



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY
COUNCIL OF TERRITORY CO-OPERATION
SUB-COMMITTEE – ANIMAL WELFARE GOVERNANCE

Public Hearing - Meeting No AWG03
Wednesday the 29th of June 2011

Members:

Ms Lynne Walker, MLA, Member for Nhulunbuy – CHAIR
Mr Gerry Wood, MLA, Member for Nelson
Ms Marion Scrymgour, MLA, Member for Arafura
Ms Kezia Purick, MLA, Member for Goyder
Mr John Elferink, MLA, Member for Port Darwin

Witness

Mr Frank McGuinness – Auditor-General

CHAIR: Alright, we'll get started. Mr McGuinness, thanks very much for agreeing to appear before the Committee. Sorry we called you early and then delayed you but now we're ready to start. I just have some official words here that I need to go through.

I declare open this first public hearing of the Council of Territory Co-operation Sub-committee on Animal Welfare governance. I'm very pleased to welcome Mr Frank McGuinness, Auditor-General for the Northern Territory.

Although the Committee does not require witnesses to give evidence under oath these hearings are formal proceedings of the Parliament these hearings are formal proceedings of the Parliament and consequently they warrant the same respect as proceedings of the House itself. I remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament.

Whilst this hearing is public, witnesses have the right to request to be heard in private session. If you wish to be heard in-camera please advise the Committee prior to commencing your answer.

Today's proceedings are being electronically recorded. Witnesses are asked to state their full name and position before commencing their evidence. As soon as practicable following this hearing the transcript following this hearing the transcript of proceedings will be uploaded to the Committee's website but not before witnesses have had the opportunity to proof and correct that evidence.

I remind Members that personal opinions should not be sought from public servants appearing in a professional capacity. I remind Members, witnesses and members of the public that there are legal protections which apply to witnesses appearing before this sub-committee.

Parliamentary privilege is derived from the Legislative Assembly Powers and Privileges Act. Legislative Assembly standing order number 290 reads, and I quote: "All witnesses examined before the Assembly or any committee thereof are entitled to the protection of the Assembly in respect of anything that may be said by them in their evidence" – unquote. Further, the Assembly adopted a resolution of continuing effect on 20th of August 1992. That resolution deals with guidelines for witnesses appearing before committees and can be found in the Assembly's sessional orders on the Legislative Assembly website. Copies of the guidelines are available here today.

Paragraph 5 of the resolution reads, and I quote: "Where appropriate, reasonable opportunity shall be given for a witness to raise any matters or concern to the witness relating to the witness' submission or the evidence the witness is to give before the witness appears at a meeting". And paragraph 20 reads, and I quote: "Where the Committee has any reason to believe that any person has been improperly influenced in respect of evidence which may be given before the Committee or has been subjected to or threatened with any penalty or injury in respect of any evidence given, the Committee shall take all reasonable steps to ascertain the facts of the matter. Where the Committee considers that the facts disclosed that a person may have been improperly influenced or subjected to or threatened with penalty or injury in respect of evidence which may be or has been given before the Committee the Committee shall report the facts and its conclusions

to the Assembly” - unquote. So copies of those guidelines are available here this afternoon.

Mr McGuiness, if you ... I'll take a breath in a moment. If you wish to make an opening statement, please do so now.

Mr Frank McGUINESS: I don't think it's necessary to make an opening statement, Madam Chair, I think if Members wish to get straight into any questions that they may wish to raise with me, then I'm happy to proceed from there.

Mr ELFERINK: Happy to start.

CHAIR: Thank you very much. Thank you, John.

Mr ELFERINK: Frank, we noted from the estimates that you were quite precise with some numbers that you referred to in estimates ...

Mr Frank McGUINESS: One hundred and 24 I think was the figure.

Mr ELFERINK: Yes. As long as you didn't go into 124½ I was impressed. Just to start off with so that we've got a baseline, are you aware of the review of operations at Mataranka Station final report, December 2010? Or there was actually a final, final report of May 2011 but ...

Mr Frank McGUINESS: The one I might be familiar with was the Ethics Committee report which I've read ...

Mr ELFERINK: This is prepared by Science Matters.

Mr Frank McGUINESS: No, I'm not familiar with that.

Mr ELFERINK: Okay. The reason I raise the issue is that in both the final report and the final, final report which is slightly different – that's the one you've got, the May one – there are a couple of observations in there and I'll just read then out to you so that you're aware. From the November 2010 report, page 17, in late 2008 the station carried approximately 4100 cattle and by Sept 2009 the numbers reported were approximately 36 horses and 4500 cattle. By the end of December 2009 the numbers of cattle had dropped to just over 4200. Precise numbers have not been easy to obtain because of the difficulty of mustering all cattle on the cattle station and the good quality estimates do not exist because the management tools to produce them have not been employed. Subsequent to concerns ... nuh, I won't go into the rest of that but I will then go to another quote which appears on page 22 of that report. Quote: “Mataranka Station lacks a reliable system of collecting data that reports stock numbers or processing data to predict natural growth in adult equivalents or AEs, available stock and number data is fragmented and does not compromise a verifiable method of assessing numbers over time”.

In light of those two observations in this report, 124 seems rather precise.

Mr Frank McGUINESS: It does.

Mr ELFERINK: Can you explain?

Mr Frank McGUINESS: Yes, Madam Chair, the figure of 124 was based on the opening stock ... Based on data provided to me by CDU it was part of my audit.

Opening stock for 2009 ... 2010, there were no purchases, less sales of 300, closing stock and working backwards, deaths of 124. However, that was based on sales of 300. Then in the few days after that as we began to wrap up the audit, looking at the sales revenues for ... they did not align with 300.

A second schedule was then provided to me by the University showing sales of 2339. That led me, last Thursday evening, to ring the manager, the current manager of the station and ask whether a figure of 2339 aligned with what he believed to be the case, but moreover, it begged the question of where did the additional stock come from. Because, what it suggested was that the opening stock at Mataranka was higher than the 4000 odd that had been relied on. I did ask him whether these were scrubbers and his view, I think his words to me were, "it all depends on how good the muster is and how good the count is", which suggests that earlier musters have been deficient. So the figures that have been used, I think, may well understate the total number of cattle being run on the property.

Mr ELFERINK: When was this second schedule dated?

Mr Frank McGUINNESS: If you could bear with me, Madam Chair.

Mr ELFERINK: I'll go back one question then. This material upon which you rely has been provided by the CDU.

Mr Frank McGUINNESS: Yes, it has.

Mr ELFERINK: Has it come any other source other than the CDU?

Mr Frank McGUINNESS: No. There are no records at Mataranka which are reliable. And in this year's stocktake we ... my people did have problems. They went down for a day to count, do a count in selected paddocks so that they could then do a comparison with their sheets against the stock count sheets which were prepared and there are discrepancies which we were unable to reconcile. So as you can imagine, I don't have a lot of confidence about the reliability of some of the data that's come out.

Mr ELFERINK: Alright, so the 124, how confident are you about the reliability of that figure?

Mr Frank McGUINNESS: Well, I think that figure ... Well, the manager suggested to me that the number of deaths is probably round ten to 12. I think, based again on the financial figures I think it's somewhat higher.

Mr ELFERINK: It would have to be because there's an amount there that's saying the cattle were being shot very, very regularly.

Mr Frank McGUINNESS: I'm talking about 2010 now.

Mr ELFERINK: Oh, 2010, sorry, yeah.

Mr Frank McGUINNESS: But if I go back to 2009, the figures I had were 216.

Mr ELFERINK: That's right.

Mr Frank McGUINNESS: Now, unfortunately I think ... I think there is no debate about the quality of management or the lack thereof at the station in 2009. I think,

unfortunately, this whole debate went off at a tangent and it centred on a figure of 800. Now, the figure of 800, if you ... my reading of the Ombudsman's report, the figure of 800 pops up once in the report under the ...

Mr ELFERINK: Page 62, that's right.

Mr Frank McGUINNESS: ... Ombudsman's commentary ...

Mr ELFERINK: That's right.

Mr Frank McGUINNESS: ... where I took it almost as, you know, it was almost suggesting that the report by another property owner, who I think is both credentialed academically ...

Mr ELFERINK: That's Mr Riggs.

Mr Frank McGUINNESS: No, Mr ...

CHAIR: Stockwell.

Mr ELFERINK: Stockwell, sorry, yes, the Stockwell report, yep.

Mr Frank McGUINNESS: Yeah, he has academic credential but I think more importantly he owns and manages a couple of properties so I suspect that he understands the industry. His view was that the number of deaths would be the order of 100 to 200.

Mr ELFERINK: That's correct, that's in his report.

Mr Frank McGUINNESS: Ms Walters, who was a station hand on the property throughout 2009, in material provided by her to the Ombudsman and reported in the Ombudsman's report suggests 200 would be the figure, approximately. Other enquiries I've made in the lead up to the audit this year have suggested that no-one has any confidence in the figure of 800, and I think I know how it was arrived at, but the prevailing view is that probably deaths of the order of 200 is probably the appropriate figure. I'm aware that others have stepped forth since and claimed to have been on the property and I'm also aware that, you know, based on information from a third party, the CDU hired a helicopter to look for the evidence of a mass burial pit without success. With the figure of 800, my early view was that perhaps it was a conflation of 2008 and 2009. 2008 deaths were higher than you might expect because of the fire that went through the property.

Mr ELFERINK: That's 668, yeah.

Mr Frank McGUINNESS: It wasn't until I was referred to the transcript of a radio interview given by the Ombudsman that I realised how the figure was arrived at, and I've been able to replicate it, using a similar approach.

Mr ELFERINK: So you would then be surprised to hear that that question was put to the Ombudsman a couple of hours ago and she absolutely and categorically said it was not possible that she had mixed up those two figures.

Mr Frank McGUINNESS: Well, from my view, as I've said to someone, for 800 deaths you're looking for 800 sets of horns. If you can't find 800 sets of horns you

really must query whether there had been 800 deaths, you know. It has to be based on evidence.

Mr ELFERINK: Well, that's what we've been challenging the Ombudsman on today and at some length.

Mr Frank McGUINNESS: Well, Madam Chair, when, you know, this came up, it was really the lead up to Estimates so I sort of asked myself the question of whether it would be possible to determine how this figure of 800 was arrived at given that it appears in the Ombudsman's report, but without any substantiating or supporting discussion. I think I know how it was arrived at, and I think it rests on a false premise.

Mr ELFERINK: Can you then take us through it?

Mr Frank McGUINNESS: Well, if I could perhaps, Madam Chair, I'll start by quoting from the radio transcript, if I may? There was a transcript of an interview given by the Ombudsman on the 5th of May 2010, and the first question was, "I asked the Ombudsman, Carolyn Richards, how she arrived at her estimate". And the response was, "The figure was calculated from information given to us by CDU, and by a formula that we adopted using their records from the 2008 year. We took the number of cows at the end of 2008, we took the increment rate, in other words a number of young calves born, which we used at 39%, which was the 2008 rate, we took off 3% allowing that there is 3% that do die from things like disease, falling down a creek, that sort of thing... and then we obtained the number of animals given to us by CDU." So the difference there was ... That's how the figure of 800 was derived.

But then she goes on to say, "There was a discrepancy between what should have been there according to the formula and what we were told was actually there. The number was, in effect, far higher than 800 but we thought that to be fair and to allow a margin of error of at least 10% in our formula we said in the report it was up to 800." Now that suggests that the figure they arrived at because it was 900 if we took off 10%. Coming at it using a similar logic, I came up with a figure of 866 as being the number of animals but it rests on, and I think, a weak premise, in that it assumes that the birth rate is constant from year to year. If the cattle were stressed in 2009, you might expect the birth rate to decline. Which when I looked at it, it did decline. And it means that the formula over-estimated the number of cattle that should have been there at the end of 2009.

Mr ELFERINK: By how much?

Mr Frank McGUINNESS: By my estimate by 866.

CHAIR: Over-estimated ...

Mr Frank McGUINNESS: Yes, because I came up with a result using a similar approach, they have opening stock plus purchases. I went back to 2008, as the Ombudsman did, opening number of cows as per the records that had been provided to auditors, less sales for the year to come up with an average number of cows for the year. The number of births per cow was divided by the number of cows to calculate an average birth rate, and then applied that to 2009 to give me what a forecast of the number of births in that particular year.

Mr WOOD: Frank, can you read out the 2008 numbers because we've got this other chart here, just so we can compare what the figures are? 2008 opening number.

Mr Frank McGUINNESS: I'll start with cows if I May, because to calculate the birth rate exclude the heifers, the weaners, the mickeys and the bulls and everything else.

Mr WOOD: We'll have to do a total then.

Mr Frank McGUINNESS: Okay, but having done that I then started with an opening stock of 4590.

Mr WOOD: 2008 or 2009?

Mr Frank McGUINNESS: 2009.

Mr ELFERINK: The end of 2008, the beginning of the 2009 calendar year.

Mr Frank McGUINNESS: Yep, 4590 was the total herd according to this. There was one purchase which was a \$20,000 bull. There were 721 sales. Now, according to ... if I take the formula as described, over an estimated birth rate of 1603, estimated number of births at 1603 ...

Ms SCRYMGOUR: And it's over that year.

Mr Frank McGUINNESS: That'd be for 2009. But using the same formulaic approach, and using the 3% death rate with the Ombudsman has assumed, an estimated death ... number of deaths ...

Mr ELFERINK: That's 1018. Sorry, deaths of 216?

Mr Frank McGUINNESS: An estimated death rate, estimated deaths of 151 because what she was doing was ... What that report did was use a formula to try and project the number of cattle there would be on hand at December 2009.

Mr ELFERINK: So if you calculate the number of births in 2009?

Mr Frank McGUINNESS: 1603.

Mr ELFERINK: 1603.

Mr Frank McGUINNESS: Yeah. These figures may differ a little because of the way in which I've worked my formula, without having act ...

Mr ELFERINK: Well, it's curious because the report that I've got is using your starting base as 4590 which agrees with you?

Mr Frank McGUINNESS: Yes.

Mr ELFERINK: With one purchase which agrees with you. It then says add births of 1018. This is the ...

Mr WOOD: Low birth.

Mr ELFERINK: Sorry?

Mr WOOD: It's a low birth rate, yeah, that's right.

Mr ELFERINK: So they accommodate ... calculated a lower birth rate with then sales of 721, less deaths of 216 leaving at the end of the year 4672 cattle.

Mr Frank McGUINNESS: Yes, that's right.

Mr ELFERINK: If I was to inject your number of 1603 into that birth rate ...

Mr Frank McGUINNESS: That's my estimated births using a formula approach.

Mr ELFERINK: Yeah, then you'd be up at 800 number.

Mr Frank McGUINNESS: Yeah, and estimated deaths which is, you know, using the 3% which differs from what we know to be ... believe to be the actual deaths. That gave me a forecast closing figure of 5322, less the 4672. That's a difference of 650 but then add back the number of deaths we know of, and that gives me 866. So I suspect that that's how the 800 was arrived at, but I think where the ... And it's unfortunate, this whole debate has gone off at a tangent around 800 cattle.

Mr ELFERINK: At the end of the day, so what we are doing is that the number of cows that had died is going to always be up in the air simple because the issue of the birth rate is at the heart of this set of numbers.

Mr Frank McGUINNESS: That's right, and I think it is ...

Mr ELFERINK: If the birth rate was 1603 you've had 166 dead cows. If the birth rate was as low as 1018 as the Science Matters report suggests, then the death rate was 216 cows. Is there any vehicle that you are aware of which can give us an indication, other than extrapolation, the actual birth rate on the station during that period?

Mr Frank McGUINNESS: The only figures that I have are the ones, the figures that support 216 which are believed to be the actual deaths.

Mr ELFERINK: Which is supplied to you by the CDU?

Mr Frank McGUINNESS: By the CDU.

Mr ELFERINK: And of course CDU is probably basing that on their Science Matters report.

Mr Frank McGUINNESS: It could be. But what I've tried to do is, you know, in the middle of the audit, you know, in the lead up to the audit the Ombudsman's report came out. In the previous year we talked about 216 deaths. A figure of 800 has been used. My first question was, how is the difference between 800 and 216 explained.

Mr ELFERINK: The issue we've got, and it comes down to the condition of the cattle and the birth rate, because the birth rate in the year 2007 was 1817. In the year 2008 the birth rate was 1612 in spite of an 11% fall in the loss of cattle. 11.6%. They lost 668 cows in 2008. The birth rate then drops according to this report by a factor of 30% to arrive at the number of 1018 which has been provided to you by the

CDU who commissioned this report. So I presume your numbers have come from this report.

Mr Frank McGUINNESS: Well, if they've come from it they've come indirectly through CDU.

Mr ELFERINK: Alright. So the presumption in this report, and it's got to be a presumption because there are qualifications dotted throughout this report saying the numbers are difficult to ascertain. The presumption is that the birth rate on the cattle station dropped in two years from 1817 to 1018.

Mr Frank McGUINNESS: And I think that's problem. ... But experience and logic would seem to suggest that in 2009 the birth rate should have fallen. If the cattle were ... If the condition of the cattle had declined, they were stressed, then I would suggest that the birth rate would fall accordingly.

Mr ELFERINK: No, no, I get the logic, and I understand that and it's probably a reasonable argument but your lower number than the Ombudsman's number is then indicative of a serious decline in the condition and health of the other cattle on the cattle station.

Mr Frank McGUINNESS: I think it's indisputable that the condition of the stock was poor.

Mr ELFERINK: Yeah, that's indisputable, there's no doubt about it.

Mr Frank McGUINNESS: To the point where no muster was done in 2009.

Mr ELFERINK: Because they'd stress them.

Mr Frank McGUINNESS: Well, they were stressed enough to ... To muster them would probably have ...

Ms SCRYMGOUR: They would have died.

Mr Frank McGUINNESS: It would have been the end of quite a few of them.

Mr ELFERINK: Alright, that's fair enough, I've got no further questions, thank you, Madam Chair.

Mr WOOD: Can I ... ?

CHAIR: Gerry?

Mr WOOD: I was looking for this while you were talking there. This is the Charles Darwin University's submission to the Council of Territory Co-operation and it's headed (1) cattle deaths Mataranka Station 2009. This is where more confusion comes in. It has a table there, says summary of stock number Mataranka Station 2008 to 2010. So it says stock number year end 2008, 4124. At the end of 2008, 4590 according to the Science Matters. 2009, stock number at the end of that year according to this paper to the CTC, 4207. According to Science Matters, 4672 and then it goes on to 2010. It has under deaths for 2008, 744 as against 668 and for 2009 152 which could be explained that they haven't included the stock, the stud deaths, because our figures are broken up into stud deaths and the general herd deaths. The general herd deaths are 152.

So then we have sales, I'm just looking quickly. Sales for 2008 on the Science Matters shows at 2125; for the document the CDU gave us is 1932 and in the year that's probably most important, 721 and that 721 is the same here. So there is some variations in the numbers from what you've got and from what the Science Matters got, but they don't go over 200.

Mr Frank McGUINNESS: Look, so my question ... The question I posed to a number of people is that on the balance of probability would they have expected deaths to be anywhere in the order of 800. And this was to people who had an understanding of the station or were close to it and one was to the Department of Resources because they had had inspectors down there and the view was certainly nowhere near 800. The other one is, you know, Ms Walters who provided a submission to the Ombudsman. Her view was about 200. A Second report to the Ombudsman, estimated deaths of one to 200 which seem to be a consensus that one to 200 was the figure. So my question is how would you arrive at a figure of 800 and my first view was, perhaps 2008 and 2009 had been added together which would give you a figure of that order. But then, as I said, once I was pointed to the radio ... the transcript of the radio interview, it all became clear and I was able to calculate a figure which brought me to around 800 deaths.

Mr ELFERINK: Based on assumed birth rates?

Mr Frank McGUINNESS: Yeah, and it rests on a false premise that the birth rate will remain constant and if it doesn't, then the projections are worthless. And also ...

Ms SCRYMGOUR: If the birth rates were actually lower it would throw it out.

Mr ELFERINK: From an animal welfare point of view, however ...

CHAIR: Sorry, ABC's just removing their equipment.

Mr ELFERINK: Sure. But, I mean, basically from an animal welfare point of view you run into a simple issue. The cattle were in such poor condition they couldn't reproduce. It's still an animal welfare issue.

Mr Frank McGUINNESS: Oh yes.

Mr ELFERINK: Or they were healthy enough to reproduce in which case we lost 800. Either way the numbers don't work well from an outsider's world, yeah.

Mr WOOD: The productivity declined because of stress and drought.

Mr ELFERINK: But that's what I'm saying.

Mr Frank McGUINNESS: But then, Madam Chair, I think the figures being used today, I think it highlight the unreliability of the cattle numbers coming out of CDU. For example, first figures provided and they were as per a CDU reconciliation for 2010, suggested sales of 300. But that didn't tie back to the financial figures and we've now got a second schedule of 2339 and my people have been through to make sure there are ... they've seen invoices to support that and the figure of 2339, so as part of the final review of the report, one of the things I did was, and it's almost a back of envelope calculation too, say, well, what was the value of sales of cattle. If I assume an average sale price of \$550 a head, what does that give me, and it gave

me about 2360. And I thought, well, that's probably, you know, on that basis the manager's, the figure the manager has given me lines up with what's reported as part of the financial numbers, which suggests that the opening stock for 2010 and the closing stock for 2009 was far higher than anyone had reported. And in talking to the manager he said what is notable down there is a complete lack of records. And I did joke with him, were you left an A4 sheet of paper, he said, "Oh yes, but nothing on it". So I think he's working ... he's really having to start and rebuild the record keeping from scratch.

Ms PURICK: Can I just ask a question? And we've heard that before from the Ombudsman, it's in her report that there was an appalling state of records or no records, but would you not, or could you not assume that if there were no records actually at the station that there must be some kind of record trail within the University because they would have been buying and selling cows?

Mr Frank McGUINNESS: Stock sheets. Well, what we've been able to do is look at where we ... For example, we go back to 2009. While there was no muster, we could at least verify purchases and sales by looking at invoices and things like that and you can say, "Look, we're happy with that side of it. What we don't know is the birth rate." And what the ... and the birth rate and the mortality rate are the two unknowns. But of course but the comments provided to me last week were that if there were an additional 2000 cattle, somewhere, and I suggested they might have just been scrubbers but I'm assured no, that wasn't the case, that they would have been branded. This outcome is probably as good as the muster that had been done in the previous years.

Mr ELFERINK: How long does a cattle station records have to be in such a state of disrepair that you have to guess at these numbers in the way that we're guessing at them now?

Mr Frank McGUINNESS: Well, we don't ... I'd say three or four years, and I think you'd be in trouble.

Mr ELFERINK: So from your professional opinion as on Ombudsman ...

Mr Frank McGUINNESS: Well, no, I'm not ... Heaven forbid, Madam Chair.
[Laughter]

Mr ELFERINK: It's just you're so alike with Carolyn I often make the mistake.

Ms SCRYMGOUR: Awww, come on, John.

Mr WOOD: That is the worst excuse.

Ms PURICK: You're just digging yourself in deeper.

Mr ELFERINK: Yeah, I know. When you're in a hole, stop digging. That's the old maxim. Seriously, in your professional opinion as an Auditor-General in terms of the governance by the CDU of their asset, what would you say to the Vice Chancellor in terms of the way that that's been done and what recommendations would you make, because it sounds pretty how's your father to me.

Mr Frank McGUINNESS: Yeah. Well, it is. I think we have a number of things: (1) is ... I believe there are several issues. One is the distance of Mataranka from the University and ...

Mr ELFERINK: How can you not notice these sorts of numbers, they are so skewed.

Mr Frank McGUINNESS: I know, and the University focus on what it does at Casuarina and the rest and Mataranka is allowed to drift along. And the second then is the manager, I think, while he claimed as he departed that he was a scapegoat, I think probably there's enough to suggest that wasn't the case.

Mr ELFERINK: But I mean, he was ... The three or four years pre-dates his management substantially, so the wheels were falling off a lot earlier. CDU never noticed?

Mr Frank McGUINNESS: No, that's right, and I think they were taking at face value the information that was coming up from the station. Certainly they ... I've read the cash flows involved, they have records, but when you're looking at the muster and birth records, death records, I suspect they're just relying solely on their station manager, and also the stock sheets. Well, if you use 2010 as an example, we're having some difficulty in tying up stock sheets, and the only reason it doesn't lead to a qualification of the University's accounts is because these assets are less than 1% of the total University assets so ...

Ms PURICK: What, the station?

Mr Frank McGUINNESS: Yeah.

Mr ELFERINK: The station or the cattle?

Mr Frank McGUINNESS: No, the cattle assets. The cattle. Just the cattle and horses, you know, in total occupy a fairly minor place in the financial side of the University.

Ms PURICK: Frank, can I just go back to a comment you made before, and this was an item that was raised previously with the Ombudsman where you've got Charles Darwin University in Darwin and you've got Mataranka Station down at Mataranka which is whatever it is, 500 kilometres away ...

Mr WOOD: Four.

Ms PURICK: Four hundred, and that somehow created an issue. I don't have an issue with it being said but if the University is, or people within the University somehow are thinking that might be one of their contributing factors to the issues, well, I personally think that's rubbish because you get a mining company like ERA that's got their corporate office and the main reporting office in Darwin and you've got their mine some 300 kilometres away.

Mr WOOD: And you've also got Katherine campus.

Mr Frank McGUINNESS: Yeah, you've got Katherine Rural College, as well.

Ms PURICK: So, I mean, we'll question the University when they appear ...

Mr Frank McGUINNESS: It's a management ... I think it is a problem with the University management.

Ms PURICK: Yes, that's my point I think I'm trying to get to.

Mr Frank McGUINNESS: Yeah, it is, it's a problem with university management in that I think it's so Casuarina centred that it almost forgets that Katherine ...

Ms PURICK: It has got this major facility.

Mr Frank McGUINNESS: Yeah, that they've got a sizeable investment in Katherine.

Ms PURICK: Do you think the University's overlooked it because it's something rural and it's not sexy and Darwin ...

Mr WOOD: It's not academic.

Ms PURICK: It's not academic, it's [inaudible 4.13.49].

Ms SCRYMGOUR: You should throw that at Glover tomorrow.

CHAIR: I'll just remind Members about seeking opinions.

Ms PURICK: Okay.

Mr Frank McGUINNESS: But I will provide an opinion. I think it is a management failure on the part of the University. And it probably goes back over a number of years. Katherine, it sort of ... I suspect, you know, everything that was exciting to an academic was happening at Casuarina and Katherine was sort of out of sight, out of mind.

Ms PURICK: Out of mind, yeah. Thank you.

CHAIR: Gerry.

Mr WOOD: Just a little comment on the stock numbers. In the report from Charles Darwin University, they got the 2008/2009 records from the CDU stock evaluation sheet so I don't know where they are, but that's what they claim.

Mr Frank McGUINNESS: We have some but then we've had ... Ray White Rural do the valuations, or have done the valuations over the past couple of years, but we often had trouble tying up Ray White's numbers to the stock sheets.

Mr WOOD: Well, it does say the stock number year end for 2009 4207 but not based on a full muster of the station, it was estimated from the 2008 figures. The muster in 2009 was not completed due to management issues and the fact that many stock were in a weakened condition and would have been further stressed by mustering. So again you worry about the accuracy of the figures. But then when you go to the Science Matters, they're saying for 2009 the best source data appears to be the value appraisal by Douglas Jenkins Licensed Livestock Engineer Jenkins Cattle Trust, Katherine NT dated 29th of December 2009. So one is talking about the CDU stock evaluation sheets and then there's also about Douglas Jenkins. Are they referring to the same sheets? Do you think?

Mr Frank McGUINNESS: Without ... They may be because the sheets I've had at my disposal have been to ... one have been the stock sheets which purport to be the stock count, and then there was a second set of sheets by the valuer, and they

don't always align and partly because the valuer does not do ... he's not there when the cattle have been counted.

Mr WOOD: So you're saying the valuer was Ray White?

Mr Frank McGUINNESS: Ray White Rural.

Mr WOOD: This document says the value appraisal signed by Douglas Jenkins, Licensed Livestock Auctioneer.

Mr Frank McGUINNESS: And I think he's with Ray White.

Mr WOOD: Oh right.

Mr Frank McGUINNESS: Yeah.

Mr WOOD: I thought that's going to be a bit funny if two people are doing the ...

Mr Frank McGUINNESS: No, but the valuer normally would rather been there when the ... because the muster can, you know, extends over a week or two. The valuer would come in for a day or two and take samples, look at them and put values on, you know, a sample of cows, heifers, bulls, mickeys, you know, weaners, whatever, and then extrapolate those values to the herd as a whole.

Mr WOOD: Okay, alright, thank you.

CHAIR: Further questions?

Ms SCRYMGOUR: Nope.

Ms PURICK: No.

Mr ELFERINK: Nuh, thank you very much, Frank.

Mr Frank McGUINNESS: Thank you, Madam Chair.

CHAIR: Frank, thank you very much, and a copy of the transcript will be made available to you for checking before it goes onto our website. Thank you very much for appearing before us today.

Mr Frank McGUINNESS: Thank you.

END OF MEETING