessments and approvals, particularly given these are very complex operations. We spoke earlier on the office of investment attraction, but also the importance of making sure regulatory processes are followed properly, such as environmental approvals. I do not think you would ever meet a mining company that does not want those processes.

We also have the complexity of ensuring that the correct traditional ownership and approval is involved. We have the Aboriginal Areas Protection Authority to make sure that sacred sites are acknowledged. There are definitely a range of complexities for doing business that, if sometimes those time lines do not have an end date or do not give certainty, can add to their frustrations.

I believe that is what the report refers to and is about. It is about why we are setting up the office of investment attraction so we can streamline more of those processes into that investment and certainty, as well as doing the red tape and beige tape work. That is what it means and what it is all about.

For me, I can see that there are some things to be very excited about on the resources sector front.

Madam CHAIR: Treasurer, we might leave it there, the time being 12 pm. We will adjourn now for lunch. It is only 30 minutes, so we will see you all back here at 12.30 pm.

Ms MANISON: Thank you, Madam Chair.

The committee suspended.

Madam CHAIR: Do any of the Independents have any further questions under Output 1.1?

That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – ECONOMIC

Output 2.1 – Economic Services

Madam CHAIR: The committee will now move on to Output Group 2.0, Economic, Output 2.1, Economic Services.

Are there any questions?

Mr WOOD: Community service obligations—I am quoting from the budget or the annual report, I am not sure. It says:

This section details community service obligation payments made to GBDs and government owned corporations to fund specific Territory Government community or social objectives that would not otherwise be undertaken if left to commercial or market forces, or would be undertaken at higher prices. Community service obligation requirements are reviewed annually.

Minister, could you say why the government is now paying \$113.9m in community service obligations, up from \$94.8m from last year to Territory Generation and Power and Water?

Ms MANISON: Thank you, Member for Nelson. I will probably hand over to the Under Treasurer or Treasury staff in a minute to go through some more of the detail on the community service obligations. People have some of the very good prices for power, water and sewerage here because we pay a community service obligation to the Power and Water Corporation and Jacana—when you look at the pensioner and concession scheme and so forth. That is all about trying to keep pressure on power prices to keep them as low as possible because we know that it is one of the biggest cost-of-living factors here in the Northern Territory. We have had some increases there.

I will hand over to the Under Treasurer to go through some of those increases. It is fair to say that it is a pretty complex space. We want to keep pressure on the community service obligation input that we have to make, to make sure that it does not continue to grow at a rate that we cannot keep up with. At the same time it is that fine balance of making sure we keep power prices affordable for Territorians, no matter where they live. I will hand over to the Under Treasurer to talk a bit about some of the differences here.

Mr GRAHAM: Member for Nelson, the increase in overall CSO funding is mainly related to costs associated with subsidising regulated electricity tariffs. They are primarily about solar feed-in tariffs; the increased take up of solar PD; increased costs associated with renewable energy certificates; one-off network tariff increases related to the under recovery of revenue in previous years; and an increase in regulated costs of system charges. The combination of all of those factors has driven the increase in the CSO for electricity tariffs.

Mr WOOD: Minister, I suppose my concern is, and I probably have raised this with other ministers, we are now allowing more private people into the market using renewables. This might be all good for the environment—and it is nice and makes you feel good—but the point is, is it a false economy by allowing more competition into the market that is not owned by Power and Water, but are private companies—this

community service obligation will get higher and higher. Even though we are keeping prices at a position where people can afford electricity, is the reality that we are all paying a much higher price through the community service obligation?

Ms MANISON: As the Under Treasurer has outlined, there are a range of factors that impact the community service obligation. But there is also a raft of work that is happening at the moment. I pointed to it earlier, through the Department of the Chief Minister about renewable energy and the policy framework around it to implement that.

Every place in Australia at the moment is dealing with the transition from thermal-generated power to an uptake in renewable energy. It is the way of the future. We are all experiencing how you best glide us through from thermal generation to renewable energy. In the future it will be a much cheaper proposition. But at the moment as you are going through that transition, it does present some challenges.

That is why we are doing the policy work to get it right—how you smoothly transition us through to that renewable stage, also knowing that one advantage we have here in the Northern Territory is that we have a lot of control over the levers because we own our government-owned corporations. This has presented a raft of complexities to other jurisdictions, where they do not have their hands on the electricity networks in particular.

We still have a lot of control with the retailer and generator. This provides us with a better position when it comes to the market design and how we are moving towards that target in the most cost-effective way possible. That policy work is being through DCM.

Mr WOOD: Is one of the issues that the more power you get through renewables from private companies, you are competing with people who provide the baseload, therefore to allow that GOC to continue you need to give it a community service funding, simply because it is not getting as much money to pay for the base load which it still has to provide—regardless of how many renewables are on the line, because there is still night and there are still monsoons?

Ms MANISON: That is the big point of the challenge that we are presented with. At the end of the day the base load provider, the generator of last resort, comes down our government-owned corporations. We have to be able to provide peak load and peak demand, and it comes back to us. You need the capacity to do that. There are certainly some areas where we can see that there is a need for improvement that we are working through, particularly around spinning reserve.

I look forward to as part of this renewable work where we will better utilise batteries in the future to help deal with that peak load, being able to smooth it out a bit more, because that is where a lot of the costs come in making sure you are ready to flick the switch at any time to meet the demand, as it might spike or a generator might fall out.

That is why battery technology will be one of the greatest assets moving forward on how we make power more affordable and more reliable, and when you look at that spinning reserve requirement that is where you can make some significant savings going forward with batteries. That is a space as part of this renewable work that we are looking at.

Yes, we have had work happening through DCM. We have also appointed Minister Wakefield as minister for renewable energy policy. That is something she is working through, but clearly those bodies driving that policy work within the public sector have sat in DCM. Yes, there are some real challenges with the transition and that is why we are getting the policy work right.

Mr WOOD: Thank you for that, minister. I get concerned when you say ‘batteries’ because I have been to Newcastle and had a look at the CSIRO’s options for batteries, which is superheated silica sands—which are far more renewable. The issue with batteries is they are not renewable. They will wear out and you have to find a replacement for them.

My concern, regardless of all that because there is hydrogen in that mix, which I would prefer, is that are we saying to people, ‘Look at us; we will get 50% renewable power, but when we get to 50% renewable power will we still have a community service obligation which keeps our base load power going—and the poor old company that is running out of base load is still paying for gas but has very few customers left because they are all hooking in to the renewable section?’

How are we going to get away from that reliance if people think that renewables is the be-all and end-all when we are actually paying no so much at the meter but as a community we are paying millions and millions of dollars.

Ms MANISON: You and I share those same concerns and understandings. You have to be very careful with the transition because you do not want to create a false economy. You want to make sure that you balance it off.

Yes, the ultimate goal here is more renewable energy to lessen our impact on the environment but cheaper prices for everyone—the consumer and the government. That is what we are working towards.

Mr WOOD: I do not want to get on to another section which is on competitive neutrality, but the other problem I have is that by subsidising which you are with our power—is that unfair for someone coming in to the market? Say they want to set up a new gas-fired power station. They will not have a subsidy. They will have to produce power at whatever the going rate is—you are producing power that is being sold at a subsidised rate. Is there an issue there?

Ms MANISON: I will pass over to the Under Treasurer, but there are already ways in which we deal with that.

Mr GRAHAM: Member for Nelson, all retailers in our market can access the CSO.

Mr WOOD: We discussed this last year, and maybe the year before, in relation to the separation of the GOCs. Has any work been done on combining that? Is it too difficult? If it is too difficult what are we paying from the point of view of having three boards running three GOCs?

Ms MANISON: It is an issue I continue to look at. It would be fair to say there have been some positive outcomes from separation, but I do not think you can say efficiency or cost has been one of them. We have three boards, three lots of corporate staff doing different things and three lots of different systems, but on the other hand for the first time we have transparency of what the generation and retail sides of the business do, and everything in between.

We have far greater transparency. As part of the work on the implementation of renewables, we continue to look at the market structure and how the GOCs sit within it. It is something we continue to look at. My concern since I have been Treasurer has been the different rates of efficiency it has delivered. On one hand I see the positive outcomes and on the other I get frustrated because I can see triplication of things that used to be one in Power and Water.

Mr WOOD: If you are able to now define clearly the role of the GOCs through separation, why can you not have an overarching board in that? I use the example of Origin Energy, which has one board and covers all the facilities they have. Is there any chance you will be able to bring those three boards into one and that would be the overarching board?

Ms MANISON: We are looking at how we can drive each GOC as efficiently as possible. Power and Water has done a lot of work in that regard. That is where our priority is, as well as looking at the renewables policy and how we implement that. There are a few moving parts at the moment. My concern is making sure each individual GOC is functioning, doing its job and being a safe workplace, but operating as efficiently as it can.

Power and Water has already started driving a range of efficiencies through the organisation over the last 18 months. We have also seen a lot of work in TGen. At this stage our priority is running them efficiently and making sure we have the right market structure to drive the renewables policy.

Madam CHAIR: Are there any other questions?

Mr HIGGINS: I have one. INPEX has had this impact on—when you look at the figures, the gross state product includes the INPEX project within it. The underlying one, of course, is state final demand, which excludes a lot of the INPEX stuff. That is the area I look at.

In 2018–19 it was down 9.4 and it will be down 1.7 again in 2019–20. What is Treasury's view on that, and do we have too much concern about that? This is looking at the underlying problem.

Ms MANISON: As of May we released the budget, and we had all those figures in there with regard to where the economy has been and where it is heading. The Treasury figures and budget figures show that we are

seeing the economy start to turn after what has been a difficult couple of years, off the back of the record growth and investment in the INPEX project.

It is by far the biggest single project we have ever seen hit the Northern Territory book and economy by a mile. The growth was off the charts. We have felt a difficult transition through that process. It has been such a big project that nothing has come close to in regard to size and impact.

We are seeing GSP moving forward next year, which is positive, but we can still see sections of the economy that will do it tough over the next year through the SFD figure. That relates to the stories we hear from people and industry groups and so forth. The good news in this budget is that it shows that the economy is starting to turn and we are entering into a phase of growth.

I will hand over to the Under Treasurer to answer your question in more detail.

Mr GRAHAM: The SFD numbers for 2018–19 and 2019–20—and for 2017–18, for that matter—primarily reflect INPEX—the engineering, construction and the business investment associated with INPEX. Given the size of the project and now that it is moving in to production stage, it is driving that SFD number.

Private investment has declined by 40% over the last year or so. That is why the focus of the fiscal strategy report is investment attraction, because ultimately we need private investment to drive economic growth. The SFD number is a concern. It underscores the need to get private investment moving again.

Mr HIGGINS: Do you think that Moody's got it wrong? The reason I ask that question is that the Treasurer said before that the economy is picking up, but I had a quick read of the Moody's stuff and there is a comment in there that says we will see a continuing economic decline for the next few years.

Ms MANISON: I think what Moody's have very clearly stated is that you can see that the GST has been the single biggest factor in their assessment and that we are coming off ...

Mr HIGGINS: I am not asking about GST, I am talking about—you passed a comment that the economy is on the way up, but Moody's is saying it will keep declining for the next few years.

Ms MANISON: Moody's is saying that we have some issues with revenue, mostly driven off the GST, but also that we have seen a strong contraction in the economy that you can see in those figures—we are about to enter into a period of growth. Has it been of the size and the nature of what we would need to retrieve that GST revenue? It has not matched that size; that is a very difficult feat to be able to retrieve that year on year, because the GST changes have been of such a magnitude.

We are entering into a period of growth, but there are some points out there where there are some challenges.

Mr HIGGINS: The spin that has been put on it says, 'We are on the improve', and we have Moody's saying, 'No, you are not'. It is a very clear statement: 'Economic decline for the next few years'.

If you have a problem, admit it and then start to address it.

Ms MANISON: What I can see in our numbers, and what we have here—we are very rigorous in looking at the projects and we hear that we are moving forward.

Madam CHAIR: Does anyone have any further questions on Output 2.1?

That concludes consideration of Output 2.1.

Output 2.2 – Payments on Behalf of Government

Madam CHAIR: The committee will now consider Output 2.2, Payments on Behalf of Government. Are there any questions?

Mr HIGGINS: My only question is on the community service obligation. Has there been any advice or opinion that should be reduced or moved? Have we heard anything along those lines?

Ms MANISON: Are you talking about the CSOs that we just discussed about tariffs and so forth?

Mr HIGGINS: Yes.

Ms MANISON: We want to keep power prices as affordable as we can for Territorians. That is a really important day-to-day cost-of-living factor across the Northern Territory. It is one of the biggest issues family face—paying the bills.

We made a commitment to keep power prices in line with CPI, because we saw that when you put power prices up by 30% it hurts Territorians. That is why we have the CSO that is set. As I have just discussed with the Member for Nelson, we would like to see greater efficiencies in the CSO and that is ultimately what we are working through with the work towards the renewable energy policy. We want to see lower prices for customers, but lower prices for the government and the CSO as well.

Mr HIGGINS: Is there any advice or opinion that it should be reduced or removed? Have you heard any of that from anyone?

Ms MANISON: We are doing the policy work at the moment through the renewables team on how we work transition to that target of renewable energy of 50% by 2030.

It would be fair to say that if you were to drastically cut the CSO you would have to look at putting up power prices by a fair whack. At this point, I do not think that is what Territorians need, given that we need to keep as many Territorians here as possible.

Mr HIGGINS: Can I just get a yes or no—is there advice or opinion that it should be reduced or removed? Have you been given any advice?

Ms MANISON: No.

Mr HIGGINS: No. Okay, that is all. It is just a rumour. That is all.

Ms MANISON: That was just such a strange question, Gary!

Mr HIGGINS: Well, you get told things. You go, 'Well, I will just go and ask, won't I'.

Madam CHAIR: Are there no further questions for Output 2.2? That concludes consideration of Output 2.2 of Output Group 2.0.

OUTPUT GROUP 3.0 – TERRITORY REVENUE

Output 3.1 – Territory Revenue

Madam CHAIR: I now call questions relating to Output Group 3.0, Territory Revenue, Output 3.1, Territory Revenue. Are there any questions?

That concludes consideration of Output 3.1.

Output 3.2 – Home Owner Assistance

Madam CHAIR: We will now consider Output 3.2, Home Owner Assistance. Are there any questions?

Mr HIGGINS: The first home owner assistance scheme has the stated aim of stabilising residential property prices across the Top End. However, if we have a look at both the Real Estate Institute and the CoreLogic pricing, we see that it is down 28% from its peak.

This comes back to what I was asking about before, when we introduce something, how we will measure it—if we were measuring it on the fact that it has a stated aim of stabilising residential prices, would you admit that it has failed in that area at this point in time? My question is, why has it not achieved that? Are we having a look at why?

I am not saying the policy is bad, good or indifferent. It actually says 'stabilising residential prices', yet it has gone down 28%. If we were evaluating it, you would say it is a failure. I am not saying that, but if that was the criteria—how are we keeping an eye on that one in regard to what we previously said—monitoring these programs, assessing whether they are working, et cetera?

Ms MANISON: I think that it would be fair to say that when we got to government—and I always use this story—the first brief I signed off as minister was to change the first home owner concessions to make it more

affordable for people to be able to get into the housing market and to make sure we had programs that were suitable, particularly for people in markets where there was not necessarily a great deal of first home building opportunities, for places such as Alice Springs, Katherine, and Tennant Creek as well.

Most importantly, it was to help people get an opportunity to get their foot in the door. We changed that and we have had great success when it comes to the numbers of getting people into the market right across the Northern Territory. As well as that, to help people make that commitment to move into a home, we also put a \$10 000 stimulus for renovation on homes.

We have had huge uptake. What I am trying to get at the moment from Treasury—usually I have a lovely graph and numbers that tell me how many people right across Darwin, Palmerston, Katherine, the rural area, the Tiwi Islands, Tennant Creek and Alice Springs have taken up the first home ownership grants. Usually we have this information. That is probably one brief we forgotten.

Mr HIGGINS: I think my question was not how many have—and I completely support first home owners. The previous government had the scheme which was for building new homes, as they were trying to stimulate the building area ...

Ms MANISON: But they locked a lot of people out of the housing market.

Mr HIGGINS: Every state and territory had their first home owner schemes to stimulate their economy in any way, and I am glad you signed off on the changes, but the point I am making is that the stated aim of this package was to stabilise residential properties.

I know that first home owner schemes all target first home owners, but this one particularly said that we want to stabilise residential property prices. I am saying that the property prices have not been stabilised, they have gone down by 28%.

Mr PAECH: Are you just asking that for the Top End or are you including the rest of the Territory in that one?

Mr HIGGINS: That is the whole lot.

Ms MANISON: That is a good point, Member for Namatjira. What we have seen with our housing commitments—I just want to talk about this in a few different ways. Our first home owner discount is to get first home owners into the market to buy their own piece of the Territory and set up their financial independence and stability for the rest of their life. We have had huge success to the point where in Alice Springs 462 people have been able to buy a home.

Mr HIGGINS: But my question is not about the numbers. Every first home owner scheme does that. I am saying that your stated outcome is to stabilise the prices. Tell me how we have stabilised prices.

Madam CHAIR: She has not finished answering the question. Let the Treasurer answer the question, please.

Ms MANISON: I am trying to put this in a bit of context and digest a whole raft of different numbers all at the same time here at the moment, Leader of the Opposition. If you can be a little patient with me so I can go through this.

Mr HIGGINS: I will.

Ms MANISON: I will talk about the fact that over 2039 first home owners have gone into the market thanks to the changes we have made: 464 in Alice Springs; 840 in Darwin; 61 in Katherine; two in Nhulunbuy; 506 in Palmerston; 154 in the rural area; 11 in Tennant Creek; and one in Tiwi Islands.

That is a great outcome for first home ownership into the market.

If you look at our trends of first home owners, since we introduced that policy we saw a jump of first home owners making finance commitments in the Northern Territory. It was a good thing to make sure that we kept that churn of property going through. One complaint I had when I was in opposition prior to going into government was from people who wanted to sell their existing home to buy and build new. It has created that opportunity for them to be able to see some of that stock churn and change.

The main driver of housing prices has been population growth. We know that last year we went negative in the population growth space but we are moving forward again. The latest information I have is the annual

change in property statistics from 2019 to 2018—this is the March quarter—in the Darwin overall price you have seen negative 8.5. In Alice Springs negative 2.1 and in Tennant Creek and Katherine there has been a significant jump in prices. That is in regard to housing prices.

Creating more opportunities for people to get out of the rental market—and get out of mum and dad's home—is to have some flexible first home owner programs. Particularly, the MBA and their HIA called upon us, to stimulate more construction. We have made a raft of changes to help get some more construction out the door.

The best way to stimulate housing prices is to create demand by having more people here. That is why it is important to create new jobs, to diversify the economy and to create more economic activity, which creates more population growth. That is our priority, it goes to the centre of a lot of things we have been discussing today on the office of investment attraction and the work we are doing.

Mr HIGGINS: The question was on the stabilising of the prices. I will pick up on a couple of things you said, 2000 or so people taking advantage of the first home owner assistance scheme. That is playing with statistics. There was already a first home owner scheme in place. How many of those 2000 would have still taken advantage of that previous grant. I know the new grant was targeted at ...

Ms MANISON: It is much better.

Mr HIGGINS: Well, it is not really much better as a general comment, because you have different forms of first home owners to address different parts of the economy. The thing is, you altered that package so that you would go to existing homes ...

Ms MANISON: And new—they still have their BuildBonus. They still get \$26 000 off the bat.

Mr HIGGINS: ... but you said there was a jump in additional people going to buy existing homes, not the 2000 that you stated. My question is, how many of those, out of that 2000, went to existing houses?

Ms MANISON: When I talk about that 2000—that is existing. The BuildBonus is different. As we know, it is a different application. It was previously what we had under the arrangements, until recently. If you are a first home owner and you wanted to build a home, you got a specific payment for that.

Mr HIGGINS: The stated aim was stabilising residential property prices. When you rattle off the latest prices for the March quarter, they were all still negative. If you call that stabilising, I do not see it as that.

My question is, have we bothered to look at that program to see if it is achieving what we want it to achieve? I am not saying to get rid of it; do not get me wrong. I am just trying to get a feel of how much evaluation we do of these programs. With this one, with that stated claim, it has not been meeting the stated claim and we have not done anything with it.

Ms MANISON: A raft of work has been going on in these very different spaces. The first was that we made a suite of changes when we came to government. With those changes we regularly look at and review the numbers, and we get feedback from industry about how they are flowing through.

We had very strong representation from industry, saying, 'We like the renovation grant. We like that there is still a grant to encourage people to build their own home, but we need more flexibility and to get more people to build a new home. Existing is fine; we get it. But we want greater focus on construction of new homes as well.'

There is a flow-on effect of that because it supports several jobs and businesses. I do not have the exact numbers in front of me, but when one new home is built it supports a raft of tradies, businesses and suppliers. It is a big flow-through effect in the economy. One of the sectors that has been hit the hardest through the INPEX change is private construction. That has had a difficult couple of years.

This is something industry called on us for, for greater economic activity and stimulus through the Northern Territory.

Mr HIGGINS: My line of questioning is more to find out how we are evaluating these. It would seem that we are not evaluating it on price stabilisation.

Ms MANISON: It is something we keep a very close eye on. We look at that and consult with the appropriate industry groups. We also look at the economic data that flows through to see the impact on the economy. House prices are one of those considerations.

What we have ultimately tried to do is arrest that decline and stop it. We have been trying to do that through population growth. Encouraging people to buy their own home in the Northern Territory is one of the greatest commitments they will make financially. Ultimately that leads to the decision-making process of where a person lives.

Mr HIGGINS: Has Treasury done any prediction on how property prices will fall out into the future, or whether they will rise? I ask that because we are talking about negative equity in these properties. That then leads to a lot of discussion regarding mortgage holders and the stress they are currently under because of that negative equity.

Ms MANISON: It would be fair to say that we all understand the issue of what happens when we have seen a population decline—which we have seen in the current financial year. One of the places that impacts is the home ownership market.

We can remember the start of the INPEX project, when we did not have enough land to service the need for housing. We saw prices go through the roof. Very quickly, Darwin became one of the hottest housing markets in the Territory and it was difficult to get in.

We are at a point now where it is important to make sure people can maintain equity in their homes. We do not want to see people under mortgage stress. The best way to do that, to keep the market moving forward, is to keep people in the Northern Territory and make reasons for people to be here, and to keep an active market. That is why we have put this stimulus to market, to create activity.

We do look at those housing prices, but one thing I will say, which is important, is that we have one of the most attractive markets for people to get into at the moment because we have strong home ownership programs. This is also about population growth and making sure we support people to give them a reason to live here and build their future here, to get out of the rental market and create their financial wealth going forward.

We have seen changes in that market in the last few years, which has been driven off some of the highest and hottest property prices in the nation. We have seen them moderate somewhat over recent years, and now is a good time to get into the market.

Mr HIGGINS: That is all well and good, but my question was, has Treasury looked at those property prices to project them out into the future? You talk about population—have we done any modelling on population and housing demand to see when that pricing will turn around? At the moment we have massive negative equity in the housing market, and that causes mortgage stress.

It is all well and good to come here and say, 'We are looking at increasing the population', but have we done any modelling on how much we need to increase the population by before we start to have an impact on housing prices? That would then feed into when you will release land and when you should stimulate the building market.

What modelling have you done on that? What discussions have been had on negative equity?

Ms MANISON: As someone who used to sit there with the Lands and Planning hat on as well ...

Mr HIGGINS: That was not me.

Ms MANISON: No, that was me. I have had the opportunity to look at it from a raft of different angles. There is projection that goes forward to look at population growth of the different areas—land supply, where future land releases are, what the capacity is—suburb by suburb, lot by lot—where they are in planning processes and so forth. This work is done through government to project where the population is heading, how much places will cost to get out of the ground, what the cost is for a lot to be fully serviced and what it will cost on the market. These are the things we look at.

Of the overlay, we put on our population projections where we are heading and we look at that region by region. We do a lot of annual work on that. These are the things we consider.

It is also important to look at the fact housing prices are an important part of the economy because it is a person's individual wealth, but it is the affordability of a place and whether people can afford to live here. We have considered that with the policy changes we have made. We have also looked for broader stimulus to support jobs, arrest negative population growth and bring it forward.

A lot of tradies, construction people and the businesses associated with them need construction activity to justify their reason to live in the Northern Territory. We see this as a good way of getting people into the market, keep the population here—arrest housing price issues. A fair bit of work has been done in that space.

Mr HIGGINS: I presume from that answer that we do not do any modelling on ...

Ms MANISON: We do modelling ...

Mr HIGGINS: Hang on—modelling on how the prices in the housing market will go up and down because of that impact.

Ms MANISON: I will hand over to the Under Treasurer, but we do a raft of work in this regard when we look at where we need to make responses ...

Mr HIGGINS: You have given us a stack of answers on where people will live when we release land et cetera, but the issue is that a lot of Territorians come to me, and the banks, about this massive problem with negative equity. It is causing mortgage stress. That becomes an issue with housing prices.

You have all these other levers you can pull, and if you target those housing prices you are surely doing some modelling directly to that.

Ms MANISON: I will hand over to the Under Treasurer, but it is fair to say we do a raft of modelling in a range of areas when it comes to our decisions as a government regarding where we need to invest stimulus and where we need to implement programs. In this case we were looking at a raft of different things, such as how we support local jobs, the economy, and arresting population growth, and making sure we look at the important investments people have made into their home.

For many people it is the flow-on effect of selling their existing home to be able to build a new home. We have also given other people a second chance to enter into the housing market.

Mr HIGGINS: I agree with all the reasons you have outlined for having it. I just come to one specific issue, that is, negative equity.

Mr GRAHAM: There is probably not a lot I can say to expand on what the Treasurer has said. We monitor property markets, housing prices, vacancy rates and those sorts of things, but the main focus of our work is looking at how we can support demand for housing to get prices moving to more sustainable levels, and to alleviate some of those issues regarding negative equity and mortgage stress.

The main focus is the macro economy and how we get that growing.

Mr HIGGINS: Do we have any figures on how many repossessions we did in 2018–19, and is there any prediction on that into the future?

Mr GRAHAM: There is very little public data on those sorts of measures. We monitor RBA reports and things like that, but most of the data sources for that is held by the banks and is confidential. We look at the housing market or the property market as a whole.

To be honest, they are sort of issues that are coming more and more on the national radar now with property markets and what is happening in New South Wales and Victoria and it is very much on the RBA's radar.

Mr HIGGINS: What is happening out in Territory land is that a lot of people who have properties have a lot of concerns—is it going down, is it going up, when will it change and what is government doing about it? I am trying to get a feel for the answer for that for them.

Ms MANISON: It would be fair to say that we all share those concerns. I am a property owner and you are a property owner. We know how it feels when we see that happen. When values are up you feel pretty good about life; when your values are lower than what you are hoping for you do not feel as good about life—and what money you have in your pocket.

It is a really important issue because mortgage payments and building your personal wealth is the biggest issue you deal with as an individual private citizen of trying to generate your own self wealth and be independent. We are very mindful of the impacts of what property prices have on people and how it affects them. Ultimately the best way to drive the property market forward is to build the population and that is what we are looking at in some of those stimulus levers that we are pulling at the moment.

Madam CHAIR: Does anybody have any further questions on Output 3.2?

That concludes consideration of that output and Output Group 3.0.

OUTPUT GROUP 4.0 – SUPERANNUATION
Output 4.1 – Superannuation

Madam CHAIR: The committee will now proceed to Output Group 4.0, Superannuation, Output 4.1, Superannuation. Are there any questions?

That concludes consideration of Output 4.1.

OUTPUT GROUP 5.0 – ECONOMIC REGULATION
Output 5.1 – Utilities Commission

Madam CHAIR: The committee will now consider Output Group 5.0, Economic Regulation, Output 5.1, Utilities Commission. Are there any questions?

Mr HIGGINS: What is the weighted average cost of capital for power and water at the moment, and how has that varied since September 2016?

Mr GRAHAM: We will need to take that one on notice.

Mr HIGGINS: If I bundle them together as one question—how it has changed and what is the long-term average that we have had—if we can get one?

Question on Notice No 2.5

Madam CHAIR: Leader of the Opposition, please restate the question for the record.

Mr HIGGINS: Can you provide the weighted average cost of capital for power and water and can you detail that weighted average capital cost since September 2016 around the times over the PEFO? What is the long-run average of that? I will not put a period on that but rather than making you go and look for stuff that you cannot get easily.

Madam CHAIR: Treasurer, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question then asked by the Leader of the Opposition of the Treasurer has been allocated the number 2.5.

Madam CHAIR: Are there any further questions on this output?

Mr WOOD: In relation to competitive utility—last year we asked about the issue between the Territory Wildlife Park and Crocodylus Park. That was answered fairly well in detail in your annual report, but it said towards the end:

Government made the following decisions to resolve the areas of non-compliance.

TWP, in conjunction with the Department of Tourism and Culture and DTF, are to:

- *Develop and make publicly available a pricing policy that complies with competitive neutrality principles.*
- *Undertake a review of TWP's pricing of commercial activities consistent with the pricing policy.*
- *Quarantine and differentiate commercial from non-commercial activities and implement a robust performance reporting framework*

Has that work been done, and if so are there any other issues relating to this particular matter?

Ms MANISON: We have been dealing with an issue of competitive neutrality which came through a complaint issued by some of our local park operators, who are tourism operators. It is something that has been investigated and worked through with Treasury and the Department of Tourism and Culture. I know there has been a great deal of work done behind the scenes, which will soon be publicly released.

The main point was to be able to transparently demonstrate what can be dealt with in a competitive framework in the market and what is not up for competition. What are the things that just governments deal with, for example, on the research front? That work is soon to be released.

There has been constant engagement and discussion with the complainant. From a local member perspective, I have been a part of that process in putting some of the questions through, but also dealing with it as Treasurer.

There has been a raft of work that has been going through. It will be ready for public release soon, which will look at that specific complaint and how to deal with it. The minister for Tourism and Culture should be able to give you some more updates.

Mr WOOD: Following on from that question—I will also ask the minister for Corrections—I am sad that the prison does not sell produce, or if it does, very little. There are issues about them selling produce from ...

Ms MANISON: You are going into a space that I do not know much about.

Mr WOOD: The reason I ask is—is the prison able to sell the goods it produces as long as it fits within the competitive neutrality?

Ms MANISON: I remember once, when we were on the PAC together, we explored some of those issues about competition with existing markets. I have not dealt with any of those complaints in my time as Treasurer. I would suggest you put the question to the Minister for Justice to see whether they have had any complaints come through the door. We did extensive work on that issue, to understand some of those rehabilitation programs to get people job-ready. It was informative.

I have not dealt with any complaints coming across my desk.

Mr WOOD: They have an outside body which is made up of business people who look at this particular issue. As this is a government policy, competitive neutrality, I did not know whether that policy therefore should apply to industries in our prisons? Territory Wildlife is a government organisation as well.

Mr GRAHAM: Competitive neutrality is meant to apply to significant government businesses, where there is a public benefit case for it.

Mr WOOD: There is one when you are growing product in the prison.

Mr GRAHAM: I was not aware that CN formally applies to prison, but it could be that businesses have raised complaints or concerns in the past and there is a complaints mechanism. It is possible there have been complaints.

Mr WOOD: Could I put it simplistically, as long as they sell their product at a price that reflects the cost of production, the department should be able to sell its product on the open market? There is nothing to stop them selling as long as it fits within this policy?

Mr GRAHAM: That is right.

Mr WOOD: I will raise the question with the minister.

Ms MANISON: No issues have come across our desk, unlike that time when we went out and thoroughly explored the issue from Darwin and Alice Springs to look at some of the complaints which were being made with regard to some of the activities within the prison.

Madam CHAIR: That concludes consideration of Output Group 5.0.

OUTPUT GROUP 6.0 – CORPORATE AND GOVERNANCE
Output 6.1 – Corporate and Governance

Madam CHAIR: The committee will now proceed to Output Group 6.0, Corporate and Governance, Output 6.1, Corporate and Governance. Are there any questions?

Mr HIGGINS: Can you tell me how many requests for freedom of information were lodged in the last 12 months in your department, or this financial year?

Ms MANISON: I will hand that over to the Department of Treasury to answer.

Ms WEBER: Leader of the Opposition, we do not often receive freedom of information requests. We report those every year in the annual report. So far this financial year I would say less than five; maybe two or three. I can check that for you, though.

Mr HIGGINS: Okay. Before I put that question on notice, I will just ask some other questions and then we can bundle them together.

Ms MANISON: Yes, okay.

Mr HIGGINS: Out of that four or five, how many of them had everything provided, how many were partially required and how many were rejected? How many were appealed?

Ms MANISON: Do you need to put that on notice?

Ms WEBER: I would like to take that on notice.

Mr HIGGINS: That is why I thought I would go through the other one first.

Madam CHAIR: Can I get you to state the question?

Mr HIGGINS: Yes, but I will do them with all the other bits.

Question on Notice No 2.6

Madam CHAIR: Please restate the question for the record.

Mr HIGGINS: Treasurer, can you provide me with the number of freedom of information requests that have been lodged since the beginning of 2018–19. How many of those were fully provided back? How many of them were partially exempted—so, bits were taken out? How many of them were rejected? Were any of those rejections appealed? Were any from those appeals—were complaints made to the Information Commissioner by the applicant?

You may be able to answer this one now, but what was the total amount of processing fees paid by applicants for that information?

Madam CHAIR: Treasurer, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Leader of the Opposition of the Treasurer has been allocated the number 2.6.

Madam CHAIR: Are there any further questions on this output?

Mr WOOD: This is in the corporate plan achievements in the annual report from last year. I am wondering, does this have to be revised considering the budget repair plan that has come out? Does much of this have to be redone? There are many issues in here, which probably are the same.

Will the new plan that Mr Langoulant brought out make a significant difference to this?

Mr GRAHAM: We will revisit our corporate strategy and plan. In light of the machinery of government changes and things like that it will need to be looked at again. It will be revisited prior to the next annual report.

Ms MANISON: There has been significant reform across the public sector, so there will be agencies having to look at how it aligns with their corporate strategies and how they implement it going forward. Everybody is expected to align with the plan for budget repair.

Mr WOOD: Considering what you said earlier, how many staff will you lose in the thinning out of the Treasury?

Ms MANISON: Treasury have nominated 10 FTE, but we are also going across the board—across the public sector are 52 executives.

Mr WOOD: When I read this plan there is a heck of a lot of work providing briefings, advice, high-quality and timely financial economic briefings et cetera. Are you going to have enough people to be able to put this plan into action if you are going to lose 10 people? It looks like an awful lot of work on the ground within the government.

Ms MANISON: Member for Nelson, that is the issue we face in every agency ...

Mr WOOD: Well, this is a fairly important agency.

Ms MANISON: Yes, this is incredibly important work. It is all good to have a plan, but it is actually how you implement it and hold yourself to account. That is what counts. That is the heavy lifting and the hard work. That is the period we are in now.

We are asking even more of our Treasury than we have. It has been probably some of the most challenging years for Treasury as an agency—the last few years, given the GST changes and the economic conditions we have been dealing and grappling with. We have some incredibly professional, hard-working, dedicated public servants there.

The reality is—I have said it before and I will say it again—we have to live within our means. That means that every agency has to do its bit. Treasury will be doing its bit. We constantly look at it. I know that I meet with my agencies weekly to constantly be putting my finger on the pulse to ask how things are travelling along and what is going on in how programs are running.

These are the types of discussions you have as a minister with your agency to understand where the pressure points are, what is going well and what might not be going so well. You also have a lot of faith and trust in the leaders of your agencies, to know that they will identify some of those issues, they also work to address what the priorities of the government of the day are. No matter who is in government, that is their job, they are the public service.

It would be fair to say that the resources that have been identified, that Treasury will go without into the future, it is still confident that it can deliver on the government's agenda. A lot of the management of implementing reform is a big part of it.

Mr WOOD: I will get into trouble for this question, but minister, where do I find Territory Bonds in the budget? I have been looking, but I cannot see anything in the budget that says Territory Bonds.

Ms MANISON: We have Alex Pollon coming to the table.

Mr POLLON: Territory Bonds is our retail borrowing facility undertaken by the Northern Territory Treasury Corporation.

Mr WOOD: It is by the corporation—it does not come under the Department of Treasury and Finance?

Madam CHAIR: Is that a different output? That is what we are trying to clarify.

Mr POLLON: We are Output Group 8.0.

Madam CHAIR: We are up to Output 6.1.

Mr WOOD: Well I will ask it there.

Madam CHAIR: Perhaps Alex, you might stay at the table for a few minutes. Are there any further questions on Output 6.1?

Mr HIGGINS: This is one of the concerns I had earlier about where we target those staffing—when I compare the pay 26 of 2018 to pay in 2019, I see we have a decrease of an ECO2. That is very good; that is excellent work. But then we have an increase of ECO1s of two. Then we go to the AO2s and we have a decrease two. We have the graduates—a decrease of two, and wills—a decrease of two.

Ms MANISON: Leader of the Opposition, these are the challenging decisions that each agency continues to make in order to live within their means in their budgets and meet the priorities of government. You will see more of these types of difficult decisions, because it is important that we live within our means.

Mr HIGGINS: It is a bit contradictory—I am going to slash the number of executive contracts, when we have had a net increase by that of one. We have had a net decrease of the lower down people of six.

Ms MANISON: Every agency is looking at this very same issue.

Mr HIGGINS: Okay. So can you explain what the legal appeal in the Supreme Court of \$200 000 in the matter of Newmont Tanami is about?

Ms MANISON: I will pass over to Mick Butler, who is our Assistant Under Treasurer when it comes to revenue. I appreciate that there may be things that Mick can or cannot say.

Mr HIGGINS: That is alright, I accept that.

Mr BUTLER: The case for Newmont was a mineral royalty appeal under the *Mineral Royalty Act 1982*. It was heard in the Supreme Court the week of 20 May. We are yet to have a decision handed down.

Mr HIGGINS: Is that the one involving GEMCO as well?

Mr BUTLER: There is a separate appeal, so I can address both of those if you want?

Mr HIGGINS: Yes.

Mr BUTLER: The case of both of these are highly technical issues around our *Mineral Royalty Act 1982*. But in the case of Newmont, if I put it at its simplest, it was about the nature and deductibility of costs that were claimed as research expenses, which were incurred in the development of a failed project. It is basically a clarification of whether those costs were deductible under our *Mineral Royalty Act 1982*. As I said, we have not had a decision handed down in that matter.

For GEMCO, it concerned whether certain costs that were incurred in other service agreements that GEMCO had entered into were deductible and whether those costs were sufficiently connected with the production of minerals under the production unit.

Mr HIGGINS: Is that in the Supreme Court up here?

MR BUTLER: Both of those were heard in the Supreme Court, yes.

Mr HIGGINS: So why are we using a New South Wales-based solicitor? I have here the costs at \$110 000. When we have a government policy of buy local, did we not have people who were capable of doing that? Why did the Solicitor-General not do it?

Mr BUTLER: Our solicitors were provided through the Department of the Attorney-General and Justice. Given the very technical nature of these appeals it was necessary for us to go interstate to get sufficient legal representation for the barristers.

Mr HIGGINS: That would be a question for the Attorney-General. Why was Mallesons Stephen Jaques of New South Wales paid almost \$50 000 to wind up the Infrastructure Development Fund? Why did we not do that one locally? Or was that the same answer, that it was the Solicitor for the NT who told us that?

Mr GRAHAM: We engaged that firm on the basis that it also assisted in setting the fund up. We were familiar with its structure and operation.

Mr HIGGINS: Did we actually see any NT legal firms to see if they wanted to do it? Or was that on advice from the Solicitor for the NT?

Mr GRAHAM: I think we just engaged them under our panel contract.

Mr HIGGINS: So, we have a New South Wales firm on our panel contract?

Mr GRAHAM: I will take that on notice. I will get back to you to make double sure.

Question on Notice No 2.7

Madam CHAIR: Opposition Leader, please restate your question.

Mr HIGGINS: Why was Mallesons Stephen Jaques of New South Wales engaged to wind up the Infrastructure Development Fund? Why are they on a panel contract, if they are on a panel contract?

Madam CHAIR: Treasurer, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Opposition Leader has been allocated the number 2.7.

Madam CHAIR: Are there any further questions on this output?

Mr HIGGINS: Yes, I also note that the firm Johnson, Winter and Slattery has been engaged on legal matters for at least three things to date this financial year, coming to an amount of close to \$150 000. Does that fall under the same thing? Does that come under the Solicitor for the Northern Territory again?

Mr GRAHAM: We will need to take that on notice. That work was done by the Utilities Commission. I assume they were engaged for a normal procurement process.

Question on Notice No 2.8

Madam CHAIR: Opposition Leader, please restate your question.

Mr HIGGINS: Can you provide details on why we used the firm Johnson, Winter and Slattery on three occasions this financial year, as opposed to local?

Madam CHAIR: Treasurer, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Opposition Leader has been allocated the number 2.8.

Madam CHAIR: Are there any further questions?

Mr HIGGINS: Yes. I note that in relation to money paid to consultants total \$1.235m, all of which except for one have gone interstate. Why all except one?

Mr GRAHAM: Again, we engage law firms with particular fields of expertise. Most of the consultants we used were in regard to reform of our electricity market, actuarial advice, return to budget strategy for the Department of Health—they are specialised, technical fields of work where some local consultancy firms, even if they have local offices, tend to engage services from interstate.

Mr HIGGINS: I think if they had a local office we would treat them as local. Did we actually go to local firms on all those, and which one did we not?

Mr GRAHAM: Most of those were on panel contracts.

Mr HIGGINS: Again, we have interstate companies on panel contracts. Why do we not have local ones? We have all these interstate people from legal, and then we have consultants, yet we have a lot of rhetoric around the Buy Local policy. I want to know why we have that. There could be a valid reason, and I accept that.

Mr GRAHAM: I suspect it is about capability issues and things like that, but we will take that on notice.

Ms MANISON: We will take it on notice so we can give you exact detail with regard to the reasoning and where there was some local content engaged.

Question on Notice No 2.9

Madam CHAIR: Opposition Leader, please restate your question.

Mr HIGGINS: Can the Treasurer explain why \$1.235m was paid to interstate consultants, how those decision were made, and why we did not use local companies?

Madam CHAIR: Treasurer, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Opposition Leader of the Treasurer has been allocated the number 2.9.

Madam CHAIR: Are there any further questions on Output 6.1?

Mr HIGGINS: Have you entered into any funding arrangements with any organisations and what are their annual amounts they are given? I know you do not deal with sporting organisations, but that is an example.

Ms MANISON: We do have some annual-type awards and arrangements, particularly through schools to encourage people to take up great careers in accountancy and economics and so forth. I will let the Under Treasurer go into that, I think it is in the written questions that we provided.

Mr GRAHAM: As the Treasurer mentioned, we do provide funding for university student awards, scholarships, things like that.

Ms MANISON: Schools, primary schools, St Johns, Katherine, Dripstone ...

Mr GRAHAM: We do not have any funding agreements in place for organisations, NGOs. We have funding agreements with CDU for demographic research et cetera.

Mr HIGGINS: Will that be subject to an efficiency dividend and the cuts that we are talking about?

Ms MANISON: Yes.

Mr HIGGINS: Do we know how much that effect would be?

Ms MANISON: 3%. It is not a frontline agency.

Mr HIGGINS: 3% of the CDU grants.

Mr GRAHAM: About \$300 000.

Mr HIGGINS: So, their grant is about \$300 000?

Ms MANISON: 3% efficiency dividend.

Mr HIGGINS: Have they been advised? I presume those efficiency dividends are going to apply to all funding agreements, sporting organisations et cetera.

Ms MANISON: Part of the plan for fiscal repair, another difficult decision that was made, was to—as I said we did not want to pick winners and losers and see all of a sudden we had some critical organisations, NGOs, people who received grant funding through the Northern Territory Government go completely without—follow the recommendation of the report and to apply it to all grants. We know this has been difficult and we appreciate that more places have to do the heavy lifting as well, when it comes to the job of fiscal repair after the GST changes.

Each agency is working with their grant recipients, explaining that to them and what it looks like. It would be disappointing for many places, but I have also had many organisations say they just wanted to understand how much it was, so they could manage their budgets and do the planning they needed to do. They understood they were part of that work. I know for some organisations, it has been incredibly difficult.

Mr HIGGINS: I agree. Workplace incidents, injuries, accidents during the year—has anyone lodged any official claim for workers compensation?

Ms WEBER: Off the top of my head, two or three. Tripped in the stairwell, or on the footpath coming to work—things like that. No major incidents and no ongoing workers compensation costs.

Mr HIGGINS: No cases of bullying or anything along those lines?

Ms WEBER: No.

Mr HIGGINS: Do you use any contractors, engaged through ICT services, who fly in and fly out?

Ms WEBER: We have a handful of major ICT projects. Our revenue system is dealt with in-house. We were about to look at a new system for the superannuation system, which DCIS was going to manage for us. I do not know who they would use on that.

Mr HIGGINS: You do not use any directly yourselves?

Ms WEBER: No.

Ms MANISON: We know that at the moment there is a big agenda when it comes to ICT reform, particularly with the complexities of new systems in Police, Health and Territory Families, just to name a few. It will be an ongoing issue for governments in the future. We know that the correct implementation of new ICT projects is incredibly challenging and difficult.

When Minister Moss appears with DCIS—that is the lead agency managing these major ICT infrastructure projects and will be well placed to answer some of the questions. There is a big agenda and a lot of complex work. It is not cheap either; that is for sure.

Mr HIGGINS: My question will be of all the departments to see whether they are actually contracting any themselves.

Yes. They are underpaid.

Ms MANISON: It is a huge body of work and critical work. You have to get it right.

Madam CHAIR: Are there any more questions on Output 6.1?

That concludes consideration of Output 6.1.

Output 6.2 – Shared Services Received

Madam CHAIR: The committee will now consider Output 6.2, Shared Services Received. Are there any questions?

That concludes consideration of Output 6.2.

Output 6.3 – Shared Services Provided

Madam CHAIR: The committee will now consider Output 6.3, Shared Services Provided. Are there any questions?

That concludes consideration of Output 6.3 and Output Group 6.0.

Are there any non-output specific budget-related questions?

That concludes consideration of the Department of Treasury and Finance Outputs.

CENTRAL HOLDING AUTHORITY

OUTPUT GROUP 7.0 – CENTRAL HOLDING AUTHORITY

Madam CHAIR: The committee will now consider the income and expenses of the Central Holding Authority. Are there any questions?

Mr HIGGINS: We have a lot of emphasis on the \$3.4bn GST cut, but the actual situation is \$102.4m, or approximately a \$25m reduction per year, not the \$500m per year. What is the Treasurer's comment on that?

Ms MANISON: When we came to government we had an expectation of a certain amount of GST coming in, and it had been forecast by the Commonwealth. We worked off those forecasts; it was in the Pre-Election Fiscal Outlook, and we saw that our 10-year average of GST had sat at the relativity of about 5.2. That was around the level of what the Northern Territory was used to receiving.

When we got that devastating news of the assessment of the GST going into the May 2017 budget we had seen the biggest drop in the GST in our history, and all of a sudden a lot of funding that we expected to come in just evaporated in to thin air.

Then the next year, for the May 2018 budget, we received similar distressing news when it came to the amount of GST that had been calculated, and we saw another huge drop. As I explained earlier today, the frustrating point for me is knowing that a lot of this goes to the heart of the CGC, the methodology that they use and the impacts of interstate expenditure patterns.

The other thing that was frustrating was that because the Commonwealth has now built a floor in the Western Australian model of GST, everybody else effectively loses. That is where we are at the moment. The only saving grace that we have had with regard to the GST story is the negotiated outcome of the three-year guarantee of 4.6 as the relativity.

It has been an incredibly difficult issue to grapple with, particularly when the running of the public service and government expenditure was much in line with that 10-year average of about 5.2.

We had forecast a certain amount of revenue coming in to the Northern Territory when we made our election commitments and our priorities for how we would go about expenditure in government. To see the devastating blows that we have had to the GST—again, today, Moody's have factored in the fact that it has been the changes to the GST that have been the biggest issue we have had to deal with in regard to our revenue.

It has run havoc with the Territory budget—those GST changes—and we have had to make significant reforms and changes to live within our means, as well as very difficult decisions and heavy lifting. But that is what we have to do, because the GST situation has changed forever and the Northern Territory has to do more with less. It is that simple.

Mr HIGGINS: Now that you say it has changed forever, will we hear rhetoric that this is the change in revenue actuals as opposed to what was predicted, or are we going to go on forever with the prediction of years ago, which is a lag behind—as GST lags behind?

Ms MANISON: I think it is important to recognise, as a member of the former government yourself—and when we came into government, as the opposition at the time—that part of the process is—prior to the election there is the Pre-Election Fiscal Outlook which is put out by the Treasury of the day to ensure that both potential governments are presented with what the fiscal numbers are—up to date at that time—so they can responsibly project how they are going to spend money if they get the privilege of becoming government. That is what we have worked off.

What was so difficult to deal with, and continues to be difficulty deal with, was that our historic averages have been around that 5.2 level. When you were in government I believe that you were receiving some great GST numbers. You had strong economic growth off the back of INPEX and you had GST coming in at nice figures. We have not had that good fortune. We have had a few horrendous assessments by the Commonwealth Grants Commission, which have made a big change in the fiscal projections going forward.

It has been difficult to grapple with. As I have said, we will have to continue talking to the federal Treasurer about how we deal with the end of this three-year period of the guarantee of the 4.6 and working with them to keep it, at the very least, at that level. This is because it costs a lot more to deliver services to Territorians. We need to keep lobbying the Commonwealth Grants Commission to ensure that we do not see such massive changes in a small jurisdiction, which feels the full effects of their methodology and assessment by no fault of their own.

These are some of the things we are grappling with.

Mr HIGGINS: In Budget 2019–20 stamp duty will collapse by \$94m. That will go from \$244m to \$150m. I think we need to know why that is collapsing and how much of it is due to first home owners—how much revenue is foregone by first home owners going in to existing houses? How much of the change in that policy is due to the decreasing price of housing? Have we done any analysis on that? Can we get some explanation on that?

Ms MANISON: I might hand over to the Under Treasurer to talk about some of those projects of the stamp duty and so forth. We project the revenue going forward and tend to be conservative in our projections. I am sure Mick can talk you through some of those considerations and what he has been looking at.

Mr BUTLER: The stark contrast between the 2018–19 estimate for stamp duty and the 2019–20 estimate really comes down to the fact that we had an unexpected—several very large commercial transactions occurred during the year.

If you look at our forecast for 2018–19, the previous budget, we are expecting to get in \$79.5m in stamp duty. Our estimate now is \$171.9m. The nearly \$92m increase relates to several large commercial transactions of an international nature. If you take out those windfall gains, the estimate was pretty much in line with what we forecast in the previous budget.

The decrease back to \$76m in the 2019–20 budget reflects the removal of that large transaction. The underlying level activity on the residential and commercial market is pretty similar.

Mr HIGGINS: How many transactions would that have been? I do not want you to list them. How many make up \$94m?

Mr BUTLER: The \$92m? Four large transactions.

Mr HIGGINS: Four, okay. The other thing is royalties are down. Budget Paper No 3, page 78, says royalties are down by \$106m—can you explain that? That is 2019–20.

Ms MANISON: I will start and hand over to Mick again, but record year of production—it was a very strong year when it comes to royalties in the Territory.

Mr HIGGINS: A bit like Western Australia.

Ms MANISON: Yes, demonstrating we have had a good year in that regard, and why it is important to continue to grow our resources sector.

Mr BUTLER: Mineral royalties—the result for 2018–19 was significantly higher than we had forecast for the same time in the previous budget. As the Treasurer said, it is the highest royalty receipt we have had in the history of the Northern Territory. In forecasting the 2019–20 year and the forward estimates, we are relying on miners giving us their estimates of production, pricing and cost, because we are under a profit-based regime. It is a bit hard to distinguish across the market what affects those royalties.

The decline from 2018–19 to 2019–20 probably largely reflects their expectations of mineral prices and the costs they will undertake during the year rather than any reduction in production.

Mr HIGGINS: So, it is reliant on miners to give you that information.

Mr BUTLER: Yes. We have done a lot of work in this space in engaging in that relationship, and we have looked at the accuracy with which we forecast those numbers. They are best placed to give us those.

Madam CHAIR: Are there any other questions on this output?

Mr WOOD: Just one—the administrative expenses for the Central Holding Authority were \$32m in 2018–19, down to \$820 000 (inaudible)—any reason for that decrease in administrative expenses?

Mr McMANUS: That is a recognition of the national redress scheme which is coming into effect in financial year 2018–19.

Mr WOOD: (inaudible).

Mr McMANUS: There are consultancies and things like that—that would be about the normal one. There is about \$30m for the national redress scheme. One-off recognition of it in the first year it came into effect—that is what the \$32m is.

Madam CHAIR: Are there any further questions? Are there any non-output specific budget-related questions? That concludes consideration of the Central Holding Authority business line. The committee will now proceed to the NT Treasury Corporation.

NORTHERN TERRITORY TREASURY CORPORATION

OUTPUT GROUP 8.0 – NORTHERN TERRITORY TREASURY CORPORATION

Madam CHAIR: The committee will now proceed to the Northern Territory Treasury Corporation. The committee will now consider the income and expenses of Output Group 8.0, Northern Territory Treasury Corporation. Are there any questions?

Mr HIGGINS: We were talking about the bonds before; has there been any concern by the board in regard to the current economic situation? What the impact of that been on the Northern Territory bond market?

Mr GRAHAM: The board members have expressed concern with the economic situation. As an advisory board, it would be remiss of them if they did not. They have expressed concern with the economic and fiscal outlook and the issues and challenges it presents for the borrowing program.

Mr HIGGINS: How many times has that board met this year?

Mr GRAHAM: Three or four times.

Mr HIGGINS: Does it have a schedule, such as every month or two months?

Mr GRAHAM: It meets four times a year.

Mr HIGGINS: It has to meet four times a year as a regular ...

Mr GRAHAM: Yes.

Mr HIGGINS: What can we do to make Territory Bonds more attractive? I presume when they are expressing concern there is an issue on us issuing those bonds, which is effectively our borrowings.

Mr GRAHAM: It is subject to market considerations. We have not had any problems in funding our borrowing programs to date. We have been able to fund the program at a relatively attractive cost to borrowing and we have been able to access long-term borrowings, which is more in line with our infrastructure requirements.

Ms MANISON: From my perspective, it goes back to the heart of the body of work we are doing on budget repair and the importance of setting yourself on a sustainable long-term budget, particularly given—as we have had acknowledged by Moody's today—significant changes to the revenue coming in through the GST.

Mr POLLON: We embarked on a fairly extensive campaign a couple of years ago recognising that the borrowing program in 2016–17 and 2017–18 through the outer years would require significant levels of funding. We have been campaigning, investing in a roadshow if you like, making investors aware and understanding what we are embarking upon and trying to do.

Effectively the objectives are to go and source that funding from a diverse investor group and trying to match the underlying investment in capital works and infrastructure with long-dated borrowing transactions, which to date, as the Under Treasurer has said, we have been able to achieve.

Mr HIGGINS: How many private investments have we had in that, opposed to, say, institutions in the last 12 months? How many private investors have we had?

Mr POLLON: We run a retail borrowing activity, Territory Bonds, which is for mum and dad investors, superannuants, corporates and the like. That would be your typical private investor. It currently has 2500 investors in that product, with just under \$120m outstanding as at the end of this financial year.

Mr HIGGINS: How many people would have opted in to that in the last 12 months, as opposed to the total number we have?

Mr POLLON: We have two issues open for each financial year. The first commences on 1 July through to the 30 May. We have a second issue open from 1 January to 31 May. We give any and all maturing bond holders, who have bonds maturing in those periods, the ability to roll-over and convert their bonds.

We also make available bonds to any existing and potential investors. I would estimate probably in the order of 2000 to 2500 investors will see that bond maturity and/or be given the opportunity to consider investing through the course of this financial year.

Mr HIGGINS: I am trying to get a feel of how many people. If you could break it down, how many new investors have we had come into it in the last 12 months and how many are roll-overs?

Mr POLLON: The bulk of our applications come from roll-overs, we have a sticky investment base, you could describe it. Something like 65% of all maturing bonds convert and roll into the new issue. In terms of new applications, we would only be talking less than 100 or 150 in any one year.

Mr HIGGINS: Would we be able to get that exact figure? How many, I am not after the dollar amount.

Mr POLLON: Yes. We do publish those statistics in the Northern Territory Treasury Corporation annual report every year. For the 2018–19 financial year we will be publishing those results again.

Mr HIGGINS: I want to know how many we have had so far this year.

Question on Notice No 2.10

Madam CHAIR: Leader of the Opposition, would you restate the question for the record.

Mr HIGGINS: How many private investors have invested in the Territory Bonds during this last 12 months? You probably need only do that up until the end of March, just this financial year.

Madam CHAIR: Treasurer, are you happy to accept the question?

Ms MANISON: Yes.

Madam CHAIR: Thank you. The question asked by the Leader of the Opposition has been allocated the number 2.10.

Madam CHAIR: Are there any further questions?

Mr WOOD: To start with a slightly general question—I remember my dad used to say that he invested in Commonwealth bonds, but there was a fair bit of promotion of that a long time ago. Can we promote bonds as something that the average mum and dad should invest in? If you were to promote them, what would you say are the benefits of people investing in Territory Bonds?

Ms MANISON: I will let the Treasury staff answer this question.

Mr POLLON: We used to undertake a fairly extensive marketing and roadshow of that retail offering. The Australian Stock Exchange used to conduct an annual investor day where the issuers of bonds and equity products could effectively hold a stall and sell the merits of their products.

We recognised several years ago that Territory Bonds, as a funding source, represents a fairly insignificant funding tool for us; less than 5% of our total debt is raised through that product these days. It certainly is not the most efficient or cost-effective way of raising money. But we continue to maintain it. This year will be our 40th year of continuing with that product offering to the mum and dad investors. We do very little in the way of promoting and marketing that product, recognising that it simply is not the most cost effective way for us to raise debt.

By far the most efficient way is to get out on the road and meet with those institutional investors, and domestic and overseas investors, to sell the merits of our borrowing campaign.

Mr WOOD: Many people I have spoken to do not know anything about bonds. Maybe that is just because, as you say, you do not advertise them.

Mr POLLON: I have had it suggested that it is not a very sexy product.

Mr WOOD: I have a question on debt. In the budget papers it says that the borrowing program for 2019–20 will be about \$1.1bn, comprising refinancing of a small amount of maturing debt and financing of additional borrowings. You also say that corporations cost of borrowing in 2018–19 is expected to be 3% revised down from the previous budget forecast of 4%.

I note also that it uses the figure of 3.5% as the weighted average cost of borrowing. For a layman here—we are borrowing \$1.1bn and the interest payments will be 3.5%, is that correct?

Mr POLLON: Member for Nelson, that is correct. We have assumed a weighted average cost of borrowing for next financial year's borrowing program to be achieved at 3.5%.

Mr WOOD: What would that cost be? I tried to work it out on my computer, but I ran out of noughts. What will that mean in actual dollars, the 3.5% of \$1.1bn?

Mr POLLON: Assuming a 3.5% borrowing cost on \$1.1bn, that would see us paying in the order of about \$38.5m in interest per annum.

Mr WOOD: That is per year?

Mr POLLON: That is correct.

Madam CHAIR: Are there any further questions on this particular output? Are there any non-output specific budget-related questions?

That concludes consideration of this business line. It also concludes consideration of outlook groups relating to the Treasurer.

On behalf of the committee I would like to thank the Treasurer and the departmental officers for attending today.

Ms MANISON: Madam Chair, could I please place on the record my thanks to the men and women of the Department of Treasury and Finance. They would incredibly hard. It has been a particularly busy six months. I have seen them go above and beyond, working incredibly long hours to provide professional, frank and fearless advice to government on the challenges going forward with fiscal repair and in delivering strong budgets going forward. I thank them all for their incredibly hard work. They serve the Territory well and I thank them for all their hard work in preparation for the budget and for estimates today.

Madam CHAIR: Thank you, Treasurer. We will have a five-minute recess before coming back to consider outputs for NT Police, Fire and Emergency Services.

The committee suspended.

NORTHERN TERRITORY POLICE, FIRE AND EMERGENCY SERVICES

Madam CHAIR: I welcome the Minister for Police, Fire and Emergency Services. I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding NT Police, Fire and Emergency Services.

Ms MANISON: Thank you, Madam Chair. Before moving to questions I would like to take the opportunity to make a brief opening statement.

Today I am joined at the estimates table by the Police Commissioner and the Chief Executive Officer of the Fire and Emergency Services, Mr Reece Kershaw APM. I also have at the table Mr Michael Willis, who is our Executive Director of Operational Support Directorate of the NTPFES. We have Mr Paul Kelly who is our Chief Financial Officer. We also have senior members of the Police, Fire and Emergency Services who are able to answer more detailed questions as they come with regard to the outputs of the NTPFES.

The Northern Territory Police, Fire and Emergency Services 2019–20 operating budget expenditure is at \$449m, which is \$11m higher than the previous financial year.

We are investing more than even before in to our frontline police, fire and emergency services to put them and their important work on the front line to deliver the best possible services to Territorians. We are particularly focused on delivering our extra 120 police as well as delivering on the important outcomes of our alcohol harm minimisation strategy. One key component of that is the 75 police auxiliary liquor inspectors and the 12 member Alcohol Policing Unit.

We have seen the 75 police auxiliary liquor inspectors undertake their important work across Alice Springs, Katherine and Tennant Creek. We currently have 64 of the 75 PALIs on duty in these three centres, and there is no doubt they are making a genuine impact on or correlated incidents, particularly crimes against the person.

There is currently a PALI recruit squad of 15 in training at the police college at the Peter McAulay Centre. When they graduate on 23 August that will see us reach our target of 75 PALIs working to minimise alcohol-related harm. We are also on track to recruit our extra 120 police officers and deliver that commitment to Territorians to have more police resources on the front line.

Further two constable recruit squads each with 30 members will commence training in October for graduation in May of next year as part of our plan to meet that election promise.

In October last year we re-introduced school-based policing program, a program that the former government pulled out of and we reversed that decision after having strong feedback from the school communities that they wanted to cease school based police return.

In addition to recruiting extra personnel we recognised the need to ensure our members of the Northern Territory Police, Fire and Emergency Services have the best possible resources to allow them to do their job.

To that extent, we have been working on a number of key projects. Work on the new Palmerston Police Station at the corner of Temple Terrace and Farrah Boulevard is nearing completion. The \$30m state-of-the-art project is an election commitment that was brought forward by two years, and the new station will cater up to 200 staff on a 24-hour rotating shift. Importantly, it also has watch house capacity which extends the

capacity for those facilities and will keep more police on the road rather than transporting people in and out to the Darwin CBD.

We have also promised to build a new police station at Nightcliff, and that process is under way as part of the \$45m redevelopment of the aged Territory housing stock at John Stokes Square.

We have also approved new works for a \$25m fire station as part of the 2019–20 capital works program. We are working through the concept design and location.

Last month I had the great honour of opening the \$9m state-of-the-art Katherine Fire, Rescue and Emergency Services Complex. It is a magnificent facility. I was very impressed to see the final product. It is the fire station that the Katherine community deserves, but it also gives our police in Katherine more room in that station.

Budget 2019 has also provided important funding for capital equipment. We are going to see more invested in to the vehicle replacement program. We are seeing that the PROMIS system continues to be upgraded which is very important to ensure that our police have a contemporary IT system to enable them to do their jobs. We are also looking at upgrading the ageing digital radio network.

We have invested strongly in the area of expanding CCTV, both mobile and fixed, across the Northern Territory. An example of a place where we have seen some great outcomes has been in Tennant Creek to have those fixed cameras all now on the main street helping police do their job, as well as the flexibility that the mobile CCTV vans have.

As local members we have had requests for them before and seen where they can be very helpful at a time to deal with antisocial behaviour or crime.

Our Police, Fire and Emergency Services workers do an outstanding job each and every day on the front line. Last week we were reminded about what a professional police force and emergency service we have when faced with incredible danger in our community. Police did a first-class job last week responding to an immediate threat in our community and secured the community swiftly. They demonstrated bravery, compassion and integrity in doing their job. They did an outstanding job.

That is why we back our police, fire and emergency services with the record resources that they need to do their incredibly challenging and important job.

I thank you for the opportunity to make an opening statement, and I now invite the committee to ask their questions.

Madam CHAIR: Thank you, minister. Are there any questions specifically on the statement?

Mr HIGGINS: Firstly, can I say thank you very much for that, minister for Police. I agree with you on the fantastic job done by the police last week. Territorians should be feeling very proud of the police force that we have up here—I do, and I have for a long time. I asked the commissioner last week to pass on my thanks.

I would also like to thank all the people who have helped get all the answers for today and prepare all the briefings et cetera. I think a lot of people out there that ministers know all the answers, but they do not. They have all these people behind them.

You spoke about the community engagement police officers. I had a question on the school-based policing, which was introduced last year. How many do we currently have, how many are currently operating in schools and what areas do they cover?

Ms MANISON: This is a question that I will hand over to Police. We have the same resources there as when we started the program, which is my understanding—or restarted it, I should say. When we came to government the program had ceased.

As somebody who has gone through the Northern Territory education system, part of my growing up was having strong relationships with school-based police officers—they were school-based constables in my day—who played an important role in working with students who were identified as being at risk and who had been in trouble. They did fantastic, proactive policing work on getting the right messages to students about the things they should not do. They also were building a relationship of trust in police, to know that if they do have a problem, they should be able to report it, to make sure we keep our community safe.

I will hand over to the commissioner to respond a bit further on that. I have sat down with COGSO and my own local schools, and I have had a strong response from them about how happy they were to see school-based policing back in the community. Speaking to the officers who do the job—they absolutely love it. They are so passionate about their job and they love working with the kids and seeing the difference they can make with early intervention to get kids back onto the right track, and to work with some complex family needs.

Commissioner KERSHAW: Thank you, minister. We have 10 school-based constables located around the Territory. However, that is not just our community engagement area. Every officer is a community engagement officer, but specialists who we train and do a lot of that community engagement include the community engagement police officers, which are funded by the Commonwealth. Quite a few of those positions are out remote and do that community engagement in those remote communities.

We also have our youth diversion. We have also created a new youth division. We are coalescing a number of our resources together to have that one group of community engagement officers.

Mr HIGGINS: Yes. I am a strong supporter of community engagement at schools. I am also a strong supporter of the junior police rangers. What is the status of that? I have not checked on that for the last 12 months to two years.

Mr HIGGINS: Again, they have historically been great programs to help to build future leaders and interest in the police, but also building trust in the community.

Commissioner KERSHAW: I think for the first time in a long time—we actually have the ranger program, but we have linked that to our Police, Fire and Emergency Services cadets, which is also in Alice Springs and Darwin. That will give us a throughput. We could have you on our books from age of 10, all the way through to becoming a constable, auxiliary and so on. We have examples of that now. We are very happy with the fact that we give young people the opportunity to learn additional skills. They do not necessarily have to join us, but we would like them to join us. It is a very successful program.

Ms MANISON: The cadet program is something I thank the last government for bringing back. I have had the great privilege to attend one graduation and meet one of the current squads of the current program. Every student you speak to who is engaged in that program is confident and proud. They not only finish school, but they obtain two different certificates when they go through that program.

The thing I love is when you ask, 'What would you like to do after you finish this cadet program?' The answers I have always received are, 'I want to join the police', 'I want to join the fire service', or, 'I want to join the Defence Force'. It is fantastic to see that we are keeping those kids engaged in school, teaching them some fantastic skills, giving them great competencies that they will take throughout their life and, most importantly, recruiting our future officers.

The officers involved do a magnificent job with the students, so I thank them all.

Mr HIGGINS: That was something that came up and I knew I had some questions later on. You talk about the efficiency dividend for the agency, and I know frontline people are exempt from that, but what is the amount of the efficiency dividend that is still being put with Police, Fire and Emergency Services? Can we get that—is it split into those areas or is it just a global figure?

Ms MANISON: I will hand that over to Mick to go through that detail on how the agency works through those budgetary issues.

Mr WILLIS: Overall, the agency was allocated a 3% efficiency, but given the frontline work we do, we get a discount of two-thirds ...

Mr HIGGINS: It is a nice way for Treasury to put it.

Ms MANISON: Efficiency dividends discount.

Mr WILLIS: For the 2019–20 year it will be just over \$1.4m, and then it escalates as we go through the outer years.

Mr HIGGINS: That goes to about \$4m in those outer years. How do we plan on achieving those savings? What programs will stop or be cut back? What is the aim there?

Ms MANISON: I will hand over to police to answer in more detail. I applaud police; they have done a magnificent job. Whilst we have record resources in police, the budget now stands at about \$450m, and when we came to government it was about \$400m. We have recruited the 75 police auxiliary liquor inspectors and we are putting on the extra 120 police officers, as well as investing in important pieces of infrastructure and so forth.

We had an issue that we had to deal with—we were seeing significant overruns in the last two years. Police have done some fantastic work on how we ensure we are running things to meet the budgets. We still have record budgets, mind you, and we have continued to invest in police. We put an extra \$10m recurrent into the police budget to give the front line more support, but some work has been happening in police operations. I will hand over to talk about that important work.

Mr WILLIS: This has been a long journey in trying to contain our budget and return the budget. We think we have done really well. We are now in a process—it is not about returning to budget, it is about responsible budgets going forward. That is our mantra.

We have done everything, from financial literacy training of our frontline members—improving how we manage appropriated public money—to reducing overtime through better rostering, and we intend to continue that with the electronic rostering. That is the better allocation of our resources matching demand, therefore achieving the outcomes we want from our front line.

Likewise, going forward to continue this responsible budgeting, we are looking at workforce planning and workforce reshaping. That includes looking at the span of control throughout all our ranks and management levels. It is not just about attaining a certain; it is about making sure we have the right numbers in the right place doing the right job. There is a fair bit of work started now and will be under way as we go forward.

It is about looking at how we can do parts of our operation better. Do we need to have sworn members in certain areas, like the intelligence gathering area? Can that be done by auxiliaries or the public sector in that regard?

There are a couple of other smaller items which are about getting out of particular areas that we should not be involved in. That is to do with the fire service precertification of buildings. That is a bureaucratic process, not a fire service process. We are looking at that.

Like all government agencies, we are doing our bit in regard to civilian voluntary redundancies and how we can make the workplace more efficient. They are the key items going forward, with the big one being better workforce planning, better rostering of our resources and looking at that span of control.

Mr HIGGINS: You said there, civilian redundancies. Are they being offered at the moment for civilian workers in the police?

Mr WILLIS: We are into our second year of that. It is an ongoing process. We do not actually close the books off and say that they are finished now. We have a budget process to meet and go through. We are continuing to use that as one of those tools. It is not about taking frontline resources and putting them into admin roles.

Mr HIGGINS: You heard my question this morning?

Mr WILLIS: Not at all. It is an important measure and we should look for efficiencies while still maintaining frontline operations and our commitment to that.

Mr HIGGINS: So if anyone applies for a civilian redundancy, do they automatically get it? What criteria are we using for offering that?

Mr WILLIS: No. We go through a critical analysis. It is not just that somebody has had enough and wants to retire or move on. It has to be a position that is deemed to be no longer required, non-critical or can be done in another way. It is just not a matter of applying and it is guaranteed.

Mr HIGGINS: Is there a compulsory retirement age for sworn police officers?

Commissioner KERSHAW: Yes there is. It is 65.

Mr HIGGINS: How long have we had that for? Do we or have we considered utilising those people who are over 65? Pulling them off the front line—not driving vans around—but doing some of the other jobs that are there depending on the level of them.

Have we considered reviewing that retirement age with that view in mind? A sworn officer has certain powers that you might be able to draw on, plus they have years of experience. Maybe you put them in your comms or intelligence collecting area.

Commissioner KERSHAW: Every year we hold a Police Commissioner's forum and it is a topic that is being discussed nationally. It is good for us because we get the brains of every other state and territory. One of the things that is longer range is the hundred-year life. It is something that we are all going to have to think about. We are all living to an older age.

Some of the police forces have looked at this. It is finding a role for those who are getting on that may be not operationally fit but are able to fulfil a role within the agency. That often becomes the difficulty when it comes to operational policing. Some people over the age of 65 would struggle to meet those requirements. Some of the other jurisdictions are looking at ways of finding them different roles.

Mr HIGGINS: If someone retired out of the police at 65, can they reapply as a civilian, knowing that they have that experience? Is that something we are trying to encourage?

Commissioner KERSHAW: That would be—we tend to not find that though. I would have to do the numbers but the majority seem to retire interstate.

Mr HIGGINS: Traitors.

Commissioner KERSHAW: Therefore, that is an issue in itself.

Mr HIGGINS: We talk about staff cuts; how many staff have we actually cut out of the police? If we could split that into administrative, executive and others?

Mr WILLIS: I will break it down as best as I can. At the moment we have separated two ECO1 positions. There were 78 voluntary redundancies, which is 23% of our public sector workforce.

Mr HIGGINS: Were those 78 civilian ones?

Mr WILLIS: They were not all VR, some just separated from the agencies. That is for last year. I have separation figures for police numbers, or the percentage, which is not that high, to be honest. It is fairly consistent. As of March 2018–19 year to date, it was 3.5% of sworn police members.

Mr HIGGINS: What is that in number terms?

Mr WILLIS: Total separations in that time was 48 constables, one constable recruit, two ACPOs and 11 auxiliaries. It is fairly low.

Mr HIGGINS: Are they resignations?

Commissioner KERSHAW: Some are retirement.

Mr WILLIS: Most are resignations.

Mr HIGGINS: Were any redundancies, specifically for cutting positions? I know there are offers of redundancies at the moment. It seems open but I know it is targeted. Can I get an explanation on that one?

Commissioner KERSHAW: We offer voluntary redundancy for sworn officers. We had some in our Territory Duty Superintendent role. I am in a Police Arbitral Tribunal in relation to that, so I have to be mindful of that.

For our non-commissioned officers, that has been put on hold pending our current situation. We are reviewing that.

Ms MANISON: It would be fair to say, as minister for Police, with a commitment of an extra 120 police officers, my priority is the front line and meeting that important election commitment.

By all means, the Police Commissioner needs the capacity to make sure he has a police force that is designed to meet the policing requirements of today, and to structure it appropriately. As the minister for Police, I want that 120 target completed and to make sure we sustain that level.

Mr HIGGINS: I am not being critical of that process. It is more trying to get clarity on who is offered redundancy, why, and what level is targeted. It combines with the age question about retirement, and pulling that together to get a picture of the agency, how it is working and what it is planning in the future.

I presume, when we talk about these 120 additional police officers, we are talking about 120 in addition to what we had in 2016—not just pumping 120 through the cadet school. It is actually 120 additional sworn police officers?

Ms MANISON: We have based that figure on the 2011–12 figure. At that time, your former government was in power and made a commitment of 120, which was not achieved. I believe the number we are working towards is in the vicinity of ...

Mrs LAMBLEY: Henderson was in government then, 2011–12. We came in 2012–13.

Ms MANISON: We are looking to reach 1494 FTE.

Mr HIGGINS: A lot of people out in the street presume it is 120 since you came into government. It is not 120 from when you came into government; it is 120 from when the CLP came into government, is that what you are telling us?

Ms MANISON: We have based it on the 2011–12 figure, the last budget before that election where the commitment of 120 was made. That figure was 1374.

Mr HIGGINS: Of the 120 police the previous government committed to—and I make it clear every time I speak about this that I am not a supporter of that figure. I do not know where the figure came from and it is not something I would commit to in the future—resourcing for the police being numbers, vehicles, buildings, everything.

How many of the 120 did the previous CLP government achieve, as at the end of their term 2016? You have given us a figure of 1374. What were the police numbers at the end of August 2016?

Commissioner KERSHAW: Policing numbers, as you are aware, are complex. It changes from day to day and you have a few metrics; that is your dollar amount, your FTE and head count. It depends on what you are talking about. If you are talking about full-time equivalent, that is a different figure to head count.

Where it got a bit difficult for us with police numbers—if you remember when the Commonwealth funded the immigration detention centre, also known as the Metropolitan Patrol Group—that was about 109 or 110 officers, and that funding lapsed. It actually left us in a budget hollow position. The next phase was the renewal of the 120 commitment. That is the target we were given, and we will be hitting that target. It is quite complex in regard to those numbers.

Mr HIGGINS: The 1370 figure the minister mentioned before, is that headcount of FTE?

Commissioner KERSHAW: FTE.

Mr HIGGINS: What was the FTE at the end of 2015–16 financial year?

Ms MANISON: We are looking at the annual report. In 2015–16 we had 1412; in 2016–17 we had 1403.

Commissioner KERSHAW: It is important to note that it includes the MPG, the Metropolitan Patrol Group. That would be partially included in those figures. This is why it gets incredibly complex. You almost need a mathematician to try to unpick it. It is incredibly difficult.

Mrs LAMBLEY: Why are you going on 2011–12? That was the last year of the Henderson government, not the CLP government. We came in in August 2012, which was the 2012–13 financial year.

Ms MANISON: They are the numbers we have been working with.

Mrs LAMBLEY: Why?

Ms MANISON: Because at the time we were told there would be an extra 120 police officers and that was not achieved ...

Mrs LAMBLEY: But that was before the CLP started.

Ms MANISON: ... but that is what we have been working towards.

Mrs LAMBLEY: That was the end of the Henderson government. It makes no sense.

Ms MANISON: The important thing to recognise is that we have more police resources than ever before. We have the 75 police auxiliary liquor inspectors who are taking pressure off the front line so they can get on with the important work they need to do.

Mrs LAMBLEY: You are not making sense, minister. Can you tell me why you are working off the last year of the Henderson government?

Ms MANISON: This was the base we set, which we work to, which the Chief Minister spoke to last year as the Police minister. That has been the number we are working towards.

Mrs LAMBLEY: It is a very curious place to start. It does not demonstrate much at all.

Ms MANISON: It has been consistent the whole time we have been in government.

Madam CHAIR: I am conscious that we are still taking questions on the opening statement. Are there more questions on the statement?

Mr HIGGINS: No, I have finished with that. But I note that in the opening statement the 120 police were mentioned.

Ms MANISON: It is an important issue to talk about.

Madam CHAIR: I am fine with that, as long as you do not revisit it again. Member for Nelson, do you have a question on the opening statement?

Mr WOOD: No, but I will revisit the numbers in the next section.

Mr PAECH: I am on the Estimates Committee with a lot of urban members, but I am interested in where we are at with the remote policing strategy and when we can expect to see that being delivered across remote parts of the Territory.

Madam CHAIR: Is there somewhere in the outputs where you would rather answer?

Ms MANISON: I am happy to go into it now. That is one of the biggest challenges out there. More effort needs to go into remote policing. We acknowledge that it is a challenging area for us. We want to see all those positions filled full-time with people who live in the community and dedicate themselves to being part of those communities.

It is not the way it was decades ago. We are finding positions that we have difficulty filling. There are a range of strategies that the commissioner is looking to implement as part of that. I will have over to him to speak about that soon.

One of our greatest challenges when it comes to remote policing is that we have a time-limited funding agreement with the Commonwealth Government. That agreement was meant to fund 76 officers. We are finding that it only funds about 58 officers. That expires in 2021–22. We have had a lot of change since the intervention, when we had the Themis stations across the Northern Territory. We had a raft of additional stations come on, and some of those communities have now had a more permanent station built. In others we still have the demountables which are ageing out in those communities.

We now have a new federal government in place. They have been reappointed. It was a conversation that I tried to engage with the previous Minister for Aboriginal Affairs on to not get too far—it is something I am looking forward to taking up with the new Minister for Aboriginal Affairs. We want to ensure that we have long-term certainty in how we deal with the transition when that funding ceases.

What I would like to see is an ongoing commitment to the Northern Territory to make sure that we can roll out a priority of where we have full-time, permanent resources going out. Without that funding certainty it is a difficult issue to look at. That is a body of work that we are engaging in. The other point that we need to look at is also where we need infrastructure upgrades, whether they be the actual police stations or the housing. That is a body of work that we are looking at, too.

Importantly, how do we get more people to put their hands up to go out bush, not fly-in fly-out? We want people to go out and live in and be part of these communities to build a relationship of trust with the people on the ground, which is really important. The most effective police officers are the ones living in the community with those strong relationships. How do we get more people to put up their hand to take up that challenge? There is no doubt that being a remote police officer is a 24/7 job. It can be relentless. The feedback I have had from troops on the ground is that feeling that you are always on-call, that it is difficult to relax and get some down time.

Ultimately, a lot of these communities are two- to three-people stations. People will get sick, need to take leave or want to do a bit of training and professional development. There might be resources in other communities that need a bit of assistance from the surrounding communities. They are some of the issues that we deal with and the complexities. I will let the commissioner speak a bit more about the work we are doing in the remote policing space.

Mr HIGGINS: Can I just ask another question, and it probably needs to go on notice? I get confused with the staffing numbers. As you say, it is very complex. Can you provide us with an answer on this—we are talking about 2011–12 when we had the figure 1370. Is it easy enough to split that to say that the 1370 includes so many which are funded by the NT and so many funded by elsewhere? Then when we came to 2015–16—the same figure. Can we get that as at today? It is not looking at the 120. It is just asking how many police officers we had in 2011–12? It does not matter where they were funded, but can you tell me where we fund them?

Madam CHAIR: Hang on a moment. We have a question that will be answered here, and straight after that I will come to that and you can repeat that question and you can put it on notice.

Ms MANISON: We will put it on notice and get that info for you.

Madam CHAIR: If you just want to finish the question from before, commissioner?

Commissioner KERSHAW: Could I also clarify that you would need to include the Metropolitan Patrol Group in that.

Mr HIGGINS: Is that funded externally?

Commissioner KERSHAW: Yes.

Mr PAECH: Hold on a second. I just want to get an answer to my question. I know you are pretty keen, but I am as well.

Madam CHAIR: And it is his first question for today so let him have his question, finish it and then I will come straight back to that one.

Commissioner KERSHAW: We know that demand is increasing in our remote areas and remote communities. Part of a modern police force is looking at that demand for services and also how do we distribute or allocate those finite resources. We have developed a 10-year plan around infrastructure and where we think the stations should be built. We still have around 10—I will have to get the exact figure—temporary stations. We have been flying in and flying out from those communities since 2007, which you would agree is not the ideal situation. I think our officers are putting up with pretty difficult situations where they have to live in sea containers and transportables. That is the hangover from the intervention.

On top of that we have also identified that—and we have listened to the communities and I have spoken to all the elders and leaders in these communities—they want to get back to understanding who the local police are. Rather than have a six-week, eight-week or 12-week model which we often have—or often two or four weeks—we are looking at this Territory relief pool for 12 months—we have advertised those up to 60 positions, 30 in Alice, 30 in the north—to look at actually having a permanent remote relief pool for those officers. Part of that strategy is to attract officers to remote. What we have learned, and what I have learned,

about our officers is that often they need to try before they buy, so to speak. It gets them out to the bush. Most people who go out bush really enjoy it and often want to stay there.

The hardest thing in today's environment is addressing officer's family concerns, which are education, health and other issues. If we can get them to look at some of these communities, to go in there and police them, hopefully we will attract more officers.

I am also in discussions this week with the Police Association about remote incentives and how we do not disadvantage our permanent members. If you go back in time—the Territory, per police officer—we are the lowest in Australia for the actual number of stations we have. This goes back to the original number of police we had pre-intervention, which was about 38. You can see that we are pretty much distributed along a massive land mass with incredible challenges.

On top of that, demand in some of those communities does not necessarily justify police in the modern area. However, the community still wants police there. That is something we will have to work and grapple with as well.

Mr PAECH: If I can just ask a supplementary question, commissioner and minister—is it the view of the agency to hold on to the intervention stations, although they may not be manned, in the position that there may very well be police resources in that community in the future?

Commissioner KERSAW: I think we are a bit limited because the Commonwealth is still paying for that service—2022 is the date. It is still paying for that service and will deliver that service. If anything, we are probably looking at even a permanent station becoming more of an overnight facility. I will not name it yet, as that is in our planning, and that is based on demand and whether or not we can better allocate our resources. We are actually looking at having a flexible model.

Mr PAECH: Of those communities that do not have a permanent police presence but there is a police station or compound, is it the desire of the agency to hold onto that in the likelihood that there may need to be a permanent police presence there?

Commissioner KERSAW: I think we at least have to hold on until 2022, because are delivering services for the Commonwealth in those communities. Some we do want to look at making them permanent positions, but it has to be incremental because, as you know, permanent police stations are very expensive.

Ms MANISON: These are the issues that we are working through—getting funding certainty from the Commonwealth. Are they going to stick around and continue to fund some of these resources or are they going to just leave in 2022? We are looking at how we meet community expectation of policing services. If there is no full-time presence of police, then we need to make sure we have an agreed upon service level agreement with that community so their expectations are met and managed and so they know what to expect from policing services.

These are some of the issues that we are dealing with. The one thing I have learned to appreciate very quickly in this job is that once a community has the presence of a police officer, particularly if you are in a really remote location, they like having it. That is understandable because you know when something goes wrong, who do you look to for help? A police officer. We all trust them and know that they do a good job. It is a perfectly reasonable expectation.

We are looking at how to ensure better service provision to people in the bush whilst balancing the complexities of the fact that some communities have a higher demand profile than others, but also trying to understand what the Commonwealth will be doing post 2021–22.

Question on Notice No 2.11

Madam CHAIR: The Leader of the Opposition poses a question on notice that relates to a previous question posed in relation to police numbers. Could you please restate the question for the record, Leader of the Opposition.

Mr HIGGINS: Can I get the FTE figures from the 2011–12 period, which I have already been told is 1370, but could I get a breakdown of which ones and how many are funded by the NT, and who funds the balance of those?

Can I then get one for 2015–16, which was when you came into power—I think I was told 1412—and get the same breakdown? I know some of that changed in that period. Can I get the latest figures that we have, giving us our current FTE—how many of those are funded by the NT and how many are funded by other sources? Can I also have when some of those agreements may run out?

Madam CHAIR: Deputy Chief Minister, do you accept the question?

Ms MANISON: Yes. As you could appreciate, particularly listening to my last response about some of those funding agreements and what the commissioner said prior—yes.

Mr HIGGINS: Can we get all that on one page?

Madam CHAIR: The question asked by the Leader of the Opposition of the Deputy Chief Minister has been allocated the number 2.11.

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

Mrs LAMBLEY: Have you got the FTE number at the moment, without that breakdown? As at today or recently?

Mr KELLY: Paid police, excluding the PALIs at pay 24, which is last pay, is 1465.2.

Ms MANISON: As you said, an important point to recognise is that, in addition to that, we are getting the 75 police auxiliary liquor inspectors, so that is further resources going to police.

Mr WILLIS: That is the PALIs we mentioned.

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

Agency-Related Whole-of-Government Questions on Budget and Fiscal Strategy

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2019–20 as they relate to the Northern Territory Police, Fire and Emergency Services. Are there any agency-related whole-of-government questions on the budget and fiscal strategy?

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

OUTPUT GROUP 9.0 – COMMUNITY SAFETY AND CRIME PREVENTION **Output 9.1 – Community Safety and Crime Prevention**

Madam CHAIR: We will now move into consideration of Output Group 9.0, Community Safety and Crime Prevention, Output 9.1, Community Safety and Crime Prevention. I note that while the Minister for Territory Families has overall responsibility for youth justice, under the *Youth Justice Act 2005*, the Minister for Police, Fire and Emergency Services is responsible for Part 3 of the act related to the diversion of youth. Are there any questions?

Mr HIGGINS: My question is—and I note we have just had the recruit squad of 135 graduating—how many constables have we got in the Territory as at today?

Ms MANISON: I will hand it over to our Chief Financial Officer or the commissioner.

Commissioner KERSHAW: Can we just clarify if you are talking about senior constable first class?

Mr HIGGINS: No, bottom ranking, so first class.

Mr KELLY: I only have a total for constables at pay 24 which is 838.

Mr HIGGINS: Can we put on notice a question to break that down into those different ones?

Question on Notice No 2.12

Madam CHAIR: Leader of the Opposition, please restate the question for the record.

Mr HIGGINS: Could I get a breakdown of how many constables we currently have as of the last pay, broken into the different rankings?

Madam CHAIR: Deputy Chief Minister, do you accept the question?

Ms MANISON: Yes, Madam Chair.

Madam CHAIR: The question asked by the Leader of the Opposition of the Deputy Chief Minister has been allocated the number 2.12.

Madam CHAIR: Are there any further questions?

Mr HIGGINS: Do we have any plans for the next re-squad to actually commence—do we have any plans or dates for that?

Ms MANISON: I will hand over to the commissioner, but we have two recruit squads that are about to get under way. In addition to that, it is just not the constable recruit squads. We have the PALIs going through at the moment. I will hand over to the commissioner to talk about plans at the college—they are extremely busy, to say the least, as they always are. They do an outstanding job at the college.

Commissioner KERSHAW: Again, we have to use some metrics forward planning, which is trying to predict the future, which as you can understand is quite difficult at times with attrition, matched with what number—we have to hit 1494. We have squads 136 and 137 planned for 14 October 2019. They are two squads of 30 each of constables.

Mr HIGGINS: Are you doing them together?

Commissioner KERSHAW: Yes.

Mr HIGGINS: Will they both be done in Darwin?

Commissioner KERSHAW: Yes and both will be graduating on the 22 May 2020, and you are invited to that. Squad 138 will start shortly after that on 25 May—the college will not get any sleep at all—in 2020 and that will graduate in the middle of December of 2020.

Aboriginal community police officers start on 13 August. We had one squad graduate and have one later this year at 15 December, and graduating 22 May as well. That will be a big graduation of 72 officers, probably one of our biggest in a long time.

We have just had a PALI squad graduate and we have another graduating on 23 August of this year. They started 27 May and that is a squad of 15. We then have two additional squads planned this year based on our attrition. They are our auxiliaries, not PALIs, but that may switch around depending on what discipline we need.

Mr MANISON: One thing that I have always strongly encouraged has been—for those who go through the auxiliary, PALI, ALO or ACPO ranks to become a fully sworn constable—to take that journey and encourage it. What has been so brilliant about many of our PALI recruits is that they have been very open in expressing the fact that their goal is to progress themselves through the police force.

The great thing about it is that we have seen them go through the PALI training, have seen them on the job, and have seen how they work with other police officers and on the front line. It is showing us that we have a lot of great potential there in people who will eventually transition through the ranks and enter in.

Mr HIGGINS: Do we have a higher percentage of Territorians—I use that word, but how do you define a Territorian—applying for those PALI and auxiliary-type ones in comparison to people applying for the fully fledge police course?

Commissioner KERSHAW: I will have to get back to you on that. That would probably be close to the mark. We tend to have a lot of locals who apply for auxiliary and PALIs; however, we have been very successful in getting local Aboriginal community police officers and Aboriginal liaison officers in our most recent rounds. Our constable squads tend to be some from interstate and some from the Territory.

We would have to get back to you on that one. Overwhelmingly our PALIs and auxiliaries tend to come from the Territory.

Ms MANISON: You have a conversation with a lot of locals at the graduations.

Mr HIGGINS: I will not put that question on notice, but I would like to have a look at some of those figures. With the constable courses that we are doing, and getting people from interstate, have we done any analysis on the retention of those we get from interstate? We do get police who have experience interstate; they come up here and do a slightly different thing. Excluding those 'fresh' people, do we have any idea on that retention rate?

Commissioner KERSHAW: We do not. However, there are a lot of officers who have done 30 years and are not from the Territory, but they will never tell you they are not from the Territory.

Mr HIGGINS: That is what I mean. You have a loose expression of Territorian. I think if you have three generations of your family here, you are a Territorian.

Ms MANISON: If you love the Territory, you are a Territorian.

Commissioner KERSHAW: We have not exactly found that to be an issue for us in the modern era. Perhaps what we did early on—we have a different approach to recruiting—was go more regional and go for people who want to live and work in the bush. That is a deliberate strategy of ours.

Mr HIGGINS: Do you find these people from interstate are honest about whether they want to work out bush? Do we ask them? I presume we do, but have you actually asked if they have been out to a community?

Commissioner KERSHAW: I think the fact they all go outside of Darwin—we targeted New Zealanders as well, and we have retained the majority of our New Zealanders. I think with the Tasmanians—and some of them are existing police—some of them are still here. A few of them went back.

There is nothing standing out to us on that. However, I would say that our preference would be more locals. We have done a lot of marketing to locals as well.

Ms MANISON: I will say, in meeting police officers on the front line and out bush you meet all types from all walks of life—locals, interstaters, New Zealanders. As the Member for Araluen would know we seem to have a few strong presence of them in Central Australia and out on the bush stations.

There seems to be no perfect formula of who ends up out there. The most important thing is that we want people who genuinely want to spend time out bush to sign up for the police, because we think that will strengthen community policing in remote communities.

Mr HIGGINS: When we look at interstate—some of the feedback I get occasionally, and I add that word 'occasionally', is that bringing police from interstate does impact on the morale. Have you found that? Do we look at that at all?

Commissioner KERSHAW: You are getting right in to police culture here. We are very careful with the police officers we bring in. We have not had an accelerated recruit squad for quite a while. That has been deliberate as well. I have listened to our front end. I think it is important that when you come from interstate you do not import your previous police force's culture.

That is what our members sometimes get a bit annoyed about. You are part of the NT Police, you cannot carry that other badge any more.

It takes a bit of time for those police officers to adapt. A lot of them are well skilled and want to be in the Territory and do a good job.

Mr HIGGINS: Do you think we should go back to our previous uniform? You do not have to answer that.

Madam CHAIR: Is that a question?

Mr HIGGINS: I said you do not have to answer that one. It did separate the police in the past, so I will let the minister decide whether she wants to answer that one.

Madam CHAIR: Leader of the Opposition, do you want to ask the question? Or you are not asking the question?

Mr HIGGINS: I will ask the question. Will that differentiate us?

Mr HIGGINS: My priority is making sure it is about services on the front line, not the uniform.

Madam CHAIR: Are there any further questions on Output 9.1?

Mr HIGGINS: How many police have we lost, who have separated from us—that is, active or sworn police officers? Can that be broken down into retirement, resignation and termination in the last year? Do we have those figures?

Commissioner KERSHAW: We will have to take that one on notice.

Question on Notice No 2.13

Madam CHAIR: Leader of the Opposition, can you please restate the question for the record.

Mr HIGGINS: How many members of the police force have separated either through retirement, resignation or termination in the last year? What percentage turnover is that?

Madam CHAIR: Deputy Chief Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Leader of the Opposition of the Deputy Chief Minister has been allocated the number 2.13.

Madam CHAIR: Are there further questions on Output 9.1?

Mr HIGGINS: The new Palmerston police station is set to be commissioned mid-this year. That is a great outcome. How many police are we going to need to staff that? Will they come from within the staffing we have at the moment, or are we going to get new staff for that?

Ms MANISON: I will get the Police Commissioner to go into the details. I have not had a recent inspection of the facility, but the feedback from the officers who have gone to see it is that they are absolutely thrilled. We are going to have, if not the best, one of the very best police stations in Australia, here in Palmerston. It will be a wonderful, dynamic, modern station.

What is important are two other elements that are coming in, aside from the fact that our police do not work in a custom-built station at the moment in Palmerston They deserve a proper police station, which is why we have built it for them.

To have the watch house capacity is important, because it means more officers on the road in Palmerston and the rural area as opposed to transporting people in and out of the watch house in Darwin. It will also have a community hall, which will be a great resource for locals to engage with the police and police to engage with locals and so forth—important community infrastructure that people always need.

I will let the commissioner go in to the progress of this and the commissioning of it.

Commissioner KERSHAW: We will use a combination—the existing Palmerston division will remain in place. More than likely it will be a part of our road policing area, which is our new area. We are coalescing

the Territory relief pool and the traffic area in Palmerston. It may be that some staff, depending on our model for the watch house from Darwin, may be redeployed. We are planning all that now.

Given the fact Palmerston is probably the most state-of-the-art station I have seen in this country, we are very lucky to have the design. A lot of input was made by a sergeant, which was great and very practical with the workflow—but also the safety of the people we take into custody and how we interact with the public. We are really looking forward to it and think it will make a big difference to Palmerston.

Mr HIGGINS: Is that to say that there are no additional police that we will need to recruit? So, an increase in numbers to man that police station—it will be done by moving people around, or it will be occupied by transport, I think you said.

Commissioner KERSHAW: Yes. We have to use our existing resources, so that is what we will do. We want a greater presence in that area, particularly in road policing. There are a lot of rural crashes there, with people losing their lives. It is a growth area, so we are planning for that.

Mr HIGGINS: Will that watch house facility be fully manned 24/7?

Commissioner KERSHAW: Yes, it will.

Mr HIGGINS: Okay, that is why there is redeployment from Darwin?

Commissioner KERSHAW: Yes, we are working out the logistics because as a watch house it is the one we prefer to use the majority of the time, given the fact it is designed specifically for the 21st century.

Mr HIGGINS: How will we go with the Nightcliff one? Will that be done from the same resource, or do we think it may need additional staffing?

Commissioner KERSHAW: That is slightly different because it will not have the full facilities at Palmerston. It is a 24/7 front counter, so it is a different staffing template. We will more than likely be using auxiliaries for that.

Mr HIGGINS: One of the things I come across often is that we have senior constables acting as sergeants. I try to compare this a bit to school principals. I have found in the past that if you wanted to be a principal you actually applied to be certified or accredited as a school principal but you did not necessarily get the job—you did not get paid until you actually got a job as a principal.

Some of the people who have applied to do their sergeant's course—the impression I get is that they get paid as a sergeant but do not have a sergeant's position. If a sergeant is then away, it is not incumbent upon that sergeant to act in that position, therefore you end up with senior constables acting in that position. Can you explain how that works? I may have it wrong, but I want to get some picture on that.

Commissioner KERSHAW: You do have it right. That is something we have looked at. We had our own return to budget strategy which we started in 2017, about reshaping our workforce. People are getting a pay rise to be qualified to sergeant where there is no position. We have just grown in that rank of senior constable first class.

We looked around the country just to check if we were out of sync, and it appears that we probably are. We need a certain number of positions, and that is how you get that pay rise.

Mr HIGGINS: Have we looked at doing what they do with principals, that is, you apply but do not get paid until you get the position? Is that something that would become part of the EBA in the future?

Commissioner KERSHAW: That is a matter before the Police Arbitral Tribunal, so I have to be mindful of how I respond to that. But we are looking at that particular decision coming out and whether or not that affects our strategy. However, what we will be looking at is fixing that number of positions and that you would not get the pay rise until you actually got a position.

Mr HIGGINS: Okay. So is that part of the logic behind not doing some of these exams? There has been criticism about that. Effectively—yes.

Commissioner KERSHAW: Two reasons—one is that I personally went out and saw those exams once they had been completed and saw that 0% passed. That concerned me, the fact that they were not fit for

purpose for the 21st century and modern policing. The second being that it was linked to a pay rise where there was no position vacant.

Ms MANISON: I have to say as well, Leader of the Opposition, that as part of the rounds when I have gone out and spoken to officers on the front line, that was a point that was regularly expressed as a point of frustration to me too. We have some fantastic police that are out there on the job. They have shown practically that they can do the job and are capable of doing some complex policing work. They are great with people and have shown integrity and integrity you want to see in a good police officer on the front line. And yet they are unable to move up through the ranks because they cannot get through the examination.

It is something that we have asked police—that we have had further conversations with police about it and how we make sure we have the right sort of promotional programs and pathway in place, so there is strong recognition for those with proven track records of capability and integrity in doing the job very well, to ensure that we are doing the right structures going forward.

It was very alarming to me to hear that there were such low pass rates, which makes you go, ‘We have magnificent police out there, what is wrong with our examination process?’

Mr HIGGINS: I agree—do not presume that the ones with the principals still apply, I am going back a few years, that would have to be checked.

The root-and-branch review suggested getting rid of the senior constable first class over time. How long do you think that will take?

Commissioner KERSAW: Again, it is predicting the future. At last count there were 176 senior constable first class. If you did it by attrition, you would probably be looking at around 5%—it could be 10 to 15 years.

Mr HIGGINS: If we are using just straight attrition. How much police resource was provided to support the Arafura Games and what was the cost of that? Can we get a breakdown of overtime, what stations were impacted et cetera? I just want to get a feel for the workload that an event like that actually creates for us.

Ms MANISON: Those major events can be quite complex. They did another fantastic job working with other police agencies as well. It is a good training operation, I suppose, as well in many ways, to explain some officers to some different types of situation. Police did a very good job in planning and the delivery of those services for the Arafura Games.

Commissioner KERSAW: These are our estimates, which are fairly accurate: 160 NT Police, Fire and Emergency Services for Operation Whitewater, for a total of about 5500 rostered hours, and \$143 000 was spent on that event, noting that we also got free resources from New South Wales Police and Queensland Police, who sent specialist officers up. I believe they were free, which is was very good and we were very appreciative.

Mr HIGGINS: What was the \$143 000 for?

Commissioner KERSAW: That would have been for overtime.

Mr WILLIS: That was overtime. There was just their ordinary salary, so that is just overtime.

Mr HIGGINS: So, there were 160 officers that had 5500 hours of work, and then there was \$143 000 just paid in overtime.

Commissioner KERSAW: Yes, that is correct.

Mr HIGGINS: Would you rate that as a large event or small event? How does it compare BASSINTEGRASS, or something a lot less?

Commissioner KERSHAW: From a risk base, it was beyond that because one of the things we underestimated in our planning—and we take it on board because it was the first one in a while in today’s threat environment, and the country’s threat levels. We took advice from Queensland and New South Wales and they felt we were a little bit undercooked.

They helped us with more planning and we used the G20 and the Commonwealth Games planners to assist us. The number of dignitaries and foreign nationals raised the threat level, meaning our security posture had to meet that threat level.

Madam CHAIR: Are there any further questions on Output 9.1?

Mr WOOD: In relation to the number of police stations—the question from the Member for Namatjira—how many police stations are unmanned? I refer to Alpururulam, at Lake Nash. Is that manned or not?

Commissioner KERSHAW: It is a temporary station, so it is serviced by police on rotation.

Mr WOOD: Was it meant to be a permanent police station?

Commissioner KERSHAW: It is one of the locations we are looking at.

Mr WOOD: We have to look at outcomes, because that is part of what the Langoulant report said, but Strike Force Trident is said to deliver on strengthening the Northern Territory community against youth offending and volume property crime. What figures can you supply to show whether the strike force is succeeding in reducing youth offending and volume property crime?

Ms MANISON: There has been a significant body of work across the Northern Territory. Strike Force Trident worked hard in a complex space. Generally, the feedback I receive from a local member level, when somebody engages with Strike Force Trident, is that it is very engaging. It does strong follow-up and works hard.

We have Strike Force Winx in Alice Springs. Tennant Creek, Katherine and Alice Springs have also seen further operations targeting property crime and young offending. I will let the commissioner talk about that work in further detail.

Commissioner KERSHAW: That team is extremely professional and hard working. They do not stop; they work almost 24/7.

Mr WOOD: I know they have a good reputation.

Commissioner KERSHAW: If you go off my latest statistics, which are not the official published ones yet, property crime in Darwin is down 2.7%; in Casuarina it is down 8.2%; and in Palmerston it is down 14%. The majority of that would be Trident's efforts. For example from 1 July 2018 to 31 March 2019, they arrested 418 youths, laid 1655 charges, referred 98 for diversion, and recovered 388 stolen vehicles. That speaks for itself.

Mr WOOD: I would like to get that number down, of course. I might get into that later. Why was registration of firearms taken away from Humpty Doo Police Station? It was convenient, but was there a reason it could not be done there anymore?

Commissioner KERSHAW: I would have to get back to you. I know our preference was to centralise it into the front counter at PMC. I would have to talk to our firearms section. One of the things we are trying is to work with industry and move to the online environment. It is the ultimate aim. Our process at the moment is manual, between the dealers and police. It is something we are working on.

Mr WOOD: I cannot take my gun in online. Minister, how many CCTV cameras is the department responsible for, and are they monitored 24 hours? What is the cost of that monitoring and how many mobile CCTV cameras do we have?

Ms MANISON: I will ask Police to answer that question, but we have had a strong focus on CCTV. We have done it in a few different ways. The first has been to increase our fixed CCTV locations with a rolling program of investment. The second, as part of some of those alcohol reforms, is 10 additional units of mobile CCTV brought in and deployed across the Territory.

You would have also seen recently that we are working with the Commonwealth Government and City of Darwin on investment in the CBD with a huge roll-out of CCTV and better lighting to make it a safer city.

Mr WOOD: Who monitors the Darwin City Council ones?

Ms MANISON: I will get the commissioner to go into some of the details around the monitoring. It is fair to say that we have more CCTV rolling out every day and it is a very common request we get when there are troubles or issues, that people do want CCTV. I get more people asking for it than people complaining about it; that is for sure.

Commissioner KERSHAW: NT Police own 276, but of those we have 20 mobile CCTV units—those trailers that you have seen around. In addition to that, there are another 222 that we monitor, taking that total to 498. Then there are another 27 planned for 2018–19 for the Palmerston area, another 32 for Alice Springs and another 28 for Katherine.

Mr WOOD: Are they monitored 24 hours, or are some monitored and others are just recordings and you go back to them when you need to?

Commissioner KERSHAW: Our own are monitored 24/7 and some of those other ones would be monitored specifically if there was an operation or something in that area—say the Waterfront or Arafura Games, we probably would have tapped into those and used those when we need them. But our own network we monitor 24/7.

Ms MANISON: When you go into the different police stations now, they have the CCTV up there. You will find it there in Alice Springs and Tennant Creek in their muster rooms. You see it in Wadeye where they can keep a close eye on what is going on in town on their main cameras as well. They are fantastic resources to have and they can talk to people through them, too.

Mr WOOD: Any at Humpty Doo?

Commissioner KERSHAW: I would have to check on that. I do not believe so. There may be from other departments.

Ms MANISON: Generally the roll-out of locations is advised by the intelligence that police gather when they look at their statistics and the interactions that they have, and where they think they are going to have the biggest impact.

Madam CHAIR: Do you have a raft of other questions? The Member for Nhulunbuy has a question. We might be scheduling in a very quick break. Is this a supplementary question based on the previous one?

Mr WOOD: No.

Madam CHAIR: I will come back to you, you will not lose your place. I will just give the Member for Nhulunbuy an opportunity to ask his question.

Mr HIGGINS: I have one on CCTV; that is all.

Mrs LAMBLEY: I have some, too.

Madam CHAIR: I might just let the Member for Nhulunbuy ask his question.

Mr GUYULA: Thank you, Madam Chair, commissioner and the police department. What cross-cultural programs are in place for police officers working in remote communities? Right now I would like to see elders in communities briefing police about country and working as paid advisers.

Into the future, I would like to see a transition for Yolngu law and order to take over the role of policing on country. I would like to see us working side by side, sharing our law knowledge so we have an understanding of both cultures. Those are my thoughts on what would be beneficial. Could you advise what the current and future practice for cross-cultural training is?

Ms MANISON: Thank you, Member for Nhulunbuy. It is very important that our police officers are culturally aware and respectful and they definitely are. It is a very important part of training, particularly here in the Northern Territory given our populations.

One thing I cannot stress enough is the strong feedback I have received from officers with their support for Aboriginal liaison officers and Aboriginal community police officers. We were out at Lake Evella the other day, where we have a fantastic local Aboriginal liaison officer who does an outstanding job. It is the local knowledge on the ground that they can feed through to police with regard to language, culture and family

connections. They make a huge impact and I would like to see more of them on the front line throughout our bush communities because they are the most valuable people we have out there working with police. I will let the commissioner go into a bit more detail on that work.

Mr GUYULA: Police aides and community police officers, Aboriginal community officers—what I have been trying to point out is that they are recognising of Yolngu law and order, working with police from a cultural point of view.

Commissioner KERSHAW: Last year we created the Aboriginal and Torres Strait Islander Development Unit, which is led by Aboriginal police officers. I personally spoke with every Aboriginal officer across the Territory about some of the challenges and cross-cultural issues, and how they are able to bridge the two worlds for us.

They are developing a mentor and mentee program for all police officers. In addition, our Aboriginal liaison officers—we cannot ask the community enough to apply to become an Aboriginal liaison officer; they are worth their weight in gold. They do active training on cultural differences and respecting Yolngu law. There have been some issues that you have raised with me previously, and we are very respectful on that front.

Part of the challenge for us is communication and understanding at a deeper level what is happening in those communities. In addition, all our officers are undergoing what we call unconscious bias training, which we hired the Anti-Discrimination Commissioner to help us out with. We recognise that we as human beings have an unconscious bias, and when you are not aware of it you need to be aware of it. That comes into decision-making.

We have always been respectful of Yolngu traditions and culture, and we hope to strengthen that.

Mr GUYULA: That is not just in Yolngu country in Arnhem Land, it is in remote communities down the Centre and wherever possible. Thank you.

Madam CHAIR: We will take a five-minute break and come back to that line of questioning.

The committee suspended.

Madam CHAIR: We will recommence on Output 9.1. The Member for Nelson wanted to continue questioning about CCTV.

Mr WOOD: They will come back to CCTV. Do not let the Leader of the Opposition ...

Mr HIGGINS: I only wanted one question on CCTV.

Madam CHAIR: Are you happy to let the Leader of the Opposition ask a question?

Mr WOOD: One.

Mr HIGGINS: My question is about the CCTVs; you stuck about 20 mobile ones out. Who makes the decision on where they get deployed? Is it locally, centrally or can people request them?

Commissioner KERSHAW: All the above.

Mr HIGGINS: How do you make those decisions?

Commissioner KERSHAW: The operational commanders can step in and say that they need one at this area for this reason, and vice versa. The CCTV unit might say they need one from this area. It can be from any part of the operational arm of the police force.

Mr HIGGINS: That is all I wanted to know.

Ms MANISON: It is fair to say as local members that from time to time we get information that we feed through, or we receive strong community feedback that you put in a request to the police. I have seen when members have asked for the resource to be deployed to assist in a community. Often police will take it into

consideration because it is important that all members of the community feed in intelligence to the police. This will let them know what is going on so it can assist them in doing their job and preventing crime.

Mr HIGGINS: How far away from a police station would it have to be? Could you say that we want out—it is all satellite, so you could send it out to Dundee or wherever we wanted to?

Commissioner KERSHAW: As long as we get a signal out there. I think we need 4G or Wi-Fi capability but it is 3G or 4G.

Madam CHAIR: That is your one question. We are going to go to the Member for Nelson.

Mr WOOD: How much does the mounted police unit cost to run? Is it only stationed in Darwin or is it stationed elsewhere in the Northern Territory?

Mr PAECH: Alice Springs.

Commissioner KERSHAW: Thank you. The Member for Namatjira is on the record for us.

Mr PAECH: They were at Finke on the weekend.

Commissioner KERSHAW: They are deployed both in Alice Springs and in Darwin. I would have to get back to you with the cost. They do a number of a patrols, community safety engagement and so on.

Question on Notice No 2.14

Madam CHAIR: I presume that is a question on notice. Member for Nelson could you please restate the question?

Mr WOOD: Minister, could you tell us how much the mounted police unit costs to run?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Member for Nelson of the minister has been allocated the number 2.14.

Madam CHAIR: Are there any further questions on that output, Member for Nelson?

Mr WOOD: Minister, this section relates to the water police and the Riley report. Minister, do you support the Riley report which suggests that skippers or a person in charge of a boat should have restrictions on their blood alcohol content?

Ms MANISON: That is a question that best goes to the minister who is responsible for alcohol reform and implementation of the Riley report, which is the Minister for Health. It is a huge package of reform that we are going about implementing. In the early days with my former DIPL hat on, I sat down with that minister and AFANT and had discussions.

They had some great concerns about practical implementation and how to do it to get a result. That is a question I think best placed with the health minister. It is fair to say that, by far, the majority of boaties who go out for a fish do it responsibly. They want to come back and return to their families safely.

There are a few idiots out there who do the wrong thing. We have the capacity—as if they are going to enter into a vehicle and drive their cars if they are intoxicated—for police to deal with them. But it is fair to say the majority of people do the right thing.

Mr WOOD: Is it an offence to be in charge of a boat that is being used for commercial uses, such as a fishing charter? You might have three people in a fishing charter and a skipper—are they allowed to drink? If not, who polices that?

Ms MANISON: I am not across that detail.

Commissioner KERSHAW: There are different rules for charter vessels and commercial fishers, so there is different legislation for those individuals.

Mr WOOD: Are they allowed to drink when they are in charge of a commercial vessel?

Commissioner KERSHAW: I would have to get back to you on whether they can drink or are totally not able to, and what the limit is. It also affects your insurance and ability to operate your licence.

Mr WOOD: I am sure we will debate that elsewhere.

How many dogs are trained for the dog operations unit? How much does it cost to run? Do you know the names of the dogs? Is the unit being expanded? The middle bit you can leave out.

Ms MANISON: The dog handlers do some fantastic work and are passionate about their job. There is significant training for them to undergo in developing these dogs to be job-ready. There is generally a retirement age when they finish their duty.

It is magnificent that we have them because they are the sort of animals that are a good tool for police to use ...

Mr WOOD: Retired to a good home, I hope.

Ms MANISON: ... to de-escalate situations. The thought of having some of those dogs, particularly of the German shepherd nature ...

Mr PAECH: Are they only German shepherds?

Ms MANISON: No, we have Labradors as well.

Mr PAECH: Are they the only two authorised breeds?

Ms MANISON: I will let the commissioner go into that.

Madam CHAIR: We are digressing.

Ms MANISON: They are important resources to finding illegal substances and stopping them getting across the NT community. If there are times of significant unrest or threats in communities, dogs can quickly de-escalate the situation. I will hand over to the commissioner to talk more about that.

Commissioner KERSHAW: I thank our deputy commissioner from New Zealand, Mr Nicholls, in that he has helped build capability there. We did a review a couple of years back and highlighted that the capability needed to be refreshed. It came back to the dog breeding program. The quality of dog is critical. Our preference is German shepherd and Labrador.

We have actually hired some of the best instructors, and New Zealand is recognised worldwide as being excellent dog trainers. They have come to the Territory and requested one of our trainers, who they believe is one of the best in Australia, if not Australia and New Zealand, to deliver training for New Zealand. We are in partnership with New Zealand on this, so we get the dogs quite cheaply compared to what we were previously paying. We get a better result—even last night, I was briefed this morning, one of our dogs successfully tracked a person we were after and we got that individual.

They are very good and very capable. They can source drugs, ammunition, tracking, blood, a knife at a crime scene and so on.

Mr WOOD: Do they move across the Territory? Obviously you are trying to stop drugs getting into certain communities. Can they sniff cava and alcohol?

Commissioner KERSHAW: We are not at alcohol yet, but definitely cava. I saw a demonstration the other day where there was a bullet left on an oval, and the dog found the bullet. That is a new capability for us. If we need more specialist capability, there are dogs around the country we can use if it is a specific task. They are very good at sniffing out and detecting a number of substances.

Mr WOOD: I will not put the names on notice.

Mrs LAMBLEY: Can I ask a question about dogs? There is a facility out the back of Alice Springs near the velodrome. Do you still use that for training and keeping dogs? I was asked this some time ago and I have never had the opportunity to ask.

Commissioner KERSHAW: Yes, we do. Again, we are building up our capability down there in Alice because they are so effective. We have general purpose dogs that we use as well as our tracking and sniffing dogs.

Mrs LAMBLEY: You use that regularly?

Commissioner KERSHAW: We do but we have to build up our staffing template down there. That is something we are doing now.

Mr WOOD: The next question is on the police auxiliaries. I was going to do it on the total numbers of police but it has gotten so confusing. In relation to police auxiliaries, I differ about them being liquor inspectors, but the numbers I have here from 2014 from the annual report to 2017 go from 180 to 125. How many was it, 72 or 92?

Ms MANISON: Seventy-five.

Mr WOOD: Why am I not seeing an increase of 75 in those figures? Is 2017–18 too early for those figures to occur or are they shown somewhere else?

Commissioner KERSHAW: The current police auxiliary number that I have as at 20 March is 168, but that is FTE, not head count. Head count is 175. Affordable FTEs is 196, which is what we are recruiting. Aboriginal community police officers are 75, police recruits are 17, police constable and above is 1212.23.

Mr WOOD: I can see why you need a statistician to work out police numbers. Under offences by the person, by far the biggest numbers are assaults. Last year, this was a total of 7985, an increase of 13.5%. We now have the BDR and other restrictions on alcohol, but do you have any other reasons why there has been such a large increase? Does it still have anything to do with alcohol?

Ms MANISON: Sorry, you were saying that assaults have gone up?

Mr WOOD: Under offences against the person, which is one of your statistics in the annual report, you said there was a total of 7985, an increase of 13.5%.

Ms MANISON: I will hand over to the commissioner on this one but where we have had a huge impact across the board—in fact we are seeing some of the lowest assault levels over the last five years—has been that area. We have had some huge impacts, particularly in Alice Springs and Tennant Creek. We are hearing some very positive news out of Katherine. We are also seeing positive results across Darwin and Palmerston about assaults. We are attributing those to the changes in alcohol policy, but also to the police auxiliary liquor inspectors.

We have seen some very big reductions in presentations to the emergency department in Alice Springs that are alcohol related. Since the greater alcohol restrictions in Tennant Creek we have seen some stronger results when it comes to a reduction in alcohol-related assaults and emergency department presentations.

I will hand over to the commissioner there. We have been very strongly focused on that area of making sure that we target the harm that alcohol causes in our community and been implementing the policy settings around it. It is a very big body of work, but it is the biggest problem in the Northern Territory.

Commissioner KERSHAW: I do not know what previous figures you have and these are from the Attorney-General's stats is that we are at the lowest we have been in five years, for the year ending March 2019 when you compare the previous year. I have 7737 total offences against the person, last year it was 8759.

Mr WOOD: I will leave it at that. The figure I had when I was working it out ...

Commissioner KERSHAW: We can give you the chart.

Mr WOOD: Thank you. Just on roadworthy offences, last year were only 379. Is that because there is not as much emphasis on the roadworthiness using roadside checks or because that checks fewer roadworthy cars on the road? Once upon a time, before long weekends you would see all the traffic stopped on the Stuart Highway for a roadworthy check. You do not seem to see that as much today.

Ms MANISON: Again, I think that it has all been well publicised that last year was a particularly bad year on Territory roads. We know on average that about 45 people lose their lives on Territory roads each year, then we have people who are seriously injured on Territory roads. You are two-and-a-half more times more likely to die on a Territory road than in any other part of the country.

We have made significant inroads to reducing the road toll since the mid-1990s, but there is more work to do because it is still far too high compared to the national average. When it comes to working on road and traffic issues, this is something Police have put a particularly strong emphasis on to target that road toll, working with the other agencies that also do that, such as DIPL.

Commissioner KERSHAW: We have had a number of strategies on road policing, given the fact of what we had last year. We are down on our figures—14 compared to 21 at the same time last year. We have had an increase—did you say roadworthiness?

Mr WOOD: Yes, roadworthy offences.

Commissioner KERSHAW: We have had a number of traffic offences. That has increased slightly, by 11%, ending March. The overall total offences have increased. We have boosted our road traffic area with policing by the Territory relief pool officers doing road policing, mainly targeting the rural area. However, I would say, having been out and about to the remote communities, we know we have some work to do around roadworthiness of our vehicles. Unregistered is still an issue.

Mr WOOD: I have seen them out lately in the rural area, so I know they are out there working, which is good. That is all the questions I had for the moment. I may try to chase up that thing that I gave you to see if I was looking at the wrong thing.

Mrs LAMBLEY: I have always been a huge fan of police outside of bottle shops. I think it has been the most effective strategy we have seen—certainly in Alice Springs—aimed at reducing alcohol crime, antisocial behaviour and alcohol-related presentations at the hospital. It is a no-brainer. Between 2012 and 2017 we saw how effective that can be. In 2017 and 2018, you decided not to provide full coverage of police outside bottle shops and we saw the significant increase in alcohol-related crime and problems across our town in Alice Springs.

Now that they are back again, it is great. As you have just described, minister, we are back on track. However, one of the biggest issues people are bringing to my attention, and I have spoken to the Member for Stuart about this, is the overzealous and overenthusiastic PALIs. People feel that they are overstepping their role. They are impinging and intruding on the privacy of people who are going to supermarkets. I can give you a list of examples.

I speak to the Assistant Commissioner regularly in Alice Springs. I have told her of many examples of that sort of behaviour, where the PALIs are taking the role too far. It did not happen between 2012 and 2016, when they were working before. Now the PALIs are in, it seems like they are overstating their role.

An example is a woman standing at a bain-marie at an IGA supermarket recently, buying a chicken or a bag of chips or whatever, and a PALI went up and said, 'Who are you? Where do you come from?—asking those sorts of questions. A woman I know very well told me that before even entering the supermarket, not entering the door of the bottle shop, she was asked, 'Who are you? What do you intend to buy? Where are you from? Where do you work?' The usual spate of questions.

My question to you is, are you aware of this? Because you should be. Is there any effort to try to reign in the PALIs. They do a great job; they did a great job for that four-year period and are doing a great job now, but to be honest, they are overstepping the mark and offending people. They are doing a great job now, but to be honest I think they are overstepping the mark, offending people. There are a vast majority of responsible drinkers in Alice Springs who should not be subjected to this sort of harassment or intimidation. That is what people are telling me. I am wondering, are there any plans to bring these PALIs into line?

Ms MANISON: Member for Araluen, I have not had those types of complaints come across my desk. These are professionally trained members. They go through a thorough training process in the college and we are investing a lot into that training. We are seeing positive results.

I have not heard those stories, I am not sure about the Police Commissioner. We take any complaints with regard to police seriously, but I have not heard those stories. I have only heard about the professional job they have been doing out there.

Mrs LAMBLEY: They are doing a great job, but this is a problem and my hunch is that it is not improving in a hurry. I have been hearing these reports for probably the last two months.

Commissioner KERSHAW: I may be able to assist with a couple of things you could say to the people that are speaking to you. One is that every Territorians has a right to complain officially, and we encourage that. I think we have only had one official complaint and that was resolved. I strongly encourage you, if you could, to explain they have a right to complain to the Ombudsman or our Professional Standards Command or the local Assistant Commissioner. We have to act. We take all complaints seriously.

The other difference between those years is that our officers did not have many powers at all. We now have proper powers backed by legislation. Perhaps it is about education to help people understand. We have tried to get out as many messages as we can, but what I take from this is that we need to get that message out to say, 'You could be asked the following series of questions'.

Mrs LAMBLEY: If they are buying a chook from the supermarket that is attached to a bottle shop?

Commissioner KERSHAW: Not necessarily, but if they are purchasing alcohol. Most of our matters of complaint from the public are resolved. The transactions are recorded on CCTV. Those are things we have been able to utilise to help resolve some matters. Some people, when we replay the body-worn camera footage or CCTV footage, they see it was a bit different.

It is important that we get that feedback, because it is not coming to me officially. We are not getting any complaints through the Ombudsman or the Anti-Discrimination Commissioner. I think we had one there, as well.

Mrs LAMBLEY: I have fed a few complaints to the police service. There have been other complaints that have come to me, too. One of the most staggering, from my perspective—I received a phone call from a tradie who was in a pub at lunchtime having a beer and a counterrey. Police walked in and questioned everyone at the bar, randomly.

Commissioner KERSHAW: Yes, we are aware of that because we had Hospitality NT speak to us about that. It was probably part of our Alcohol Policing Unit. We probably needed to speak with the licensee about those sort of activities.

Mrs LAMBLEY: This complaint did not come to me from the licensee; it was from a tradie who was horrified.

Commissioner KERSHAW: Perhaps, but we have taken that on board. I suspect that would have been a while ago.

Mrs LAMBLEY: Probably about six weeks ago.

Ms MANISON: As part of the Alcohol Policing Unit, we have four officers in Alice Springs to do that work regarding licensing and secondary supply and those sly grog runners. We have eight in Darwin and four in Alice Springs to target that.

Again, I have not heard that specific complaint, but clearly the commissioner has done some work with the unit.

Mrs LAMBLEY: I will endeavour to report them to you.

Commissioner KERSHAW: Our officers are there to serve and protect the public and the community. They have done a great job in reducing social harm in Alice Springs in particular, and Tennant Creek and Katherine.

Mrs LAMBLEY: They have.

Commissioner KERSHAW: That is their intent. It is not to harass, intimidate or threaten anyone. They are not trained that way. I dare say it is about communication and we are happy to work with the community and with yourself on that.

Mrs LAMBLEY: Minister, from my perspective there is a fine line between implementing strategies that will reduce alcohol consumption, and setting up almost a police state in Alice Springs. That is how people are describing it. I know people might roll their eyes when they hear that, but that is how it is coming across to some extent. There is a fine line there, and I wonder, is this your intention, to set up police control of Alice Springs in regard to where we go and what we do—open slather of what we are asked, where we are asked, infringing on our privacy and our right to purchase alcohol and consume it as we ...

Madam CHAIR: Member for Araluen, can you state your question?

Mrs LAMBLEY: I am asking a question. That is my question.

Madam CHAIR: In the interest of time, there are other questions ...

Mrs LAMBLEY: I am asking where you are coming from, because it is an issue.

Ms MANISON: I am happy to take this question, because at times, Member for Araluen, you are all over the place on this issue. I completely back our police.

Mrs LAMBLEY: Well, I back Alice Springs.

Ms MANISON: They do a magnificent job, are highly trained and are doing a difficult job of making sure they tackle alcohol and the harm it creates when it gets into the hands of the wrong people—the misery it causes.

On one hand I hear you say you completely support them, you think they are great and it is the best move ever to have these people, and on the other hand you are saying this is creating a police state.

Mrs LAMBLEY: When they overstep the mark, minister.

Ms MANISON: I do not know where you stand. Again, you have asked these questions but I have not received these complaints across my desk. Formalise them ...

Mrs LAMBLEY: You need to get out a bit more, minister. Come to Alice Springs and spend a night in my shoes.

Ms MANISON: I have no problems with that. Police very much have an open door. When they get complaints they want to understand the issues out there. They do get investigated and looked at, and they take them very seriously and deal with it.

Police have body-worn technology as well. Our police act with utmost integrity, but it is there for reassurance when these types of issues come up. If a police officer has done something wrong or overstepped the mark, they are dealt with through their internal processes. They do a great job.

I have not had those same complaints. Police do a magnificent job in tackling alcohol-related harm through the PALIs and the Alcohol Policing Unit.

I saw a statistic that almost 17 000 litres of alcohol has been tipped out across the Territory in the last year. They are doing a wonderful job. I have not received feedback that the world has turned into a police state. I encourage you, if you are hearing that feedback and those issues are being raised, to report them through police. By all means, they will have a look at it.

Our PALIs are doing a magnificent job, as is the alcohol policing division, which includes our Social Order Unit and the Alcohol Policing Unit. Look at what they have done in the last 12 months: 16 927 litres of alcohol has been destroyed; 617 arrests for offences; 608 liquor infringements issued; and 354 banned drinking orders issued. Prosecutions commenced under the Alcohol Policing Unit across the NT since October 2018 and include five breaches of the *Liquor Act 1978*, proven and finalised; 10 other matters relating to the *Liquor Act 1978* in progress; three breaches of the *Private Security Act 1995* in progress; one matter referred to Licensing NT for action; and several persons successfully prosecuted for secondary supply under the *Liquor Act 1978*.

I cannot stress enough that we know alcohol is the biggest cause of social harm across the Territory, as well as violence and misery. We are undertaking a very big reform process. Our police are doing a magnificent job on the front line, targeting those who are doing the wrong thing with alcohol, particularly secondary supply. If you are getting feedback that people think they are overstepping the mark, we need to know. It will be looked at and treated very seriously. I have not been getting that feedback, and I applaud police for the work they are doing.

Mrs LAMBLEY: How do you reconcile the record high levels of crime through the Northern Territory, as reported in the media recently, with your alcohol policies?

Ms MANISON: We have been getting some terrific results when it comes to assaults. There is more work to do in the area of property crime. We have been running a range of operations. I was in Katherine the other week looking at the work they are doing through Operation Pelion. They have been working on Operation Tier out of Tennant Creek, and in Alice Springs they have been running Operation Marsh. This goes on top of the work that has been happening through Strike Force Winx and Trident.

We have been taking a place based and multi-agency approach.

When I say that, that is where Police will sit down with, for example, Territory Families, Education, Health and some of the other agencies that have interactions with particular individuals or families that we know are the perpetrators of crime or are involved in offending. They are working intensively to try to be more preventative with those individuals or to make sure that they are held accountable for their crime. I might handover to the commissioner to talk about some of that hard work. There is a lot of hard work happening right across the Territory.

Commissioner KERSHAW: If you go to our assault stats of those against the person, you will see that has had a significant decrease. However, there has been an increase in two areas of property crime, which are unlawful entries on homes and unlawful entries on commercial premises. I have been on public record with this, that the area we are concentrating heavily on is our youths. A lot of youths commit round about 70% of those particular offences.

We have a successful model working with Territory Families and ourselves on youth diversion, but also about detecting youths, making sure they are back on track, working with those NGOs and so on. If we can actually tackle that—we are not alone here with youth. It is across this country. I speak to the other commissioners regularly. They have the same issue with youth crime in the other states. We know that the pathway into crime—it is extremely difficult with some of these hard repeat offenders, to stop them entering an adult prison.

Our police officers are working incredibly hard to make sure youths do not enter the adult prison, but at the same time protecting the community from repeat offenders.

Mrs LAMBLEY: Over the last couple of weeks we have had a horrendous time in Alice Springs, to me knowledge. There was the terrible rape of a 39-year-old woman by a 15-year-old, allegedly. A young guy we know had his jaw smashed in; he was jumped by three youths. In my family business we have three incidents over the last couple of weeks—just kids coming in and causing amok, punching our manager. This is a nice little store.

Things just do not appear to be getting better, minister. All the gloss and the positivity around you working with the police force, I just wonder what next? What else have you got up your sleeve? It is not improving from the perspective of people in Alice Springs and people I talk too at least. I can say that with some authority.

Ms MANISON: I will say that those crimes that you just spoke about are unacceptable. People should not have to be victims of crime in that way and have to suffer those types of things. In my eyes, it is completely unacceptable; in the community's eyes it is absolutely unacceptable as well. This is why we are focused on more resources for the police to help them be able to do their jobs.

Police have been looking at operational ways in which they can work with some of these offenders, whether that is to make sure they face the consequences for their actions in terms of going through the justice system, or, in some cases, trying to work with some of these offenders prior to when they really get kick-started into a life of crime. If you walk into the police station, as I am sure you have done many times before, and go through some of those investigation divisions in that Alice Springs area, you would see that they know the people they are dealing with. We are doing more work intensively across agencies to work with those people.

We will be releasing a raft of programs through the Back on Track program that will be coming out soon, which will give the courts more options for sentencing so people face more consequences for their actions, but so we also have more diversion options in there. There is intensive work happening right across the Northern Territory.

Again, we were talking about alcohol before and a lot of this comes back to the social harm that comes out of alcohol, kids not attending school and the health problems of overcrowded housing—they are complex issues. Nonetheless, if you are victim of crime you do not want to hear that answer, you just want to know that the person is being held to account for what they have done and that it will not happen to you again. I am very conscious of that. It is my expectation that if people do the wrong thing, that they do face consequences for their actions.

Mrs LAMBLEY: I have no more questions.

Mr MILLS: My question to the minister relates to electronic monitoring devices. Are they working?

Ms MANISON: If we are referring to the police-issued ones, it has not had the results that I would like to see. There has been an internal review and a look at the monitoring devices and we found that there is room for more work to look at those devices, but there is also more opportunity to look at some of the offenders that device is used for—for example, perpetrators of domestic violence. I will pass to the commissioner to speak more about that work.

Commissioner KERSHAW: Yes, we have used them. It is important to understand, they are only for police bail, so it is only for a certain period of time until they are before the court and the court may impose their own conditions or sanctions on those individuals. There is work around the policy and legislation as far as the interpretation by the courts. I need to get back to you on a figure around EM but I know it appears that the courts have increased their use of electronic monitoring, which we know is a useful tool.

Mr MILLS: The reason I am asking—there are a couple of different paths I can take with this but I am going to focus on youth. There seems to be an increased number of youths with these electronic monitoring devices on them. It gives the community some sense, initially, that it will do something, but I am hearing from officers that they do not have access immediately to where that offending or perhaps wayward youth who is being tracked is. Is that correct?

Ms MANISON: It is also important to recognise that there is police-issued electronic monitoring and that issued by the courts as well.

Mr MILLS: Okay. I find a point then, for those not issued by police, which have already been addressed, the community would assume that the youths who are wearing electronic monitoring devices, regardless of who issues them, would be monitored. Is it true that a constable, working to serve and protect our community, does not have a line of sight on a youth with one of these devices on them?

Commissioner KERSHAW: That is correct.

Mr MILLS: Is that the same with every jurisdiction? Are there other protocols in other places where there can be a protocol in place where there can be that line of sight?

Commissioner KERSHAW: That is something we are looking at. We have raised it before. I think there are some legalities around this as well as the royal commission recommendations. From an intelligence point of view, it is something that we are looking at.

Ms MANISON: Generally electronic monitoring is there for compliance to conditions of bail or conditions in which somebody is released into the community—using it as an accountability tool.

Mr MILLS: Who is using it as an accountability tool if the police are not?

Ms MANISON: Territory Families, Corrections—the people who are working with those young people.

Mr MILLS: Commissioner, you just said we have raised this before. Where has this concern been raised?

Commissioner KERSHAW: We have raised it with those various departments at various times and it is something we are still working through. I know that technology-wise, the ideal situation is that you would

have that patched into our JESCC, but there are privacy issues with that too. There is quite a few things we have to work through before we would be able to be given access and we would need some legal advice.

Mr MILLS: So is there legal pushback—I assume you are referring to—from other agencies that would prefer police not to be able to monitor those that need to be monitored, or that the community assumes are being monitored?

Commissioner KERSHAW: I think you would agree whenever you get lawyers in the room, there are different viewpoints and we have to respect that. We have to respect the royal commission recommendations and they all have to be taken into account.

Mr MILLS: Police minister, what is your view on this? Do you think police should have a line of sight on those youths in our community who are being monitored?

Ms MANISON: I think the community has a very reasonable expectation that if somebody has been released into the community, with conditions upon that release, they are to be compliant with them and that they are appropriately monitored and held accountable to those conditions.

My expectation as police minister is that police have the ability to work with the other agencies where we are going to get the best results for the community. That is where probably what seems like a no-brainer in government can sometimes be some of the biggest challenges. That has been breaking down the silos of different departments to ensure that we work more holistically together when it comes to working with particular issues.

Whether it be working with a young offender to try and reintegrate them successfully or to try to manage their behaviour, they are areas in which Territory Families does a lot of intensive work. They manage and work with these young offenders because they are specialised people—to try to rehabilitate them and get them on to the right path. If there is a matter that steps into the police domain that is assisting police to be able to do their job I would expect that they work together.

Mr MILLS: Would I assume, therefore, that you have raised this with the Attorney-General? It is a legal matter and I guess there needs to be a law passed to make this a clean line of sight so the community can be properly protected and have the expectation delivered.

Ms MANISON: We take advice from the different agencies, but it is important to make sure that we put in place effective legislation that can work. That is the advice I would take from the agencies.

Mr MILLS: If you want to bring such legislation forward, you will have the support of the Independents here. Those monitoring devices came out with a big splash but I think the community has lost their faith in it because it does not seem clear anymore. The monitoring device does not do anything. Perhaps then, how many monitoring devices are you aware of that are monitored by other agencies or the responsibility of other agencies, not police?

Ms MANISON: Can I suggest that you put that specific question to the Attorney-General and the Minister for Justice?

Mr MILLS: Of course, we will. With your support I am sure.

Ms MANISON: I have referred all sorts of questions today to different ministers as part of it where their line of responsibility is.

Mr MILLS: Is that a question on notice? If they are not police responsibility ...

Ms MANISON: It is Police, and there are ones that come under the Attorney-General and Justice. I am not sure if it is Territory Families as well.

Mr MILLS: We might have to ask them.

Ms MANISON: Yes.

Mr MILLS: So, police would not be aware of how many there are out there.

Ms MANISON: Police-issued—I could certainly get an answer for you on that if you wanted to put that.

Mr MILLS: I will do that, but do I then infer that police are unaware of how many of the others there are?

Ms MANISON: Those agencies have responsibility for that information so you are best to ask the Attorney-General and Minister for Justice.

Mr MILLS: My gosh.

Madam CHAIR: Is this a question on notice?

Mr MILLS: Yes.

Question on Notice No 2.15

Madam CHAIR: Member for Blain, please restate your question for the record.

Mr MILLS: I would like a full breakdown on the number of electronic monitoring devices that are the responsibility of the NT Police.

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: Thank you. The question asked by the Member for Blain of the minister has been allocated the number 2.15.

Madam CHAIR: Are there any further questions for Output 9.1?

Mr HIGGINS: Yes, if I can. Last year in one of the answers you said there was 1984 apprehensions for breach of bail. My question has two parts. What is the number this year and how many of those for breach of bail were actually wearing electronic monitoring at the time, if you keep that information at all.

Commissioner KERSHAW: I do not even know where I got that figure from last year. I think we would have to take that one on notice. That would be pretty challenging with the EM, because normally it is the breach of the condition and it may not be recorded that it is as a result of the electronic monitoring bracelet.

Mr HIGGINS: My question would be whether they actually have it on. I can rephrase the question then.

Question on Notice No 2.16

Madam CHAIR: Leader of the Opposition, can you please restate the question for the record.

Mr HIGGINS: Last year in response to questions, it was noted that there were about 1984 apprehensions for breach of bail. What is the number this year and of those apprehensions for breach of bail, how many of those were on electronic monitoring at the time. If that is not recorded, how many of them had police bracelets on them?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: Thank you. The question asked by the Leader of the Opposition of the minister has been allocated the number 2.16.

Madam CHAIR: Are there any further questions on Output Group 9.1?

Mr HIGGINS: Yes, there is a simple question here. What is the current percentage of women in the police force? Last year I think you said it was around 30%. What is it now and does that include the police outside the bottle shops and the liquor inspectors? Has that had an impact in regard to the percentage? Are we getting a higher percentage of women applying to that or is it consistent with the rest of policing?

Ms MANISON: I will get the commissioner to respond to that question.

Commissioner KERSHAW: I am just getting that figure. Sorry, I did have this in my papers here. What I can say is that we are actually number one in Australia with our breakdown of female police compared to the other jurisdictions.

When they did the report on government services for 2019, the NT was the jurisdiction that had the highest proportion of sworn and unsworn female staff across Australia at 37% compared to 33.6% nationally. We also have the highest proportion of Indigenous staff compared with the other jurisdictions.

Mr HIGGINS: Is that 37% ...

Commissioner KERSHAW: That is sworn and unsworn. We are sitting at around 33%, but I have to get the exact figure for you for female sworn officers.

Mr HIGGINS: Those ones that applied for the PALIs, is that percentage sort of the same?

Commissioner KERSHAW: That shows the total number of staff. The total number of staff is higher compared to the sworn staff.

Mr HIGGINS: We mentioned secondary supply. I have a question here of how many police are involved in addressing that problem. For some reason I wrote down the number four but I think that might have been ...

Ms MANISON: That is all on the (inaudible).

Mr HIGGINS: How many people are targeting that at the moment?

Commissioner KERSHAW: We have a number of different areas. Every station targets secondary supply. Every police officer in the remote and regional communities, including here in Darwin—APU has 12 staff plus two prosecutors, or lawyers, attached to that unit. We utilise the 75 PALIs for intelligence as well because they pick up more than just asking questions as far as any intelligence on who is running grog into communities.

Mr HIGGINS: Have we seen any improvement in that?

Commissioner KERSHAW: What happens is that the market adapts to our strategy.

Mr HIGGINS: The price is going up.

Commissioner KERSHAW: People adapt to all our strategies. We are in the mode right now picking up where those prolific grog runners are and have been quite successful at arresting quite a few of those.

Mr HIGGINS: You say the market adapts. While we are getting all these improvements in crime statistics—I say crime statistics because the statistics are improving, not necessarily the outcome. Have you noticed any anecdotal evidence that that is actually moving?

The reason I ask that is I was in Adelaide River on Saturday and I was bailed up by people at the ARSS Club saying how many times they have been interfered with more recently, and that they have never had that problem before.

I then thought, 'Well, I will go to the servo', and the publican came out and gave me another earful about all the increases of crime there. From memory, he said he had an issue three times in a week. I know that you and I have spoken about this, and I have not come back to you on it, but I will be doing it. He had his night manager ring, I presume, triple zero because he could not contact the local police.

What he reported was that someone had come in, in a car that he felt was not even roadworthy. They were drunk, got fuel, and crashed over one of the signs on the way out of the fuel station. His concern was the fact

that we now had a drunk person heading down the highway. He was astounded the next morning, when he saw the local police, that they were completely unaware of it.

I pick up what Robyn is saying, that there is some of this other stuff going on. A couple of years ago, when you were not the commissioner, I wrote to the previous commissioner—I think it was him, we will blame him anyway—saying that the police numbers at Daly were not enough. The answer that came back to me was that there were no statistics that showed it when it was needed. When you went and spoke to the people there, they said, 'No, we just could not be bothered reporting it'. I know that is a complex question, so it is a bit anecdotal, but is it moving?

Ms MANISON: From my perspective, it is always frustrating when I hear people saying they do not report things because it guides ...

Mr HIGGINS: Yes look, I know. I tell them to report it—do not complain to me unless you report it.

Ms MANISON: My constituents, wherever they are—police need the data and the intelligence to help guide where the resources need to go.

Mrs LAMBLEY: But people are fearful. Quite often they do not want to put themselves in the spotlight, do they?

Ms MANISON: But it is so important, because police can only do what they know about. If nobody tells them, then they are flying blind.

Mr HIGGINS: I did say it was anecdotal.

Commissioner KERSHAW: We have spent a great deal in the last 12 months trying to educate the community to report matters to us. Everything gets recorded at IJIS, that is why we ask you to ring 131 444 or triple zero if you need immediate assistance. We also have a recording now in language, I think across 18 different languages and more than 18 stations. That has gone down really well. We can remotely retrieve those message as well, which we have not been able to do previously. Technology and the community have helped us out with that, with having contact and the confidence in reporting matters to the police.

It does get difficult because some people just give up, because they perhaps base it on the past—the police never helped them previously and they will not report it. Once you report it, and you get a PROMIS reference—I say to people all the time, 'Get a PROMIS number'—you can complain to us if we have not delivered the service. We take complaints really seriously. I guess I can say we encourage people to report, do not be put off by the call-taker. Ask. I always say to people, 'You have rights to ask the call-taker what the reference number of the job is', and so on.

On occasions, officers in some of those stations cannot work 24 hours, seven days a week. Depending on the priority, they may have to dispatch another unit and that local station may not even know about that job. You have to trace it back and look at the job. We often slide one area over to help the other. On occasion we may have not delivered the right service, and we take action when that happens.

Mr HIGGINS: I think there was sort of a double question there. I said to both these people, 'Look, if you have a problem with this, you should be reporting it back through Police. That is what you can do.' I encourage them to report things all the time.

Are we seeing a move of some of the offences from places like Darwin and Palmerston to places like Batchelor, Pine Creek, Adelaide River, and even out to some of the communities?

Commissioner KERSHAW: To reassure you, we are monitoring that because we know that cause and effect of house policing strategies, and that is why I said the market adapts. But we move with it. That is why we have to rely on the community reporting it to us, because otherwise we do not know.

Mr HIGGINS: Yes.

Mrs LAMBLEY: Thank you. I have another question. Two cases were reported to me last week which I thought were quite disturbing. Two separate people went to a bottle shop and were screened by the PALIs. They purchased alcohol, so they were screened by the BDR. They went home and a period later the police were knocking on their door, checking to see if they were consuming the alcohol they purchased.

Is that normal practice?

Commissioner KERSHAW: That sounds highly unusual ...

Mrs LAMBLEY: That is what I thought.

Commissioner KERSHAW: ... because the PALIs are static at their location.

Mrs LAMBLEY: The PALIs did not come around, the police were knocking on their door.

Commissioner KERSHAW: I do not know about that. If you gave us the information we could follow it up for you.

Mrs LAMBLEY: I will. Two of the same cases, and they apparently were not doing anything wrong.

Mr WOOD: Can I ratify what I was saying before? The figure I had about offences against the person—it was 2017–18 annual report. The number was 7985, which was up 13.5% from the year before. Are you saying that figure has now gone down?

Commissioner KERSHAW: Yes, that figure is now 7737.

Mr WOOD: That is still a fair bit higher than 2016–17.

Commissioner KERSHAW: No, that is lower.

Mr WOOD: I have 7038 for 2016–17.

Commissioner KERSHAW: Is that for total offences against the person for the period ending March? That is a different period. You are comparing 1 July to 30 June versus what we have, which is March.

Mr WOOD: I only have the annual report.

Commissioner KERSHAW: It is roughly a 15% drop this year compared to last year.

Madam CHAIR: That concludes consideration of Output Group 9.0.

OUTPUT GROUP 10.0 – GENERAL POLICING, CRIME DETECTION, INVESTIGATION AND PROSECUTION
Output 10.1 – Response Services

Madam CHAIR: The committee will now proceed to Output Group 10.0, General Policing, Crime Detection, Investigation and Prosecution, Output 10.1, Response Services. Are there any questions?

Mr HIGGINS: I want some clarification on something. The minister mentioned 59 PALIs and another 15 coming through—I have written down 59 and 15. Can you give me the exact figures on how many we have now? I think you said we have a recruit squad coming through ...

Ms MANISON: Yes, we should be able to get those figures for you.

Commissioner KERSHAW: The 15 will bring us to 75.

Mr HIGGINS: It is definitely 60 then. Have we had an incidents with them being assaulted, and are they all working one up or in pairs?

Commissioner KERSHAW: I do not have the exact figure but can get back to you in regard to assault against police, which is lower than last year—it is still not acceptable at more than 214 in the last 12 months. Their initial training is two up. I would have to get back to you about if they were one up. I know they would be one up on occasion, but we have a mobile van that supports them. Officer safety is paramount with our PALIs. They are very well trained on how to respond to those incidents and will call for backup immediately if they feel as though it is getting that way.

Mr HIGGINS: Can we get those figures on the number of incidents where there has been assault on those PALIs? If that was broken down, can we know whether the people who assaulted were affected by alcohol as opposed to those who have not purchased it?

Question on Notice No 2.17

Madam CHAIR: Opposition Leader, please restate the question for the record.

Mr HIGGINS: How many PALIs have been involved in incidents such as assault? How often do they have to work one up, and those who are involved in assault, how many have been under the influence of alcohol as opposed to those who have not been?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked by the Opposition Leader of the minister has been allocated the number 2.17.

Madam CHAIR: Are there any further questions on Output 10.1?

Mr HIGGINS: Yes. Last year the answers we received indicated that there were 8760 protective custody watch house episodes across the Territory. That is presumably taking into custody with 1639 persons taken into custody two or more times over that period. What are the figures since then? I am not specifying an end date.

Ms MANISON: I will hand over to the Police Commissioner.

Commissioner KERSHAW: I will have to come back to you. The only figure I have is to 2018.

Mr HIGGINS: Would that be to March 2018? Is it that one?

Madam CHAIR: Do you want to put that on notice or take the figures they have? Leader of the Opposition, could you restate the question for the record please?

Mr HIGGINS: Last year the answers indicated that there were 8760 protective custody watch house episodes across the Territory from July 2017 to March 2018, with 1639 persons taken into custody two or more times over that period. What are the figures since 31 March 2018? I presume it will be until March 2019. You may not have it there, but what are the latest figures you have?

Commissioner KERSHAW: The current May figures that I have—I can come back to you with the exact figures—is that we are 27% lower in the financial year to date. That is comparing the financial year. Darwin is down by 0.2%, Northern is down by 10.5%, but Southern is down 60.3%.

Mr HIGGINS: When we talk about taking into protective custody, what about ones that are taken straight to the sobering-up shelter? Are they included in those figures? Do we keep figures on that? Where we get the 27% ...

Madam CHAIR: Are you bundling all this into the one question?

Mr HIGGINS: No, they have given me the answer to the one that was on notice. They actually gave it.

Commissioner KERSHAW: We would have to search through our CAD and dispatch. As long as the members have logged the job, we could track the numbers that have been taken—the better way would be to get the SUS figures, which is from the Department of Health.

Ms MANISON: It is fair to say that some of these figures are reflective of the positive results we are seeing thanks to the PALIs and some of the alcohol policy work that has been happening, as well as the police work.

Mr HIGGINS: My question there was that they are not going into protective custody, they are going to the sobering-up shelter. There was an issue in Katherine where one of the people raised a question. My understanding is that if you take them into protective custody with the alcohol stuff and if it happens so many times you end up on the Banned Drinker Register.

A person was taken to the sobering-up shelter and it was full, so they were taken to the police and put into protective custody. The thing is that it then counted as one of those occurrences yet, if they had gone to the sobering-up shelter it would not. Is there that difference and do we plan on actually addressing that?

To me, that would seem like a hole in the system. If you go three times to protective custody you go on the Banned Drinker Register, but someone could be taken to a sobering-up shelter and it is not recorded as one of those incidents. Is that right?

Commissioner KERSHAW: I have the official figures. This is financial year to date. They are exactly what I have just said except for that we have had 6498 compared to last year, which was 8760.

To answer your question, that would be correct because they are not touching the police system. Unless, in the BDR, Health can actually put people on the BDR separately. You can to the registrar and ask people to be put on. That is a possibility but we would not see that necessarily.

Mr HIGGINS: So, it would seem that there is a bit of a loophole with people just going to the sobering-up shelter?

Commissioner KERSHAW: Anecdotally, I am not aware of the SUS in Darwin being full and that being the case.

Mr HIGGINS: This one was in Katherine. I have forgotten who it is—it was to one of the committees that was down there, so I would have to drag that back out.

Last year in answers to questions, the expenditure for overtime in 2017–18 was approximately \$17.7m. What was the total outlay for overtime in 2018–19? You would not be getting the final figure of that.

Ms MANISON: I will get Mick to answer that question, but earlier on he discussed some of the rostering practices and an analysis of where some of that has to happen.

Mr WILLIS: As we stated, we are really happy with these figures because we are seeing great improvements in reducing overtime.

Mr HIGGINS: We are here to get good answers too do not forget.

Mr WILLIS: I get the good answers; that is how it works. What I can say is that actual expend—remembering that this is across the whole agency, the tri-services—in 2016–17 end of financial year it was \$17.9m. In 2017–18 it was \$17.6m and 2018–19—and this is why we are so excited—we are down to \$14.1m. That is up until April this year. With the current fires and everything going on, there will be a little more of that as we go through that period, but we have seen a pretty good reduction and we are pretty happy with that.

The 2018–19 is \$14.1m; that is projected out to the end of the year.

Madam CHAIR: Are there any further questions for Output 10.1? That concludes consideration of Output 10.1.

Output 10.2 – Investigations

Madam CHAIR: The committee will now consider Output 10.2, Investigations. Are there any questions?

Mr HIGGINS: When we talk about investigations et cetera—I have a few little questions on that. How many members are currently assigned to Palmerston and how many of those people are assigned to Strike Force Trident?

Ms MANISON: We will just look for that information and see if we have that here or have to take it on notice, Leader of the Opposition.

Commissioner KERSHAW: In the written questions, we have responded to the breakdown of where all police officers are. Palmerston is there. Maybe it is not that one.

Madam CHAIR: Would you like to take that on notice?

Ms MANISON: Yes please, Madam Chair.

Question on Notice No 2.18

Madam CHAIR: Leader of the Opposition, can you please restate the question for the record.

Mr HIGGINS: How many members are currently assigned to Palmerston and of those, how many are assigned to Strike Force Trident? How do you expect this to change if the Palmerston police station is up and running?

Madam CHAIR: Minister, do you accept that question?

Ms MANISON: Yes.

Madam CHAIR: The Leader of the Opposition's question to the minister has been allocated the number 2.18.

Madam CHAIR: Are there further questions on Output 10.2?

Mr HIGGINS: Information we received was that last year, we were told that there were about 2034 persons released with an infringement notice under section 133AB of the *Police Administration Act 1978* between July 2017 and March 2018. How many persons were released with an infringement notice since then?

Ms MANISON: Again, we are just looking for that information. The advice I have is take it on notice.

Question on Notice No 2.19

Madam CHAIR: Leader of the Opposition, can you please restate the question for the record.

Mr HIGGINS: Information received last year suggested that about 2034 persons released with an infringement notice under section 133AB of the *Police Administration Act 1978* between 1 July 2017 and 31 March 2018. How many persons were released with an infringement notice for the same period this year?

Madam CHAIR: Minister, do you accept that question?

Ms MANISON: Yes.

Madam CHAIR: The Leader of the Opposition's question to the minister has been allocated the number 2.19.

Madam CHAIR: Are there any further questions on 10.1?

Mr MILLS: Yes I do. How many current investigations are being handled by the Major Crimes Unit?

Commissioner KERSHAW: I could not tell you the exact number but they are very busy, obviously with the events of last week, but even prior to that they had a number of serious crimes they are investigating.

Mr MILLS: What is the size of the unit?

Commissioner KERSHAW: I would have to get back to you, it is a specialised unit so we are not talking a large number of detectives, but I will get back to you on notice if I can.

Mr MILLS: What prompts me, notwithstanding what occurred recently, is that as a local member and member of our community, there is a community conversation of an event that occurred in Palmerston of a serious

nature. As a local member and a responsible member of the community, you want to be able to help manage a conversation of that nature in your community. It appears there has been no public information released. I am wondering how these sorts of matters are dealt with and whether local members should be brought in when a serious crime has been reported to have occurred in your community.

I have it on reasonable good authority that something serious has occurred in Palmerston but there has been no public comment; there appears to be no media report, and time is going on and it is becoming quite difficult to manage because these stories become—perhaps we can talk offline on this.

Ms MANISON: What I would say to you, Member for Blain, is that as members of parliament we do not do anything when it comes to compromising the integrity or the work of police investigations and actions that we do not want to derail or do anything inappropriate. Do not feel like you cannot get in touch with me or my office—we are always happy to get the police to have a chat to you. I am sure you have a strong relationship with our senior management of police. We are always approachable to have those conversations with you and if information is appropriate to get to you and is helpful—by all means. We do work with local members on a whole raft of issues. I will hand over to the commissioner.

Commissioner KERSHAW: I am not aware of the serious incident, but I guess it is your definition on that front as to what level. The Major Crimes Unit normally investigates only the most serious, being homicide, missing persons and other serious incidents where there is a declared major crime. However, if you want to approach us through the right channels, we try our best to keep local members updated without compromising our operation intelligence and security.

Mr MILLS: Just to report, I did speak to the local superintendent who recommended that I speak to you, minister, to get the approval, but another incident occurred, so I thought I would hold back but I will contact you.

Ms MANISON: Do not hesitate.

Madam CHAIR: Are there any further questions on Output 10.2?

Mr WOOD: Minister, can you give us the number of hooning offences that have happened up to this date, this financial year, and what were the results of those offences?

Ms MANISON: We will just look through the books to see if they can get the hooning information ...

Madam CHAIR: Minister, can you clarify the number of the question you wish to answer?

Answer to Question on Notice No 2.19

Ms MANISON: We have information on one of the questions on notice.

Commissioner KERSHAW: The figure was 2034 that we quoted. The figure for 2018–19 is 1713.

Ms MANISON: The largest change there is from the southern region, which we directly attribute to a lot of work with the PALIs.

Madam CHAIR: Do you have the answer for hooning available or do you want to put it on notice?

Commissioner KERSHAW: We will take it on notice.

Question on Notice No 2.20

Madam CHAIR: Member for Nelson, please restate the question for the record.

Mr WOOD: Can you inform us of how many hooning offences occurred this financial year up until this date? What were the results of those offences?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked of the minister has been allocated the number 2.20.

Madam CHAIR: That concludes consideration of that output.

Output 10.3 – Services to the Judicial Process

Madam CHAIR: I now call for questions on Output 10.3, Services to the Judicial Process. Are there any questions?

Mr HIGGINS: The budget last year for police prosecutions was said to be about \$6.335m. What was the actual spend and how much is budgeted for next year?

Ms MANISON: We will take that on notice.

Question on Notice No 2.21

Madam CHAIR: Opposition Leader, please restate the question for the record.

Mr HIGGINS: The budget last year for police prosecutions was said to be about \$6.335m. What was the actual spend and how much is budgeted for next year?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked of the minister has been allocated the number 2.21.

Mr HIGGINS: Are any changes to those arrangements with police prosecutions planned? Will we free any up to go to other duties?

Commissioner KERSHAW: Nothing planned, unless you have heard something?

Mr HIGGINS: I am asked to ask these questions. The answer is no, thank you.

How much was spent by police in the past year providing prisoner transport services, including overtime and other expenses such as aeroplane hours? I note that last year that information was not calculated or recorded, so I hope we have started to do that.

Ms MANISON: I understand it would be difficult to provide an accurate picture of that in the way it is recorded against our ledgers and so forth. We will take it on notice.

Question on Notice No 2.22

Madam CHAIR: Opposition Leader, please restate the question for the record.

Mr HIGGINS: How much was spent by police in the past year providing prisoner transport services, including overtime and other expenses such as aeroplane hours. Is it recorded now and can it be recorded in the future?

Madam CHAIR: Minister, do you accept the question?

Ms MANISON: Yes.

Madam CHAIR: The question asked of the minister has been allocated the number 2.22.

Madam CHAIR: That concludes consideration of that output and output group.

OUTPUT GROUP 11.0 – ROAD SAFETY SERVICES
Output 11.1 – Road Safety Services

Madam CHAIR: We will now proceed to Output Group 11.0, Road Safety Services, Output 11.1, Road Safety Services. Are there any questions?

Mr HIGGINS: What changes have we implemented, if any, in the traffic units in the past year? Have we had any additional members assigned or additional resources provided?

Ms MANISON: The commissioner will talk about the operational work, but it is fair to say that police take their role seriously when it comes to the enforcement of laws on our roads, especially when there is a strong focus on road safety and saving lives

One thing I have been delighted to see was the fleet with the move over to the stinger fleet, as other jurisdictions are moving towards too. I did not think too much when I heard the word—I should not say it out loud at estimates on record—Kia. When you actually see these vehicles—they are impressive, to say the least, and are highly customised to do the job on the roads. The officers were very happy with them. Other jurisdictions have moved to this new fleet as well. I will hand over to the commissioner to talk about the work in the road policing area.

Commissioner KERSHAW: Earlier this year we switched from traffic and realigned it under a specific commander for road policing. The nuances there with making responsibility for road policing to every police officer—but also increasing their capability by having the Territory relief pool officers, when are not out remote they are back in Darwin or Alice Springs and concentrating on road policing. This is what we have done.

We have increased our capability in relation to our vehicles and so on. There are going to be quite a few new vehicles rolled out with additional ANPR—which is the automatic number plate recognition—and another technology that we have now.

Mr HIGGINS: Would you say that the changes in rotating those staff around—which I think is a good idea. Would you see that as increasing the amount of effort that is put into that or could it be less at times?

Commissioner KERSHAW: My information now is that there is a greater emphasis and priority put on that given last year's figures, and the fact that we were finding our strategy was not working as well as it could—noting that drivers make their individual choices, but we try to intervene in that area.

There is a greater focus this year, and beyond, on road policing. It is happening around the country. You would have seen that Queensland recently lost 15 people in one week. It is sad and tragic. We are working towards zero and that is why we have added those extra resources.

Mr HIGGINS: The roadside breath testing—how many were conducted last year and how does that compare to previous years?

Commissioner KERSHAW: We are slightly down. There was 101 292 between 1 July 2018 and 31 March 2019. This is below our required pro rata which was 131 000. That is slightly down. However, what is pleasing is our presence in the rural and remote areas making a difference in relation to there only being 14 people—which is terrible—who have lost their lives, compared to 21 last year.

Mr HIGGINS: When they do the breath testing, what percentage of people are unlicensed, have an expired licence or unregistered? I am not talking about someone who has a vehicle that may have lapsed in the last month, I am talking about some vehicles that probably have not been registered for a couple of years. Do we keep any figures on that?

Commissioner KERSHAW: We have the figures of unregistered and so on. We can supply those figures. That may not be as a result of the breath test.

Mr HIGGINS: Yes, I was saying when we pull people up for whatever, what statistics are we keeping on that?

Commissioner KERSHAW: Normally the technique there depends on if it is an organised and planned random breath test, then we would be mainly focusing on drink and drug driving, and then unregistered or unlicensed. If you are pulled over by a vehicle out remote, they might do more checks on you depending on if there are people wanted on warrant and so on.

We are seeing that drug driving has increased slightly in the last 12 months. We have had 362 people issued with infringements, arrested or issued summons in relation to drug driving-related offences. To break those other stats down, we would be able to give you the global figures, but not as a result of that activity.

Mr HIGGINS: Would I be able to get some global figures on how many vehicles are found to be unregistered and how many drivers then are unlicensed? It would be good if that was expanded to people who have had their licence suspended and are still driving.

Madam CHAIR: Do you have those figures or do you want to put that on notice?

Commissioner KERSHAW: I have one figure here which is the unregistered and uninsured, but you are wanting more than that.

Mr HIGGINS: It is then just people who are unlicensed.

Commissioner KERSHAW: The unregistered figure—I am happy to answer that now—is 4351 for last financial year, and so far this year it is 4277. Slightly down for unregistered and uninsured.

Mr HIGGINS: So, 4351 is about 13 or 14 a day.

Commissioner KERSHAW: Yes.

Mr HIGGINS: That seems to me to be very high.

Commissioner KERSHAW: Yes.

Madam CHAIR: Did you want to put the residual part of your question on notice?

Mr HIGGINS: No, that is alright. That gives me an indication of what I thought.

Madam CHAIR: Are there any further questions on Output 11.1? That concludes consideration of Output 11.1 and Output Group 11.0.

OUTPUT GROUP 12.0 – FIRE PREVENTION AND RESPONSE MANAGEMENT

Output 12.1 – Fire Prevention and Response Management

Madam CHAIR: The committee will now move to Output Group 12.0, Fire Prevention and Response Management, Output 12.1, Fire Prevention and Response Management. Are there any questions?

Mr HIGGINS: What is the current attrition rate for firefighters and how many have left the service in the last year as a result of resignation, separation and termination? Do they have a compulsory retirement age as well?

Commissioner KERSHAW: Firefighters are employed under PSEMA so they do not have a retirement age. We have a fire or two over the age of 65, I think even one in their 70s still going. They have done 50 years of magnificent service. My information is that we had 12 resignations so far this financial year.

Mr WILLIS: Correct, that is 12 for career firefighters until 11 June, and it was 10 auxiliary firefighters.

Mr HIGGINS: Have we had any terminations?

Commissioner KERSHAW: Yes we have.

Mr HIGGINS: How many of them?

Mr WILLIS: There has been one that we are aware of.

Mr HIGGINS: How many full-time vacancies are currently in the Territory and where are they located?

Commissioner KERSHAW: We do not have any vacancies that I know of, but I would have to take that on notice as far as ...

Mr HIGGINS: So as far as you are aware there are no vacancies at the moment.

Commissioner KERSHAW: Not that I know of because we are actually at full strength.

Mr WILLIS: Just to add to that, we are at full strength and we also have another recruit squad about to go in. There is one vacancy at Jabiru that we are yet to fill.

Mr HIGGINS: In the past, we have heard about stations being understaffed and entire shifts being run using staff on overtime. How much was paid in overtime in the past year and how does that compare to previous years?

Commissioner KERSHAW: We would have to take that on notice, noting that it has reduced compared to last financial year.

Question on Notice No 2.23

Madam CHAIR: Leader of the Opposition, can you repeat the question for the record.

Mr HIGGINS: In the past, we have heard about stations being understaffed and entire shifts being run using staff on overtime. How much was paid in overtime in the past year and how does that compare to previous years?

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

Ms MANISON: I accept that question. There has been, at my last briefing, a reduction in some of that overtime expenditure which has been driven by ensuring that we have more people trained up to backfill and do jobs as required but also having a fuller contingent of firefighters.

Madam CHAIR: The Opposition Leader's question to the minister has been allocated the number 2.23.

Madam CHAIR: Are there any further questions on Output 12.1?

Mr HIGGINS: Last year we were told that the government was trying to target women firefighters. I think last year they quoted they want about 7% to 8% in the service, or they had 7 or 8%. What is the figure now? I am talking about active women firefighters.

Ms MANISON: There has been a lot of work in regard to diversification in the fire service. This is one of the things that surprised me as an incoming minister. In 2018, we were finishing some works at many of the fire stations to ensure we had male and female ablutions, change rooms and to ensure we had our fire infrastructure set up in recognition that there are men and women who work in the fire service these days.

I found it extraordinary in this day and age that this had taken a while, but some important work has happened to ensure we have a diverse fire service and we have the people we need to do the job. It is a hard job with a lot of physical requirements because of the intensity of the work they do. I will hand over.

Mr WILLIS: Yes, my figure is around the 8% compared to a few years ago when we were about 2% to 2.5%.

Mr HIGGINS: What is the status of the fire station at Stuart Park, in Iliffe Street?

Commissioner KERSHAW: It is fine. It had a coat of paint a while back.

Ms MANISON: When I walked through it, some time ago—I have also been there for graduations because they do a lot of training there—they had finished some significant renovation works upgrading the male and female facilities. We have a fair amount of staff there—and I think it is the host of the the Bronto?

Commissioner KERSHAW: With our plans for Palmerston station, that will help out with our training because that is one of the areas Darwin often comments on. When we ran a double squad, it was quite an impost on that station, so it will be good to have the new Palmerston station to help out with training.

Mr HIGGINS: I asked that question because I went to the opening of that fire station.

Ms MANISON: They still have a fire pole.

Mr HIGGINS: Yes I know. I was going to mention the fire pole. I actually went down it, but I am not game to do it now.

Ms MANISON: Yes, it was interesting.

Madam CHAIR: Let us move on. You are digressing. Are there any further questions on Output 12.1?

Mr HIGGINS: How much is budgeted for new equipment for fire, rescue and emergency services in financial year 2019–20? You might want to break it down to each of those, or if it is grouped.

Commissioner KERSHAW: For major appliances, the average replacement cost for our aerial trucks is \$1.6m, crew cabs are \$0.85m, tankers are \$0.55m and rescue trucks are \$0.55m. We have a major appliance replacement program, and it is currently funded for up to \$2m for the financial year.

Mr HIGGINS: We are doing one recruit squad this year, did we do one last year?

Mr WILLIS: Yes we did.

Mr HIGGINS: How many are in that recruit squad?

Mr WILLIS: Last year was 24, the biggest ever. And this year we are targeting 12 in recruitment now. They are in the recruitment process.

Mr WOOD: I have some volunteer questions.

Madam CHAIR: Under Output 12.1?

Mr WOOD: Yes. Minister, you realise that after Cyclone Marcus hit the rural area quite hard, there were a lot of trees down and some people waited until they dried up and were able to burn them. Why has the system of fire permits been changed by allowing them only to be issued until the end of the month, meaning if there is rain in that period you cannot use the permit? Surely permits can be given as they used to be, for at least a month or two, to reduce bureaucracy and allow some flexibility?

Also, is it true our local fire volunteers cannot now go out and inspect properties when they have a permit?

Ms MANISON: I will hand over to David Willing to answer this question.

Mr WILLING: Volunteer captains are able to issue permits still. Where permits cannot be issued, though, is within the municipal boundaries of Darwin and Palmerston.

Mr WOOD: But they are only now allowing those permits to last to the end of the month. If I got a permit on 25 January, it would only last me a week. In the Wet Season you sometimes only have a small period when you can burn. It used to be that they could give them to you for a month or two months so you could pick the day you could burn. I am wondering why they changed that, because it seems to be a backwards step. Is it true also that vollies cannot inspect the property to see that it is okay, if they have a permit, to see if it is safe where they are burning?

Mr WILLING: Inspections of the property—I will answer the last bit first. Inspections of the property can be undertaken; however, what we are trying to get away from is where volunteers are used to conduct the burns.

Mr WOOD: That is alright; I understand that.

Mr WILLING: Regarding the issues of a permit, it is issued for a period. That is due to the fact that as the seasons change, the fire risk changes with it, so we want to restrict those to a certain period of time. If they

have not burned within that period of time, the risk may have changed. It may be due to a higher fuel load on that block a month later.

Mr WOOD: I understand all that, but it does not make sense. It does not make sense that if I pick up the permit on 25 January it is finished by the 31 January. It needs some more flexibility. It used to be that way, and I do not know of any fires that occurred because the old system was not working. Someone in the bureaucracy decided, 'We will do it this way this year', and I am basically saying I think that it is a silly idea.

I have had to use the permits and I had to make sure I went there on the 1 February, so I could get a whole month to burn. It seemed to me a little bit illogical. I understand the concern, but our local volunteer fires are pretty good at saying when you should get a permit and when you should not. I am putting that forward.

The other question is, what is the role of the NT Fire Service Volunteer Captains Forum and did this issue of permits come up during that forum?

Mr WILLING: I am not aware if it did during that forum, no.

Mr WOOD: In relation to bushfire mitigation strategies, how many fire break infringement notices have you given out this year? What does the department do about reducing the spread of gamba grass?

Mr MANISON: We will take that on notice, Member for Nelson.

Question on Notice No 2.24

Madam CHAIR: Member for Nelson, could you please restate the question for the record.

Mr WOOD: Minister, how many how many fire break infringement notices have you given out this year and what does the department do helping trying to reduce the spread of gamba grass, which is a major fire hazard?

Madam CHAIR: Minister, do you accept that question?

Ms MANISON: Yes, and I would also encourage the Member for Nelson to put some questions with regard to gamba grass also to the Minister for Environmental and Natural Resources when you speak to her later in the week.

Madam CHAIR: The question asked by the Member for Nelson of the minister has been allocated by the number 2.24.

Madam CHAIR: Are there any further questions on Output 12.1?

Mr WOOD: Last one—one of your strategic priorities is to make safer communities. What are you doing to reduce illegal fires in the Dry Season? I know this is difficult, but has anyone been caught lighting fires illegally? It is a constant issue.

Ms MANISON: I will hand over to the commissioner to answer that.

Commissioner KERSHAW: I am not aware and have not been briefed on any arson charges recently.

Mr WOOD: That would be mainly—I am not talking about house fires of course, just illegal bush fires.

Commissioner KERSHAW: They are very difficult to prove, you have to find the ignition point, collect the evidence, get an eye witness, or someone confesses to it. It does not mean we will not follow it up if people see suspicious activity, we will take note of that and investigate it.

Mr WOOD: 24-hour drones.

Mr HIGGINS: They get shot down in the rural area.

Mr WOOD: He is further down, he is in the bushfires—we are not that uneducated. That is all the questions I have on that section.

Madam CHAIR: Are there any further questions on that output? That concludes consideration of Output Group 12.0.

OUTPUT GROUP 13.0 – EMERGENCY SERVICES

Output 13.1 – Emergency Services

Madam CHAIR: The committee will now consider Output Group 13.0, Emergency Services, Output 13.1, Emergency Services. Are there any questions?

Mr MILLS: The Member for Nelson mentioned Cyclone Marcus. I know the Daly gets flooded quite often. Have we ever looked at the cost of doing those evacuations from Daly each year? We have done two, if not three, in the last couple of years as opposed to developing—I have asked this before and there were plans drawn up for the school to be relocated and become an evacuation centre. People say it does not work.

Previous evacuations down there have had the Army put up tents for them. They have been out there and it is something that has occurred before. As the Member for Nelson would know, we used to boat into that community at 11 metres. You do not have to boat in now until 13 metres. Have we ever looked at that cost to say how much it has cost the government? Maybe you are better off directing it somewhere else.

Commissioner KERSHAW: We have had a couple of formal reviews done in the recovery which does not always sit with police but I am the co-Chair of the Territory Emergency Management Committee. That is something that we have looked at as far as mitigating—getting into the preventative space and working out what the best strategy is there.

That has been a consideration. I am not sure where it is at currently, but those are things that get fed into the system.

Mr HIGGINS: The thing that worries me is that we have a school that is on Progress Association land. It is not on government land—it is demountables. We need a site for the school. If you put that money in there to build that school on other land—I will not go into the ins and outs of the other land but it is quite easy to do—you can combine that with some of the money that we currently spend evacuating all these people.

You talk about flood mitigation type stuff through the federal government and getting money off them. It would seem to me that it is logical that we would start to look at things like the one at Daly. I am not saying everywhere but you can use that as a point to hold people until you get road access so that you are not using a chopper to get them out. You do not need to evacuate the whole community.

We have seen, every time that has flooded down there, there are houses that are well and truly out of the water, have access to power and sewerage that works. The people there are more than used to boating in and out of that community.

Ms MANISON: That is something where I am more than happy to follow up with the relevant ministers. There would be a couple there that have a role to play. There are no immediate plans, but you are asking a very thoughtful question with regard to that type of emergency management and response. We reflect upon every emergency and see what could have been done better, what can we learn and if there are ways we can improve things. Looking at core infrastructure in communities and how it is rolled out is always something ...

Mr HIGGINS: I think it is something that I might chat with you about because there are a lot of things to consider. I think it can be done quite easily.

Ms MANISON: Thank you.

Madam CHAIR: Are there any further questions on Output 13.1?

Ms MANISON: We have an answer to question 2.23, Madam Chair.

Answer to Question on Notice No 2.23

Ms MANISON: The question was, ‘I have heard that stations are understaffed and being manned on overtime. How much overtime was paid to firefighters last year and how did that compare to previous years?’

From 2018–19 to March 2019 was \$2.335m. For the same period 2017–18 was \$4.857m. From 2016–17 it was \$3.868m. You can see there has been some considerable changes there, but that has been driven by the fact that there has been work to ensure that we had the appropriate people trained up to fill positions and have recruits. As we said, we have seen the biggest recruit squad go through last year.

Madam CHAIR: At this point, that brings us to the end of our hearing today. On behalf of the committee, I thank the Treasurer, with her numerous hats on, for being with us. I thank the officials who have assisted you, including those who have waited patiently for the outputs that we did not get to.

Ms MANISON: I acknowledge the hard work of the Northern Territory Police, Fire and Emergency Services under the leadership of the commissioner. They do an amazing job each and every day. It is an organisation with people who are so dedicated to Territorians and the job they do. They have never failed to impress me.

I also thank the staff from the Office of Multicultural Affairs, another portfolio I have the joy of holding. Unfortunately they did not get a go today, but we appreciate the preparation they have done for estimates and in supporting our multicultural communities across the Northern Territory.

That concludes the estimates hearing for today. Hearings will recommence tomorrow at 8 am with questions of the Chief Minister.

The committee suspended.
