

The Estimates Committee convened at 8.30 am

Madam CHAIR: Good morning everyone. Before commencing questions this morning I would like to make a statement about the admissibility of questions and conduct at these hearings. Estimate hearings provide a valuable opportunity for members to question ministers about any matters related to the budget. They are an opportunity to obtain information; however, standing orders do not allow questions to make inferences or imputations about any person, or for members to attribute unbecoming conduct or motives to another member.

To assist openness and the free flow of questioning, I have allowed significant latitude in the asking of questions. However, when it comes to making imputations or attributing unbecoming conduct my tolerance has been exhausted. I encourage members to ask questions relating to the budget, and warn members that questions outside the standing orders will not be allowed.

For the benefit of Hansard we have Nathan Barrett, member for Blain; Gary Higgins, member for Daly; me, member for Drysdale; the Opposition Leader and member for Karama, Delia Lawrie, the member for Nightcliff, Natasha Fyles; and the member for Nelson, Gerry Wood.

I welcome you Chief Minister, and invite you to introduce the officers accompanying you today.

CHIEF MINISTER'S PORTFOLIOS

AUDITOR-GENERAL'S OFFICE

Mr GILES: Thank you very much Madam Chair, and thank you to the PAC. I would like to welcome Frank McGuinness, Auditor-General and ask that any questions be directed to me or Frank in regard to the Auditor-General.

Madam CHAIR: Chief Minister, I invite you to make an opening statement of no more than five minutes. You may also choose to table answers to written questions. 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 invite the shadow minister to ask questions first, followed by committee members and, 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 rather than waiting for the end of the shadow's questioning on the output.

Chief Minister, do you wish to make an opening statement?

Mr GILES: No, I would just like to introduce Frank McGuinness.

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

Madam CHAIR: Thank you very much. The committee will now consider the estimates of the proposed expenditure contained in the Appropriation Bill 2014-15 as it relates to the Auditor-General's office. Are there any agency related whole-of-government questions on budget and fiscal strategies?

Ms LAWRIE: Chief Minister, you received written questions tagged WQ 147 in relation to the Office of the Auditor-General. Are you able to table those answers?

Mr GILES: I do not know if I received written question 147 for the Auditor-General's office. We have whole-of-government questions for Chief Minister.

Ms LAWRIE: Are you able to table that?

Mr GILES: What was the question number?

Ms LAWRIE: Number 147. It says:

Please provide full details of all government advertising and breaches identified by the Auditor-General in the past financial year.

It requests some breakdowns.

Mr GILES: Question 147 should be directed towards the Minister for Public Employment.

Ms LAWRIE: It was to you, Chief Minister, and we received no advice it should go to the Minister for Public Employment.

Mr GILES: I am advising you it should go to the Minister for Public Employment.

Ms LAWRIE: All right.

Mr GILES: The question was:

Please provide a list of forced redundancies across agencies, an explanation for each redundancy and why it was necessary to breach the CLP's election commitment that no public servant would be sacked.

Ms LAWRIE: It also went to the Auditor-General question as well. You are not able to provide an answer?

Mr GILES: No, that will go to the Minister for Public Employment.

Ms LAWRIE: Even though it was an Auditor-General's question?

Mr GILES: No, you were talking about public service employees.

Ms LAWRIE: No, I am sorry. I will point to question number 1:

Please provide full details of all government advertising and breaches identified by the Auditor-General in the past financial year.

Mr GILES: Is that 147?

Ms LAWRIE: It is number 147 question 1.

Mr GILES: Do you have number 147.01?

Mr McGuinness: I do.

Ms LAWRIE: Thank you.

Mr McGuinness: Madam Chair, I am happy to respond to that. I received one referral during the year in relation to an advertisement that dealt with the government's decision not to take up the funding flowing from the Gonski report. I looked at the advertisement. I also sought data from the Department of Education, and having looked at the data and the response I decided what was in the advertisement was factual and had not contravened the *Public Information Act*.

However, during the course of the year two agencies approached me seeking advice before advertisements went to press. It is rarely the circumstance where advertisements are placed with photographs of all members, and you may have seen a brochure recently advertising the Glenti function containing two advertisements. Advice had been sought from me on one, and I advised in regard to a literal reading of the *Public Information Act* the reference to political parties should be removed. The second one, no advice was sought and the members might have noted one included the logo of the party in question.

The first one, perhaps I was taking too narrow an interpretation of the act. I thought a conservative approach was probably better in the circumstances. A second proposed television advertisement was put to me a couple of weeks ago. I again said I could find nothing to suggest the act would be contravened.

In relation to the *Public Information Act*, I think it has been a quiet year.

Ms LAWRIE: Thank you very much for that response Auditor-General, I appreciate that. Chief Minister, I take it the response regarding global questions you will take after the statutory officers?

Mr GILES: Yes.

Ms LAWRIE: Chief Minister, can you please advise on the process to replace the current Auditor-General when his term expires, which is shortly I believe.

Mr GILES: The process is we will start looking for a new Auditor-General.

Ms LAWRIE: Has that commenced?

Mr GILES: A process has commenced.

Ms LAWRIE: What is the process?

Mr GILES: In the process to identify a new Auditor-General there is advertising, identifying the right person and appointing the right person. We will do that at the right point in time.

Ms LAWRIE: Who is on the selection panel for the Auditor-General?

Mr GILES: The best person to speak to about the selection panel for the Auditor-General is the CEO of the Chief Minister's department, because I do not get involved in that process.

Ms LAWRIE: You are Chief Minister, you would be aware.

Mr GILES: The best person to ask would be the CEO of the Chief Minister's department, and when we get to the Chief Minister's portfolio area we will ask that question.

Ms LAWRIE: It will not be ruled out of order, Madam Chair? I seek clarification because it is pertinent to the question.

Madam CHAIR: I will not rule it out of order. If the Chief Minister says it fits in that portfolio, I take his word for it.

Ms LAWRIE: I am surprised, Chief Minister, you are not aware of who is on the selection panel for the Auditor-General. I am that previously ...

Mr GILES: This is a bit different to Labor; we do not appoint our mates. We have an arm's length approach to who is Auditor-General.

Ms LAWRIE: You have a pretty good record of that. Are you aware previously the opposition was a participant on the selection process for the Auditor-General? To refresh your memory, I wrote to you about it.

Mr GILES: What is your question?

Ms LAWRIE: Are you aware that previously the opposition of the day has been on the selection process for the Auditor-General?

Mr GILES: No, I am not aware.

Ms LAWRIE: I wrote to you about it and you replied to me.

Mr GILES: Yes, but I am not aware of you being involved in the process at this stage.

Ms LAWRIE: Cute. Are you aware, given that I wrote to you, in the past the opposition has been represented in selecting the Auditor-General? It is an important, independent and statutory position.

Mr GILES: In regard to selection of a new Auditor-General, those questions will be undertaken throughout the process of the Chief Minister's whole output area. This is an opportunity for you to question Frank McGuinness, the Auditor-General, about any investigations or otherwise he may have undertaken in his role throughout the year as Auditor-General.

In regard to replacing the Auditor-General, I am happy to take those questions in the Chief Minister's portfolio. If you have no more questions for Frank McGuinness ...

Ms LAWRIE: I do, but you do not have to start off so rude so early. Let yourself slip into it a bit.

Auditor-General, questions have been raised about the awarding of water licences prior to water allocation plans being formalised. Is this something the Auditor-General might investigate?

Mr McGuinness: It is possible, and at one stage we had a performance management audit programmed to look at the allocation of water licences. However, at that point the complainant indicated he intended to go to court. Because of that I stepped out of it and we have not planned anything further since then. Because it may also involve an administrative law issue, it might be better handled by the Ombudsman than the Auditor-General.

Ms Lawrie: Your audit of the Darwin Waterfront Corporation for the year ended 30 June 2013 was issued on 16 October and you found the corporation reported a deficit of \$3.4m compared to the prior year's deficit of \$2.9m. Did you find anything in this process that you have recommended for the health of the Darwin Waterfront Corporation?

Mr McGuinness: There is nothing untoward with the corporation; it is the way in which it is funded, which is on a needs basis. As you may be aware, the corporation has significant obligations in payments to the operation of the Darwin Convention Centre. It is the way the cash flows affect the operating result and, in return, the way Treasury finances the corporation to meet those obligations. In different years you will have varying levels of financial performance linked to the flows of revenue to and from the corporation.

Ms Lawrie: Auditor-General, last financial year you audited the Land Development Corporation. At that time were you aware the Chair of the board was also a director of Foundation 51?

Mr McGuinness: No, I was not, but I am now.

Ms Lawrie: Would that be something you would take into account in an audit?

Mr McGuinness: It depends on whether or not there is a potential conflict of interest between that person's role and the operation of the Land Development Corporation.

Ms Lawrie: Foundation 51 is an organisation linked to the CLP which takes donations from developers, and it is the Land Development Corporation?

Mr McGuinness: That has been alleged, but ...

Ms Lawrie: You would have the powers to investigate that?

Mr McGuinness: No.

Ms Lawrie: Who would?

Mr McGuinness: That is a good question. It may fall outside the purview of both me and the Ombudsman, but I would be concerned if there was a conflict of interest in that person's role as a director of the corporation.

Ms Lawrie: You can investigate the role of a director of Foundation 51 as Chair of the board of the Land Development Corporation to a point?

Mr McGuinness: To a point. It is something we raised with the corporation in past years - the risk of a conflict of interest, particularly where people with an interest in development are also involved, in some way, with the corporation.

Ms Lawrie: Would you, in your experience around conflicts of interest, have genuine concerns if an inquiry found a director of Foundation 51 receiving significant donations from land developers also sat as Chair of the Northern Territory government's Land Development Corporation?

Mr McGuinness: You would ask questions during the course of the audit and, as you may be aware, during the audit one of the things you always look at is board minutes and any indication there was a conflict. However, you also expect people in those positions to be able to separate their roles, and that a person who is professional should be able to distance themselves, in this case, from the operations or activities of Foundation 51 and act as a director should in the case of the Land Development Corporation.

Ms LAWRIE: Would it not be prudent to have - as you have raised concerns about in the past - directors who do not have direct relationships with land developers?

Mr McGuinness: Sorry, would you ...

Ms LAWRIE: Would it not be prudent to have a chair who does not have direct relationships with land developers?

Mr McGuinness: I am not sure I should comment on that. I think that is ...

Madam CHAIR: It is a matter of opinion, and you do not have to answer that.

Ms LAWRIE: Not a problem. No further questions.

Mr WOOD: I have some questions.

Madam CHAIR: On agency related whole-of-government?

Ms LAWRIE: This is the Auditor-General section.

Madam CHAIR: Yes. It has two output groups.

Mr WOOD: Okay. I will ask mine at Audit and Reviews.

Madam CHAIR: That concludes consideration of agency-related whole-of-government questions ...

Mr HIGGINS: Can I ask a couple of questions?

Madam CHAIR: On whole-of-government?

Mr HIGGINS: Yes. Mr McGuinness, have any complaints been referred directly to your office regarding the Opposition Leader and any electorate communications she has had?

Mr McGuinness: No.

Mr HIGGINS: I understand, under the act, you have authority to review any potential breaches on your own initiative, is that correct?

Mr McGuinness: There are two acts. One is the *Public Information Act*, where I can act on my own initiative or respond to something brought to me by a member of the Legislative Assembly. Also, under the *Audit Act* I can initiate any audit within the scope of the act.

Mr HIGGINS: Can I draw your attention to three surveys recently distributed by the Leader of the Opposition on Power and Water, TIO and education? I will table those. Were you aware of any of these surveys?

Mr McGuinness: No, I was not.

Mr HIGGINS: Under the act, that kind of advertising cannot contain statements which promote political party interests, but late last year the Leader of the Opposition released a survey on education which I just handed to you. That contains six clear references to the Country Liberal Party, the CLP or Liberal parties, four clear references to the Labor Party, including a direct invitation to visit the Labor Party website, territorylabor.com.au, and five clear references to the survey being conducted by the Leader of the Opposition, including a photograph of the member for Karama. Do you see that as a breach of the act?

Mr McGuinness: Without having seen it - I would need to look at it. The best approach is if a member of the Legislative Assembly would care to refer it to me under the *Public Information Act* I can take it forward from there.

Mr HIGGINS: I will do that. The act also requires fact to be clearly distinguished from opinion, but the education survey asked, 'Do you believe the new CLP teacher ratio that results in over 100 teacher positions being cut across the Territory is a good thing?' I suggest the reader would interpret that as a statement of fact when it is untrue. Do you see that as a breach of the act?

Mr McGuinness: I will be cautious in responding. It would be best if the survey was referred to me under the act and I can look at it in more detail. As you are aware, if I feel the act has been contravened I have to make a preliminary determination and would refer that to the Leader of the Opposition, who is able to respond in writing. My final determination is then tabled in parliament.

Mr Higgins: My point is they appear to be clearly paid for by the Opposition Leader. On the subject of opposition surveys, which I suggest are clearly political push-polling devices, I also draw your attention to another survey the Leader of the Opposition released regarding the community consultation being undertaken by the NT Planning Commission on the old hospital site at Myilly Point. I hand over that one as well and ask if you are aware of that survey? Has that one been raised in your office?

Mr McGuinness: No, it has not. In fact, none of these surveys have been raised with me. If you would care to refer it to me formally I would be happy to proceed with it.

Mr Higgins: This survey was widely distributed in the electorate of Port Darwin and makes a number of claims, including that there has been no community consultation and the proposal is a mix of 70% development, 30% parkland. Given this information is untrue, would you see that as a breach of the act?

Madam CHAIR: Member for the Daly, the Auditor-General cannot speak to matters of opinion. I am sure his answer will be the same as the last.

Mr Higgins: I will get to the next one. This issue has been brought to my attention in the past few days by my colleague, the member for Port Darwin, who is understandably concerned at the levels the Leader of the Opposition is prepared to go in misinforming the public.

The member for Port Darwin has also received a copy of a formal letter from the Chair of the NT Planning Commission to the Leader of the Opposition, which corrects a number of inaccuracies in the document. I will now table a copy of these letters. The worst of the inaccuracies highlighted by the commission is the plan used by the Leader of the Opposition has been reproduced differently to the one the Planning Commission released. This would suggest the office of the Leader of the Opposition has deliberately altered information already on a public record.

Auditor-General, given the serious nature of these factual errors pointed out by an independent statutory body, will you undertake to review this matter?

Mr McGuinness: If it is referred to me under the *Public Information Act* I have to deal with it.

Mr Higgins: Can you give me some indication of penalties that apply if you find these surveys breach the act?

Mr McGuinness: The act has no penalties. The only thing I can do is include my findings in a report to the Legislative Assembly. It is up to the Assembly to do as it wishes.

Mr Higgins: I will table the last letter as well. Thank you

Mr Wood: The member for Daly is saying certain publications, which I have not seen, are inaccurate. Auditor-General, does that also apply to advertising during an election campaign?

Mr McGuinness: Any advertising.

Mr Wood: If two billboards were placed on a corner in my electorate which were clearly incorrect - in fact, straight out untrue - with no name on them except the authoriser, who happens to be the same person authorising the CLP campaign, could I take that to you and ask the truth or otherwise be assessed?

Mr McGuinness: I believe so. The *Public Information Act* is very broad, extending to any information funded using public monies, including e-mails, websites or printed information.

Mr Wood: When you say public money, if a party put out something using its own funds ...

Mr McGuinness: If it is paid for by a political party or an individual from their own funds, then it falls outside the scope of the *Public Information Act*.

Mr WOOD: I imagine these would have, I just thought ...

Mr McGuinness: In that case I could not look at it.

Mr GILES: It is only public money – the *Public Information Act*.

Mr WOOD: That is okay.

Mr McGuinness: There are limits to how far the act can extend.

Mr WOOD: Yes, we have the Electoral Commissioner coming up and perhaps we should ask him as well.

Madam CHAIR: Are there any further agency-related whole-of-government?

Ms LAWRIE: Yes.

Auditor-General, the government seems intent on beating up some consultation surveys the opposition has done to the public. I heard the Chief Minister question you about whether a report of yours to the parliament could then be a matter the government could pursue, taking the Leader of the Opposition to Privileges. You have not seen these surveys. Is it your experience that former breaches of the *Public Information Act* by the CLP government, the subject of Auditor-General reports by yourself - has it been your experience they lead to Privileges?

Mr McGuinness: No, they have not. I think the report sank without a rebel.

Ms LAWRIE: It would be a very much a change of process for the CLP government to take a report to Privileges? They have not in the past.

Mr McGuinness: It has not been done in the past. I would not like to comment on how the Legislative Assembly might want to deal with matters in the future.

Ms LAWRIE: That is okay; we are used to the form of this government. Thank you very much, Auditor-General.

Madam CHAIR: That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 1.0 – AUDITS AND REVIEWS

Output 1.1 – Audits and Reviews

Madam CHAIR: We will now move to Output Group 1.0 - Audits and Reviews, Output 1.1 - Audits and Review. Are there any questions?

Mr WOOD: Auditor-General, you brought out a list of fuel cards without any explanation as to who owned them. Has there been any response from the government in relation to how that should be addressed? Were there any cases in relation to fuel cards where there was excessive use and no proper explanation?

Mr McGuinness: One of the problems, member for Nelson, is you can look at the fuel card data but it does not tell you who was using the card on that particular day and the circumstances. You are probably referring to the first review which covered the Legislative Assembly, but we did the same review over a number of agencies - Aboriginal Areas Protection Authority, the Legislative Assembly as I mentioned, the Department of the Chief Minister, Department of Health, Attorney-General and Justice and also Tourism NT. In the case of the Aboriginal Areas Protection Authority there was very little of note. It is a small organisation with a limited number of vehicles. It was only selected because it has a good mix of city and rural driving and was used as the benchmark.

As a general comment, the issues raised vary greatly across agencies but I could run through them. What appeared to be incorrect fuel types, where NT Fleet may have had a vehicle flagged as requiring unleaded fuel, you found quite amount of instances where premium fuel was used. There were a couple of cases where petrol was put into diesel powered vehicles by mistake.

The other is where you had purchases made in a matter of minutes. There may be 50 L put into a car for say \$70 and, at the same time, another purchase of \$12 to \$15 but there is no indication on the invoice that

comes back from the vendor as to what that is for. One member put to me where people are going bush it is quite possible jerry cans are being filled up, and that is a plausible explanation, but in other cases it could be oil, coolant and, being a person of suspicious mind, there could also be lunch but you have no evidence to support that.

Mr WOOD: Basically, you know how much fuel a vehicle uses. If you are able to put together 12 months' worth of travel and work out what amount of fuel that vehicle should use - knowing how many litres per kilometre it uses - you should see whether a vehicle has disproportionately been filled up with more fuel than it should.

Mr McGuinness: That was one of the things we hoped to look at, but if people are not giving their odometer reading at the time of refilling, or if console operators are not entering the odometer reading, you have no history of the number of kilometres it has travelled in a given period of time.

Mr WOOD: Even over 12 months? I have had times when I probably put the wrong odometer in - by the time I had a chat with the lady at the front counter I had forgotten what the number was, or it has been put in by the person at the front counter incorrectly. However, over a long period, a bit like the stats we talk about, you get a trend to see whether the fuel usage is, on average, normal for that vehicle.

Mr McGuinness: We did not take it over a 12-month period, we selected a shorter period. We were interested in the extent to which fuel cards were presented, odometer readings were there and purchases looked okay, as a precursor to a more comprehensive review in the future. The data out of this was patchy.

Mr WOOD: You could not say if there had been a serious misuse of fuel cards?

Mr McGuinness: No, as I said, a person of suspicious mind can always read the wrong intent into things, but there is no evidence to suggest outright fraud or anything like that. There are cases where we put back to agencies two or more fuel purchases on the same card within a matter of minutes and asked for explanations and reviewed it. These reviews have been a heads up to agencies to tighten their procedures, because my successor might wish to come back and have a closer look in the future.

Mr WOOD: Thanks for that. The government also decided to sell off the bus service and the printing office. Have you looked at the developments the government has put forward?

Mr McGuinness: You may be aware that under the *Audit Act* the Auditor-General cannot comment on policy. I cannot question policy, so I have to allow the government to make its decisions and I will look at the financial effects later on.

Mr WOOD: I understand that. I was not asking you to comment on the policy, but I thought the government might have made some reasons for its decision based on financial savings. Would you have looked at that to see whether it matched up to the reality?

Mr McGuinness: I looked at the Government Printing Office; it has been overtaken by technology. Its printing activity in the last few years has been in steady decline. There is desktop printing, Internet and everything else, and it begins to eat into what were traditionally its areas of activity. It was only a matter of time before the decision was made.

Mr WOOD: I think that is all my questions. I would like to thank you for all the hard work you have done over the years. I hope, in retirement, the Chief Minister gives you a new bike after all you have done.

Mr GILES: I thought you were going to say gold watch.

Mr WOOD: No, he fell off the last one. If you could give him training wheels it might help. I appreciate all the hard work and believe you have been a very good, independent Auditor-General always willing to help people like me with advice on not so much policies, but giving me information which helped my job. I thank you for all the work you have done.

Mr McGuinness: Thank you very much.

Mr GILES: I second that.

Mr Higgins: Can I just ask a question on fuel cards? One thing I noticed when the audit was done was there is no pin number on some of the cards. Did that come out as one of the recommendations?

Mr McGuinness: We did not recommend it because it is my understanding PIN cards are due to be introduced shortly. The decision had already been made that fuel cards would be accompanied by a PIN number.

Mr Higgins: Okay.

Madam Chair: Are there any other questions in Output Group 1.0? That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE

Output 2.1 – Corporate and Governance

Madam Chair: The committee will now consider Output Group 2.0 - Corporate and Governance, Output 2.1 - Corporate and Governance. Are there any questions?

That concludes consideration of Output Group 2.0.

Non-Output Specific Budget-Related Questions

Madam Chair: Are there any non-output specific budget-related questions?

On behalf of the committee I would like to thank the Auditor-General for attending today. As Chair of the PAC I would also like to thank you for all your hard work. You have always come to our meetings and been a real gem. It has been a pleasure knowing you in the last years. Thank you very much.

Mr McGuinness: Thank you very much, Madam Chair.

Mr Giles: I would like to thank Frank for his efforts as Auditor-General and wish him well. Maybe he will get another bike, Gerry.

Mr Wood: Yes.

Madam Chair: Who will audit that?

Mr McGuinness: Not at taxpayer expense.

Madam Chair: Thank you, Auditor-General.

NORTHERN TERRITORY ELECTORAL COMMISSION

Madam Chair: The committee will now move to consider the Northern Territory Electoral Commission. I invite you, Chief Minister, to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Northern Territory Electoral Commission.

Mr Giles: I will not make an opening statement, I will introduce Iain Loganathan. Ian is the new Electoral Commissioner. I congratulate Ian on his appointment as Electoral Commissioner. Ian stood head and shoulder above throughout the process of who should replace the previous Electoral Commissioner, Bill Shephard. All members of the Assembly should be encouraged by Ian's professionalism and approach to the job. I look forward to, as Chief Minister and a member of parliament, working with Ian as we continue to improve the electoral processes in the Northern Territory.

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 2014-15 as they relate to the Northern Territory Electoral Commission. Are there any agency-related whole-of-government questions on budget and fiscal strategy?

Ms Lawrie: Yes. Congratulations, Mr Loganathan, on your appointment as the Electoral Commissioner.

Mr Loganathan: Thank you.

Ms LAWRIE: You would be aware of irregularities raised during the 2012 Northern Territory election in relation to translators/interpreters. Incidents at Nyirripi and Wadeye were the subject of statutory declarations. What actions have you taken, as incoming Electoral Commissioner, to be acquainted with the allegations of irregularities?

Mr LOGANATHAN: The matters you refer to are being considered by the police. I understand one has been scheduled for hearing in August. In relation to what actions I have taken, we have looked at the use of interpreters and what occurred. When I was with the Australian Electoral Commission this was also an issue – contentious issues in remote areas. One of the important things we can do is – the interpreter service is an important one, but it is a difficult service to manage because we have officers in charge who usually are not aware of the languages being spoken and do not have knowledge of what is being said. In a polling booth it is important there are clear and consistent messages.

One thing we would look at is, in the future, to provide an interpreter service using tablets where we can have a standard message we could liaise with political stakeholders on, and that message can be translated into language. Electors requiring assistance in the first instance could hear instructions in language. If that gave them sufficient knowledge to cast a formal and knowledgeable vote that would be the best case scenario. If they required further assistance after that point there would need to be some level of interpreter service provided.

Ms LAWRIE: Do you envisage that format being ready by 2016?

Mr LOGANATHAN: That is my intention.

Ms LAWRIE: Will you be working with the Australian Electoral Commission on development of that technology bearing in mind 2016 is a federal election year, a Northern Territory election year, as well as local government?

Mr LOGANATHAN: Yes. When I was with the Australian Electoral Commission we introduced using DVDs, but technology has evolved. The use of tablets and stuff like that would probably be more customised and appropriate.

Ms LAWRIE: Would you envisage that would also provide some savings to the Electoral Commission in the payment of translators?

Mr LOGANATHAN: I have not done any cost-benefit analysis of it. We would have to hire or buy tablets, and we would have to use an interpreter service to translate the language, which would come at some cost. However, whatever the costs, given this is a salient issue it is important we provide the best possible service we can.

Ms LAWRIE: You made reference to the fact the police have been handling complaints arising out of the 2012 campaign and there is a matter before the court. Are you aware of the nature of the charges?

Mr LOGANATHAN: I am aware of what is in transcripts of estimates from last year. I was at the direction hearings and it was improper direction to two electors. There are some official words to use and I do not know them off the top of my head, but that is the general gist of the complaint.

Ms LAWRIE: My understanding is the Australian Electoral Commission changed its processes for the federal election in regard to hiring of translators. The feedback I have received is it seemed to be a far tighter process. No complaints of any irregularities arose out of that campaign. Have you looked at those stricter vetting processes as something that - you will need some degree of translating, even with tablets - in an instance where someone is not coping with technology?

Mr LOGANATHAN: We travelled to a number of locations where mobile polling was being conducted. When I say 'we', I and a number of staff witnessed what the AEC was doing. There are things want to adopt. We have written about aspects of that in the election report tabled in parliament last month and our views about some of the appropriateness of what they used.

They used a method where, if there is any party official who objects to any interpreter, that interpreter is not utilised. We have a concern about that aspect, because my focus would be on ensuring we provide an efficient and appropriate interpreter service rather than meeting the concerns of all party workers. There has to be a balance here, and some of the things they did in regard to working with parties beforehand, about giving lists of potential interpreters, is good practice and something we should employ.

Ms LAWRIE: Commissioner, you have received a letter of complaint from the Northern Territory ALP secretary in regard to Foundation 51. Have you commenced an investigation?

Mr LOGANATHAN: I received the letter from the ALP last month. I responded to the ALP last week acknowledging receipt of that letter and saying I am seeking further information in regard to the matter. I specifically have not used the word 'investigation' because it has specific connotations of the act in regard to exercise of statutory powers. I have not done that as this point but, as I stated in my letter, I am seeking further information.

Ms LAWRIE: You will have period of time to seek further information, and what is the next step?

Mr LOGANATHAN: I have to be a bit careful of what I say in regard to this matter. This is an ongoing matter I am considering at the moment. Anything ...

Ms LAWRIE: Outline a process. There would be alternatives within the process?

Mr LOGANATHAN: The appropriate way of discussing this would be how I deal with any complaints ...

Ms LAWRIE: Sure.

Mr LOGANATHAN: How I deal with any complaints is, as a first step, I provide a copy of the complaint to the person the complaint has been made against - that is due process and natural justice - to give them an opportunity to respond to those allegations. On receipt of any response I would determine the appropriate next step.

Ms LAWRIE: Is it currently in that process?

Mr LOGANATHAN: Yes, that is correct.

Ms LAWRIE: Excellent. I have no further questions.

Mr WOOD: Mr Loganathan, thank you for coming to my office recently and giving me a report on what you are doing and what you intend to do, I appreciate it. I hope we can have some more discussions, and I have some questions today.

I mentioned this at the meeting but it needs to be discussed in public - the possibility of extending the term for council elections in the Northern Territory because of them being close to either a federal or Territory election in the same year. I am not particularly a fan of that, but do you see a problem with extending a council term for an extra year, which means councillors would be in for a five-year term, it would have legal issues in relation to what people voted for?

In other words, they voted for that council or councillors to be elected for four years. When they voted they did not know it would be for five years. Is there some legality which says you cannot do that because people have not elected a person for five years?

Mr LOGANATHAN: I am not aware of any illegality issues, nor am I the correct person to respond to such queries. My understanding is there is no decision made in regard to this; it is just a matter under consideration.

Mr GILES: Can I just jump in, member for Nelson? It is under consideration. We also have concerns that the federal election and the Territory election might be on at the same time. We know the general population is not always keen on elections, and to have three in close succession might be a challenge so we are currently reviewing the best way to facilitate elections in 2016.

There are provisions within the act in the Northern Territory for the general assembly of the Northern Territory and we are working out ways to do that better. When we come up with some options we will be in discussion with all members.

Mr WOOD: All right. We discussed something similar in years gone by - whether we have elections for the Territory government and local government on the one day.

Mr GILES: I do not think that will be happening, Gerry.

Mr WOOD: I know that. In some countries, for instance the United States, they vote right across the board for everybody, from judges to school counsellors, chair to their state assemblies to their local government, so it can be done. There are issues with it, but as you say people do not like going to the ballot box too often. Sometimes that is the price of democracy.

Mr Loganathan, is the redistribution program is on track?

Mr LOGANATHAN: The resubmission is scheduled to start in February next year.

Mr WOOD: You mentioned there may be a different way of calculating the number of people in an electorate? You use a grid method or something and now that may be changing?

Mr LOGANATHAN: I was referring to the ABS methodology of how these numbers are put together has changed. The ABS previously used CCDs, Census collector districts, and that has now changed to mesh blocks and SA1s. I have been liaising with the registered officers ...

Mr WOOD: What are SA1s?

Mr LOGANATHAN: It is just a different building block. The Lego blocks are different. They will be smaller to begin with, but the process is still the same. I have suggested to the registered officers of political parties that they avail themselves of a briefing session by ABS on this new methodology to assist them prepare their submissions for the redistribution.

Mr WOOD: In general, what advantages are there in moving from one methodology to another?

Mr LOGANATHAN: I do not know if 'advantage' is the correct term to use. The difference is mesh blocks will be smaller than CCDs. Sometimes, when a redistribution had been done, you had to split a CCD, which is messy from an administrative point of view. We think by using mesh blocks there is less likelihood of having to split. When you have to split CCDs it means you just increase the probability of having somebody in the wrong electorate. I think this is a positive move and has not just been done here, it has been done nationally.

Mr WOOD: Local government elections. I moved a motion in parliament recently asking the government to support the idea local government has a choice to select you - not you personally - or someone else, or local governments run their own elections. There is probably more of an emphasis here on by-elections. Do you see any issues with that?

Mr LOGANATHAN: I understand this matter is also under consideration. A decision has been made. I have some views on that in the sense we have an independent electoral authority in this jurisdiction, and I think there should be a separation between the administrative and political arms of councils. The issues, from my reading of *Hansard*, relate to costs more than anything else and I have spoken to LGANT. In all by-elections we run we provide estimates to councils and try to work with them in regard to how we can possibly lower costs, because we understand this is a major consideration.

I cite a relevant example. There is currently a by-election at Wagait so rather than running big ads in the papers, given the unique nature of that shire, can we just hand out pamphlets, have posters and stuff like that to reduce costs but still get across the public awareness message about close of rolls and nominations. Then, if the election goes to poll, what voting services we would provide. I think ...

Mr WOOD: The Chief Minister would probably agree with you - competition is good and makes you lean and mean. I have another question in relation to local government. When it comes to wards, the body selects when there should be a ward redistribution, is that correct?

Mr LOGANATHAN: The current practice is that local councils do a boundary review and would determine whether there are any wards or changes to their boundaries. In the report we tabled last year in regard to the conduct of local government elections - we do not believe this is a good practice. We think the practice which should be followed is similar to that followed in Legislative Assembly elections, where there is an independent panel determining such matters. We think the Electoral Commission should be a member of this panel, but there should be other independent people on it. It should not be a decision for individual councils; such decisions should be at arm's length.

Mr WOOD: Do you know how often those reviews have to be done?

Mr LOGANATHAN: They have to do them once in every cycle, so every four years. They are currently being undertaken.

Mr WOOD: If they decide not to make any changes, is that it? Even if the wards are way out of ...

Mr LOGANATHAN: In the report we tabled we stated some councils commissioned a report which made recommendations councils have not accepted so no changes have been made. The councils are final arbitrators or final decision-maker in regard to what changes are made.

Mr WOOD: You raised the possibility of having an ad-free zone around a polling booth as a way of taking some of the angst out of voting on a Saturday morning. Is that something you are considering?

Mr GILES: I might answer that one, member for Nelson. We are currently looking at a review of the *Electoral Act* to look at ways we can improve electoral services in the Northern Territory. It is something we spoke about at length during estimates last year, and it includes looking at ways in which we can reduce the burden for voters as they go into polling booths. We are looking at what approaches can be taken in urban and regional remote areas, and at a point in time when we have a firm draft of options consideration will be given to a discussion with people like yourself and other members of the Legislative Assembly.

Mr WOOD: I look forward to that review because there are problems on this side of the white line and I think ...

Mr GILES: The six metre rule?

Mr WOOD: It should be the 60 m rule. I do not think it is helpful for the democratic process that people are hassled. Even as a candidate, some of the things that happened to me - I do not mind people disagreeing with me or saying, 'Don't vote for him', but some of the methodology to get people to change their mind was not right.

Mr GILES: Member for Nelson, you and I have spoken at length about this, and you, me and the Country Liberals government share a strong belief that we want to improve democracy and get as much independence in an environment for people to cast their vote. That is the direction we are moving towards with some of those reviews. We will get changes that may or may not be warranted, but in an effort to strengthen democracy that is an important component. I have instructed the Electoral Commissioner to be forthcoming in sharing all information with all members of parliament so everyone can be involved in that process.

Mr WOOD: Education, especially in remote communities – you have an ongoing program. Does that run all the time? Do you have sufficient resources to be in the bush explaining the voting system to people and how important it is to vote, because we have very low turn outs in local government? Some of the figures I saw would make you wonder if the vote was legitimate. You get only 30% to 40% of total vote. Even at the Blain by-election there was quite a low turnout. Whether that was because people were apathetic or did not want to vote for either party, I do not know. Is there an effort to encourage people to vote?

Mr LOGANATHAN: The focus of our education program is running here in Parliament House. When school kids come through, including remote areas, we conduct a session. In remote areas, if we are conducting field work we try to provide some education sessions. Primarily, that is the role of the AEC. The AEC has funded our Indigenous Employment Participation Program and has field officers to travel to remote communities and conduct such sessions.

Mr WOOD: Okay.

Ms LAWRIE: Has the review commenced?

Mr LOGANATHAN: In our report we tabled last month we recommend the need for a forum to discuss some of the matters. At that forum we should have the parties as well as the AEC, Independent members and LGANT, and to try to have a robust discussion about appropriate standards and behaviours at polling places.

Mr GILES: Some draft changes are being made, and once completed will be put out for general discussion so people can look at them. The Electoral Commission will be partly responsible for trying to get feedback on the changes, as will we as government, to identify the best approach to improve the standard of the *Electoral Act* to get the best democratic approach we can.

One of the things you raised, member for Nelson, in regard to low voter turnout - the discussion we had last year was about how correct the roll was. It is a concern I have had for a long time, and the Electoral Commissioner and I have had a good chat about the accuracy and validity of the roll. Some of those challenges around improving the roll are in regard to the relationship with the AEC and how we can best work on that. We are also identifying ways to ensure the roll is as accurate as possible, because it is my belief certain elements of low voter turnout relate to duplication and incorrect enrolments.

It is a challenge for all of us to do that. We can strengthen ourselves, but in many ways we need to bring the AEC with us so they can change some of their processes or enrolment approaches to improve that. If they do that, you will see a vast change in voter turnout rates.

Ms LAWRIE: Chief Minister, the Electoral Commissioner has recommended a forum for participants - the parties, the AEC, the Independents and LGANT. Is the forum part of the process of the review?

Mr GILES: We are considering the best way to get a conversation and community discussion about that, and to make sure everyone has an open and transparent approach to any changes required.

Ms LAWRIE: Why would you not accept the recommendation of the Electoral Commissioner to hold a forum?

Mr GILES: We do accept the recommendation, but we will identify the best approach to getting community feedback.

Ms LAWRIE: A forum will definitely be a part of it because you have accepted that recommendation?

Mr GILES: No, I think your ears may be dirty, Leader of the Opposition. I said we have accepted the recommendation. We will use the best way possible to get the best feedback we can, because in democracy the widest community consultation you can get is the best approach.

Ms LAWRIE: In accepting the recommendation, will you implement the recommendation of the Electoral Commission hosting a forum?

Mr GILES: Under consideration.

Ms LAWRIE: Under consideration?

Mr GILES: Under consideration. I said it once, I will say it again: it is under consideration. We have accepted the recommendation and will go about it the best way we can to ensure we get the widest community feedback we can.

Ms LAWRIE: There is not much confidence in your consultation processes. They are found to be a bit of a tick and flick process. The independence at the Electoral Commission and the way it participates and guides review into the *Electoral Act* is as sacrosanct as it gets to democracy. Given there has been a recommendation of the Electoral Commissioner for a forum to set the framework and guidelines in which to embark on the rest of the review, I question why you are not accepting and implementing that.

Mr GILES: I question why you have never raised concerns about wanting to make changes to the *Electoral Act* and how you have never sought to try to strengthen it. What we are doing, as government, and I am doing as Chief Minister, is working with the Electoral Commissioner to try to strengthen that act and providing the best opportunity for people to see changes to the *Electoral Act*. I have not seen you come forward with any suggestions, advancements, changes to legislation, or proposed bills to try to strengthen that. We are doing it. We are getting on with the job, but thanks for your feedback.

Ms LAWRIE: Chief Minister, it is not about you and it is not about me, it is about the electoral laws of the Northern Territory. An independent statutory authority provided a report which recommends a forum bringing together all the parties who are, obviously, key stakeholders. You say you accept the recommendation yet you will not implement it. Why is that?

Mr GILES: I have answered the question.

Ms LAWRIE: You have not.

Mr GILES: I have.

Ms LAWRIE: Why will you not implement the recommendations?

Madam CHAIR: Opposition Leader, the Chief Minister has answered the question.

Ms LAWRIE: In which way? How have you answered the question?

Mr GILES: Thanks you very much. I have answered it three times now.

Madam CHAIR: Are there any other questions on agency-related whole-of-government? That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 3.0 - ELECTORAL SERVICES **Output 3.1 - Electoral Services**

Madam CHAIR: The committee will now proceed to Output Group 3.0 - Electoral Services, Output 3.1 - Electoral Services. I note questions regarding the NT Electoral Commission's responsibilities that fall under Chapter 8 of the *Local Government Act* were answered by the Minister for Local Government and Regions yesterday, 10 June. Are there any questions?

Ms LAWRIE: No.

Mr WOOD: No.

Madam CHAIR: That concludes consideration of Output Group 3.0.

OUTPUT GROUP 4.0 – CORPORATE AND GOVERNANCE **Output 4.1- Corporate and Governance**

Madam CHAIR: The committee will now proceed to Output Group 4.0 - Corporate and Governance, Output 4.1 - Corporate and Governance. Are there any questions?

Ms LAWRIE: In regard to submissions to government around bulking up your office in preparation for 2016, will they be presented in the lead-up to the next budget process?

Mr LOGANATHAN: I have been in the job for six weeks so have not really thought that far ahead, but it would be a fair assumption. My understanding is the forward estimates include an allocation for the 2016 election. I will put a submission in for funds in the previous financial year so we can do as much planning and secure as many things as we possibly can prior to the financial year of the election.

Ms LAWRIE: Is there ...

Mr GILES: A lot of those costs are unforeseen and may have to be paid post the election.

Ms LAWRIE: Is there a joint working party between you and the Australian Electoral Commission given the timing of the federal and Territory elections? Is that under consideration?

Mr LOGANATHAN: Yes, it is. I was a previous employee of the AEC and know the players well. It makes sense in a jurisdiction like the Northern Territory that we work closely together. We meet regularly. We have spoken about the fact we will likely be running elections in a short time period in 2016. There will be a comparison within what services we provide. The electors do not differentiate between the organisations, and it makes sense that there is similarity in the service as much as possible.

We are also looking at some of the issues that have arisen from what occurred in Western Australia in the Senate re-count, and some of the strengthening of the electoral practices that have come out of that independent report and what may be applicable to the Northern Territory.

Ms LAWRIE: Thank you.

Madam CHAIR: That concludes consideration of Output Group 4.0.

Non-Output Specific Budget-Related Questions

Madam CHAIR: Are there any non outputs specific budget related questions?

On behalf of the committee I thank the Electoral Commissioner for attending today. You have survived your first estimates, and congratulations on your appointment. We look forward to working with you in the future.

Mr GILES: Thank you very much, Iain.

OMBUDSMAN'S OFFICE

Madam CHAIR: Chief Minister, I invite you to introduce the officials accompanying you and, if you wish, to make a statement regarding the Ombudsman's Office.

Mr GILES: Thank you, Madam Chair. I do not wish to make an opening statement. I welcome Peter Shoyer, Ombudsman of the Northern Territory, and invite any questions.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15 as they relate to the Ombudsman's Office. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

Ms LAWRIE: Welcome, Ombudsman. In the last financial year, what has been the nature of the bulk of complaints your office has dealt with? Is there any particular area?

Mr SHOYER: We have a fairly steady stream. We have the top four, I suppose, agencies we get complaints about. Number one would be Police, number two Corrections, number three Housing and then Power and Water. They have been the top four for quite some time. Police and Corrections make up the bulk of the complaints.

Ms LAWRIE: In relation to complaints, do you see spikes around episodes like blackouts in Power and Water?

Mr SHOYER: Power and Water has been fairly consistent. As an overall trend during the year we had three months in - I think it was August/September/October - when complaints were down substantially across the board, but we have noticed an increase in Power and Water complaints throughout the year.

Ms LAWRIE: Are the complaints of a nature of specific areas? For example, are the complaints around disconnections or reliability of services?

Mr SHOYER: Across a range, certainly disconnections, most of them to do with the amounts people are billed. There are always people who think they have paid too much, they cannot have possibly consumed the amount of electricity or water said to have been consumed. I think probably the increase in billing rates over the last couple of years has meant it is a more sensitive area for people and, therefore, there we see an increased number of complaints.

Ms LAWRIE: Have you received any complaints about water allocations in the Territory in the past 12 months?

Mr SHOYER: Not to my knowledge, no.

Ms LAWRIE: Thank you. No further questions.

Mr WOOD: Mr Shoyer, the issue of Pelly/Lorikeet flooded blocks that came in when you started your job - has that been completed and will the recommendations the previous Ombudsman asked for be accepted by and undertaken by the government?

Mr SHOYER: They fit into two categories. One was in relation to individual lots, and it is my understanding that has been resolved. I have had no further information from any of the complainants to indicate they have issues. If you are aware of any I would be more than happy to look at it.

Mr WOOD: I am making sure that at last it might be finished. It was a long ...

Mr SHOYER: In relation to the individual lots, that is my understanding. A number of recommendations made by the previous Ombudsman were of a general nature about policies and procedures, and I think there may have been some in relation to reviewing legislation as well. In my previous annual report I

published a response from the department in relation to those. As far as I am aware that resolved most of the issues. However, I will be following them up again to make sure they have - there were a number they said they were implementing and in my next annual report I will follow them up to make sure they have addressed all of them to the extent they think appropriate.

Mr WOOD: The other area in your annual report - I think this was also raised by Bob Beadman when he did some regional reports for the previous government - is the issue of morgue management in remote communities. I notice you were looking forward to receiving advice on progress as soon as possible. Where is that at?

Mr SHOYER: I have been following that up on a regular basis and have been given assurances it is progressing. To date there has been no formal outcome. I have recently been in touch with the Department of Community Services which has indicated progress is being made. Obviously it is a considerable length of time that issue has been live, and I will continue to pursue that until there is a response from government.

Mr GILES: I could provide an update on that. The responsibility of morgue management is now with the minister for Local Government. Any questions around morgue management are best directed to the minister for Local Government ...

Mr WOOD: I might follow it up with the minister.

Mr GILES: ... from a policy point of view.

Mr WOOD: Another area you spoke about in your report was complaints about Housing - you had been getting more complaints from remote housing. Can you say where those complaints are coming from and what they are about?

Mr SHOYER: One thing that happened with the SIHIP process - the process of building more residences in remote communities and refurbishing a number of communities - is Housing has taken over a whole new area of activity. A range of issues have arisen. The Commonwealth Ombudsman produced a report two or three years ago which raised a number of issues, but the sorts of things we are talking about are repairs and maintenance. In remote communities it is not as easy as popping down the road to fix a leaking tap or the like. Housing needs to introduce a new structure of dealing with these things, which is only one area. In regard to rental and getting tenancy agreements in place with all the residents in remote communities that has raised a number of issues.

There have been a number of issues with payments in relation to residences that do not necessarily fall under Housing, but where it was recognised there should be refunds of money - we have had a number of complaints in calculating and getting refunds for people over time.

Mr WOOD: One of the areas discussed over the years was educating people in remote communities. Would I be right in saying if you are getting a reasonable number of complaints from people who live in remote communities about Housing the education is starting to work? People know you exist and have a place to lodge their complaints?

Mr SHOYER: I think there is a lot more work we can do in that area. We have been working with Housing. We have been working closely with the legal aid agencies because they have been identifying issues and passing them to us. We are a small office with limited capacity to go into those areas, so we rely on people like legal aid agencies.

Last week I had a meeting with the head of the Department of Community Services who suggested they may be able to help us spread the word, as well as electorate officers. Any way we can increase coverage and make people aware of our services the better. I do not think we have achieved all we can, but we are doing what we can to improve coverage in those areas.

Mr WOOD: It might be a case of people knowing more about legal aid than they do about the Ombudsman and go there first and you second?

Mr SHOYER: It is possible. It is also that Legal Aid is going out, for whatever reason, and at the same time as dealing with other issues says, 'We have a problem with this'. Legal Aid can either point them to us or complain on their behalf if they think it is appropriate. It is more people on the ground; you always get a better response if there is someone there.

Mr WOOD: Has there been a positive reaction from people that you have been able to achieve something for them in those areas - they see the benefits of your department?

Mr SHOYER: I think so. There have been a number of cases, and we have been working closely with the Housing department. It is introducing new services and we have been working with them to develop things that will work and address those complaints. I think there have been benefits. We have not necessarily had people saying, 'You are fantastic', but it has achieved something.

Mr WOOD: There have been results?

Mr SHOYER: Yes.

Mr WOOD: Thank you, Madam Chair.

Madam CHAIR: That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 5.0 – OMBUDSMAN'S OFFICE **Output 5.1 – Ombudsman's Office**

Madam CHAIR: The committee will now consider Output Group 5.0 - Ombudsman's Office, Output 5.1 - Ombudsman's Operations. Are there any questions?

Ms LAWRIE: Ombudsman, you have had a reduction in real terms in the not keeping pace with growth. Are you okay with managing staff numbers and levels of complaints? It is always a bit tricky.

Mr SHOYER: It is always something - we could do more with more money but, generally speaking, recognising the financial constraints - we have made submissions to government in relation to the financial status of the office and we can continue to do our business.

Ms LAWRIE: Thank you

Madam CHAIR: That concludes consideration of Output Group 5.0.

OUTPUT GROUP 6.0 – CORPORATE AND GOVERNANCE **Output Group 6.1 – Corporate and Governance**

Madam CHAIR: The committee will now consider output group 6.0 - Corporate and Governance, Output 6.1 - Corporate and Governance. Are there any questions?

That concludes consideration of output group 6.0.

Non-Output Specific Budget-Related Questions

Madam CHAIR: Are there any non-output specific budget-related questions?

On behalf of the committee I thank the Ombudsman for attending today.

Mr GILES: Thanks very much. Thanks, Peter

The committee suspended.

DEPARTMENT OF THE CHIEF MINISTER

Madam CHAIR: I again welcome you, Chief Minister, this time as the Minister for Economic Development and Major Projects, Minister for Strategic Defence Liaison, Minister for Northern Australia Development and Minister for Asian Engagement and Trade. I invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding the Department of the Chief Minister.

Mr GILES: Thank you very much, Madam Chair. I will begin by making a very brief opening statement. First, I introduce Gary Barnes to my right, Chief Executive Officer of the Department of Chief Minister,

Michael Tennant to my left, Deputy Chief Executive, and David Ryan, Executive Director of Corporate Services and also of the Department of Chief Minister.

The Department of Chief Minister is a central government strategic coordinating arm of the Northern Territory government, supporting the social and economic development of the Territory, as well as providing leadership across the broad public service. The department plays a central role in implementing the priorities of government and providing service to the executive arm of government.

My government has a clear plan for all Territorians, a plan that builds upon our strengths to deliver a prosperous economy, that will secure jobs and decrease the cost of living pressures to create a strong society, a plan that will deliver a balanced approach to the environment and build on and celebrate the great culture of the Northern Territory.

One of my government's key priorities is to push the development of northern Australia. As previously mentioned, the Territory is ideally placed to supply more goods and services to Asia and the rest of Australia, and we must prepare for that future. It requires bold and innovative action right now. This is why what we have been undertaking with the opening of the Northern Australia Development Office to spearhead the Territory's role in this development and lay the foundations for what is likely to be the longest period of sustained economic growth in the Territory's history.

I welcome any questions. I will be trying to take most of the questions, but I will not be answering any questions that fall into other output areas across government. I have full confidence in all the ministers within the Northern Territory government; they are quite capable of answering questions within their relevant output group.

Madam CHAIR: Thank you, Chief Minister. Are there any questions on the opening statement?

Ms FYLES: Sorry, before we get started. Chief Minister, previously you said the answers to written question No 147, which you refused to answer, would be tabled by the Minister for Public Employment ...

Mr GILES: No, I did not say that. I said you should put the questions for 147 to the Minister for Public Employment.

Ms FYLES: Okay. Just for ...

Mr GILES: I am happy to table the global questions.

Ms FYLES: Okay, to rephrase, I asked the Minister for Public Employment last night to table all those answers to written questions and they were not tabled when requested. Thank you.

Mr GILES: The Minister for Public Employment is also the Attorney-General and minister for Child Protection. He tabled global questions. I am tabling global questions from my portfolio right now.

Ms FYLES: My colleague asked for written question 147. You indicated that was for the Minister for Public Employment ...

Mr GILES: I have tabled an answer for written question 147.

Ms FYLES: Last night the tabled questions did not include that.

Mr GILES: I have an answer there.

Mr WOOD: Madam Chair, can I have a point of clarification? In relation to questions on land release, you have the Land Development Corporation and also the minister for Lands and Planning. Who do I ask questions of?

Mr GILES: I will be answering questions in relation to LDC, but not as minister for Lands and Planning. In the output areas ...

Mr WOOD: Is that residential land?

Mr GILES: I will be answering questions when the LDC comes up in Output Group 13.

Mr WOOD: I can ask you then. You mentioned relevant ministers. In this case we have two ministers ...

Mr GILES: I will only be answering questions relevant to my portfolio. I will not be taking any questions for the Minister for Lands, Planning and the Environment.

Mr WOOD: I do not know ...

Mr GILES: I am happy to clarify that if you get the question ...

Mr WOOD: When I get there you can tell me whether I take it to someone else ...

Mr GILES: Absolutely.

Madam CHAIR: Are there any questions on the statement or will we move on?

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15 as they relate to the Department of the Chief Minister. Are there any agency-related whole-of-government questions on budget and fiscal strategies?

Ms LAWRIE: Yes, and let us get to the answer from the session with the Auditor-General. Chief Executive Mr Barnes, the Chief Minister indicated I should ask these questions of you rather than him which go to the selection panel for the Auditor-General. Who is on the selection panel for the Auditor-General?

Mr GILES: The answer is Michael Tennant, the Deputy Chief Executive of Chief Minister's department, the Commissioner for Public Employment, Mr Craig Allen, and the Under-Treasurer, Jodie Ryan, are on the panel. At the point in time they reach their conclusion they will be liaising with both me and you, as Leader of the Opposition.

Ms LAWRIE: Mr Barnes, in the past, the selection ...

Mr GILES: You can direct all your questions to me as Chief Minister.

Ms LAWRIE: You indicated previously I needed to ask Mr Barnes. I am happy to direct them to you ...

Madam CHAIR: All questions need to go through the Chief Minister or the minister, and they can ...

Ms LAWRIE: I was following his previous instruction. In the past, Chief Minister, the selection committee for the Auditor-General included a representative of the Department of the Chief Minister, the Under-Treasurer, as well as the Speaker and the Leader of the Opposition. Why have you changed the selection process to not include the Speaker and the Leader of the Opposition?

Mr GILES: Because we are going through the process confined within the act. The act identifies we have to consult with the Leader of the Opposition, and that is what we will be doing. We have put together a panel, as I described, of those three representatives and will be following the act.

Ms LAWRIE: Given you have changed the selection process to ...

Mr GILES: We have not. We have gone within the confines of the act.

Ms LAWRIE: You have changed the process. Dress it up any way you want, but you have changed the process which previously included the Speaker and the Leader of the Opposition in the selection process for an independent statutory officer of the importance of the Auditor-General. Given you have removed the Speaker and Leader of the Opposition from the selection process and say you will consult with the Leader of the Opposition on the appointment of the Auditor-General if, as Leader of the Opposition, I raise concerns around the person selected and say I do not find them to be an appropriate person for that independent statutory office, what happens?

Mr GILES: That will be taken into consideration. The same process was used for appointment of the Electoral Commissioner - exactly the same process. You agreed to the appointment of Mr Loganathan. The process undertaken for the Electoral Commissioner was quite sound. We have a very good Electoral Commissioner and will use the same process for the Auditor-General ...

Ms LAWRIE: If we have an issue with the selection?

Mr GILES: We will not go through the circus which occurred when Labor was in power.

Ms LAWRIE: It was not a circus.

Mr GILES: I think it was.

Ms LAWRIE: It ended with the appointment of Frank McGuinness as Auditor-General ...

Mr GILES: Yes, Frank is a very good Auditor-General.

Ms LAWRIE: ... who you just heard praised by the Chair of the PAC, yourself, me and the Independent member so it was hardly a circus.

Mr GILES: No, your government was a circus.

Ms LAWRIE: It was a fair and accountable process. Chief Minister, I go back to the point: if there are genuine and serious concerns from the opposition about the person selected is that enough to prevent the appointment?

Mr GILES: They will be taken into consideration. You are very good at grubby attacks on individuals in the Northern Territory. If you go down that line I would not think it is fair consideration, but if something raises itself I think is of merit we will take it into consideration.

Ms LAWRIE: It will be clearly subjective to your views?

Mr GILES: I do not like your grubby approach to attacking people in the Northern Territory. If you want to get in the gutter and be grubby on this again ...

Ms LAWRIE: Madam Chair, he has already been - vile personal attacks. You made a pretty strong ruling this morning.

Mr GILES: ... we will obviously take less guidance on that, but if you raise some serious concerns we are happy to take them into consideration.

Ms FYLES: Chief Minister, you have changed the process.

Mr GILES: Are we taking questions from Ms Fyles?

Madam CHAIR: Member for Karama, do you have a point of order?

Ms LAWRIE: Yes, I ask the Chief Minister to withdraw 'grubby'. You made it pretty clear.

Mr GILES: No, you are grubby. You used the word yourself.

Madam CHAIR: Member for Karama, are you offended?

Ms LAWRIE: Yes, I am.

Madam CHAIR: Chief Minister.

Mr GILES: She uses it all the time, Madam Chair. What is good for the goose is good for the gander.

Ms LAWRIE: I have not used it this morning. You made a very clear direction this morning, Madam Chair about what you would tolerate in regard to personal attacks.

Mr GILES: I think we should get onto questions on the budget.

Madam CHAIR: Chief Minister, if you will not withdraw can you please ensure your language going forward is appropriate.

Mr GILES: Happy to take that on board, Madam Chair.

Madam CHAIR: Thank you.

Member for Nightcliff, you had a question?

Ms FYLES: To clarify Chief Minister, you have changed the process for the appointment of an independent statutory officer but it is up to you what that new process is. Territorians have had a system in place that allowed the Speaker and the Leader of the Opposition to take part in the process that was not a circus and you have changed that?

Mr GILES: A process was undertaken previously. We are adhering to the process defined by legislation and are following the rules of the game and what is in the legislation. It is only fair and reasonable we follow those guidelines.

Ms FYLES: You have changed the process this time?

Mr GILES: No, we have not. We have kept the legislation exactly the same; we are just following the legislation. If the interpretation by the previous government was to do things different to the legislation, that was up to the previous government ...

Ms LAWRIE: It was convention, Chief Minister.

Mr GILES: We are following the legislation, which says we should consult with opposition. We did that with the Electoral Commissioner, we will use the same process now, and I think the last process we went through was quite good.

Ms LAWRIE: Chief Minister, were you informed that by changing the process you were changing convention?

Mr GILES: I am aware we are following the legislation. We can spend hours on this if you like, Leader of the Opposition. All we are doing is following the legislation.

Ms LAWRIE: My question was quite specific. Were you informed that in changing the selection process for the Auditor-General that you were ...

Mr GILES: This is a very big budget from a government that is doing quite well in the Northern Territory, the economy is going up, crime is going down and I can understand why you do not want to talk about the budget, Leader of the Opposition.

Ms LAWRIE: Chief Minister, were you informed that changing the selection process for the Auditor-General you were breaking convention?

Mr GILES: I am quite confident in the administration performed by the bureaucracy in the Northern Territory. I know you are not and are very keen to attack individuals in a grubby way that tries to pull them down and pillory them across the Northern Territory.

Madam CHAIR: Chief Minister.

Mr GILES: Very sensitive today. I withdraw, Madam Chair

Ms LAWRIE: Were you informed, in changing the selection process for the Auditor-General, you were breaking convention?

Mr GILES: I have answered this question. I am well aware of the process and I am confident in the Deputy Chief Executive of the Chief Minister's department, the Under-Treasurer, and Craig Allan, the Commissioner for Public Employment, in undertaking the role of the panel to identify a new Auditor-General. I have full confidence in them. You may not, but I do.

Ms LAWRIE: It is not a question of confidence; it is a question of whether you were informed in changing the selection process ...

Madam CHAIR: Opposition Leader, the Chief Minister has answered the question.

Ms LAWRIE: He has not answered the question, Madam Chair, and I am asking him again so he can be clear.

Ms LAWRIE: Chief Minister, were you aware in changing the selection process for the appointment of the Auditor-General you were breaking convention?

Mr GILES: I am well aware we are operating within the confines of the act and have full confidence in the people who are adhering to the rules ...

Ms LAWRIE: So you were aware?

Madam CHAIR: Are there any further questions on agency-related whole-of-government?

Ms LAWRIE: Yes, there are. Chief Minister, according to your budget papers, total expenses for the Department of the Chief Minister were \$64m in Budget 2013-14. In Budget 2014-15, the new budget, you are giving the Department of the Chief Minister a budget of \$97m. The Department of the Chief Minister gets an extra \$33m in one financial year while education and health take a cut. While Territorians are struggling with the costs of living you are having a good time. Your department is getting an extra \$33m in one year alone; can you explain this?

Mr GILES: Are you talking about year 2013-14 or 2014-15?

Ms LAWRIE: I am talking the difference between 2013-14 and 2014-15; you have given the Department of the Chief Minister an extra \$33m.

Mr GILES: Your figures are incorrect. If you look at Budget Paper No 3, page 29, the budget is \$96.987m, not the number you read out. I am happy to explain that because for people who are new to budgets, like you, it is hard to explain. Previously, there was a staffing allocation of 208. You will see, on page 29 of Budget paper No 3, there are now 284 employees ...

Ms LAWRIE: That was not the question.

Mr GILES: Hang on I am getting ...

Ms LAWRIE: That was not the question.

Mr GILES: If you would like an answer I am happy to give you one. I know it is very hard for you to understand budgets ...

Ms LAWRIE: Do you want me to refer you to the 2013-14 budget?

Mr GILES: No.

Madam CHAIR: Opposition Leader, please do not interrupt the Chief Minister.

Mr GILES: She is so rude, Madam Chair.

Not only with the growth of the budget in a financial sense, but also the growth in the budget from a staffing number - you have to keep in mind we now have the Central Marketing Bureau, the portfolio of Asian Relations and Trade, the portfolio of Regional development, the portfolio of Major Projects, plus the Northern Australia Development Office.

When you add all those portfolio responsibilities, the budgets that go with them and the staffing allocations - that is why there has been an increase. If you look at the Department of Business, which lost Asian Relations and Trade, it will have a reduction because we take up the extra capacity.

I know you do not like listening to the answer because you have been caught out for not reading your budget papers.

Ms LAWRIE: So you are clear I will show you what I am referring to. This is the budget book, Budget 2013-14, which was handed down by the CLP government. Page 29 clearly shows that 2013-14 there is a budget of \$64m. This is the budget book for the 2014-15 financial year.

Mr GILES: No doubt about it, you can tell the difference between two budget books, I will give you that. They are colour coded, one is orange and white and one is blue.

Ms LAWRIE: In your budget book of 2013-14, the budget for the Department of the Chief Minister was \$64m. In your budget book of 2014-15 the budget allocation for Chief Minister is \$96.9m - let us round it up to \$97m. In one financial year alone, the Department of the Chief Minister gets an extra \$33m for you and your mates to have a good time while Territorians are struggling under a doubling of the cost of living. How can you explain an extra 76 staff in the Department of the Chief Minister, an extra \$33m in the Department of the Chief Minister, while education and health take a cut? People cannot afford to live in the Territory and are literally packing up and leaving, but you are doing okay as your department has an extra \$33m.

Mr GILES: Well done, you got your media grab for tonight. That is all you wanted to do. I just explained it: Northern Australia Development Office, Asian Relations and Trade, Regional Development, Major Projects, Central Marketing Bureau is the reason. If you want to talk about a blowout in costs ...

Ms LAWRIE: Break it down, Chief Minister.

Mr GILES: Hang on a second ...

Ms LAWRIE: Break it down. Where is the \$33m ...

Mr GILES: Madam Chair, if I could answer the question.

Madam CHAIR: Opposition Leader, there is no interruption of a member.

Mr GILES: Let us look at some of these? We could talk about how much money we had to spend on the inquiry into Stella Maris. That is an extra cost we have had to cover. I am happy to talk about Stella Maris all day. Let us look at ...

Ms LAWRIE: Can you break down the \$33m, Chief Minister?

Mr GILES: Hang on ...

Madam CHAIR: Opposition Leader!

Mr GILES: ... you ask a question, I will just find ...

Ms LAWRIE: An extra 76 staff.

Mr GILES: ... an answer into ...

Ms LAWRIE: It is an extraordinary blowout in the Department of the Chief Minister. It is unprecedented.

Madam CHAIR: Opposition Leader, the Chief Minister is answering your question. Please give him a minute to find the paperwork.

Mr GILES: Thank you. You asked about some of the costs and changes. I have explained globally why that is the case - we have added portfolio responsibilities. We have picked up another five portfolios within the Chief Minister's department.

Ms LAWRIE: Rubbish. Many of them existed within the Chief Minister's department. Asian Relations and Trade is the new one coming in.

Mr GILES: Madam Chair, can I have the floor ...

Madam CHAIR: Opposition Leader, the Chief Minister is answering the question.

Mr GILES: ... instead of the grub jumping in. I have just answered about those five portfolios ...

Ms LAWRIE: Madam Chair ...

Madam CHAIR: Opposition Leader, you are happy to dish it, but not happy to take it.

Ms LAWRIE: Excuse me, Madam Chair, I do not use vile language.

Madam CHAIR: I would not like the word 'grub' to be used anymore but, Opposition Leader, if you can stop interrupting the Chief Minister ...

Ms LAWRIE: It is offensive.

Madam CHAIR: ... he will be able to answer the question..

Ms LAWRIE: Try to contain yourself to the normal levels of decency.

Madam CHAIR: Opposition Leader, do not speak over the top of me. Control yourself. The Chief Minister has the floor.

Mr GILES: Thanks very much, Madam Chair. When you talk about some of the costs – this is just one small line area within the Department of the Chief Minister - the 2013-14 projected expenditure for the Office of the Leader of the Opposition – that is your office – is supposed to be \$1.626m, an overspend of 44.53%. It is the biggest overspend in the Chief Minister's department ...

Ms LAWRIE: Seriously? Rubbish. What total rubbish.

Mr GILES: ... is coming out of your office. No, it is true.

Ms LAWRIE: Rubbish.

Mr GILES: It is 44.53%. The Leader of the Opposition's hospitality expenditure is over budget with year-to-date costs running at 148%. The only budget blowouts in the Chief Minister's office and the Chief Minister's department, in a budgetary sense, are coming from the Leader of the Opposition's office.

Ms LAWRIE: Rubbish, Chief Minister, and you know it.

Mr GILES: That is 44% in expenses and 148% in hospitality.

Ms LAWRIE: Chief Minister, are you aware of correspondence between the Leader of the Opposition and your predecessor, Terry Mills?

Mr GILES: Hang on. Madam Chair, can I keep going with the answer?

Ms LAWRIE: It is estimates; I have a question.

Madam CHAIR: Are you still answering the question, Chief Minister?

Mr GILES: I am still answering. Thanks very much.

Ms LAWRIE: I have a question, Chief Minister.

Mr GILES: When we look ...

Madam CHAIR: Opposition Leader, the Chief Minister is answering the question.

Mr GILES: ... this is whole-of-government approaches – I am happy to break the budget down into expenses. You are asking for the 2013-14 cost figures, so I will give you 2013-14 cost figures. Agency advice and coordination, which looks at strategic and federal policy coordination, \$15.6m; economic development and major infrastructure – if you were going to ask budgetary questions you would ask this one - is \$6.417m, and that includes looking at things like the Darwin Harbour and the foreshore development; the Northern Australia Development Office, \$1.5m; Asian Engagement and Trade investment, a new thing that came across to the department, \$3.2m; Regional Coordination and Economic Development, something I said is also additional to last year's budget, \$20.826m; Community Engagement and Support, \$10.274m; Government Business Support, which looks at the fifth floor of parliament, Leader of the Opposition, \$32.327m. As I said, it has a blowout, partly because of the ...

Ms LAWRIE: In the office of the Chief Minister.

Mr GILES: ... Leader of the Opposition's office.

Ms LAWRIE: In your office, Chief Minister.

Mr GILES: Hospitality budget blowing out by 148%. Don't mind a drink over there?

Ms FYLES: Perhaps you could break down your ministers' travel and hospitality.

Madam CHAIR: There is no interruption of a member, please.

Mr GILES: Corporate governance is \$7.478m. That is where you get the breakdown in that. If you want to break it down further, I am happy to do that. We have had additional expenses, such as the blowout in the Leader of the Opposition's budget, particularly on alcohol and partying and that sort of thing, but also other areas such as funding the hydraulic fracking inquiry and the Stella Maris inquiry. These things cost money and we have to find the money.

Ms LAWRIE: Chief Minister, the Leader of the Opposition's budget, as allocated by the CLP, was \$1.1m. At the lowest point, when there were four members of opposition under the CLP with Jodeen Carney, it was allocated a budget of \$1.6m. The former opposition, under Terry Mills, had a budget of \$1.8m. Correspondence between me and the former Chief Minister showed clearly \$1.1m is not a level of budget opposition can operate on. It is below even the early 2000s and does not factor in growth.

I know you attempt to nobble opposition and do not want us to have the funding to get on a charter to anywhere in the Territory. We have made it clear, in opposition, under any formula that is fair, a budget of \$1.7m, which is less than the 2011-12 budget of the former CLP opposition, is what we are adhering to. We are currently well under budget and you know it.

Mr GILES: You are not well under budget; you are 44% over budget ...

Ms LAWRIE: You are trying to nobble opposition.

Mr GILES: ... and what is worse is you knew you were over budget and put extra staff on ...

Ms LAWRIE: That is so typical of you, isn't it?

Mr GILES: Three chiefs of staff in your time as Leader of the Opposition. You knew you were over budget and put ...

Ms LAWRIE: Two chiefs of staff, by the way.

Mr GILES: ... new staff on. We might need to look at an administrator in your office to approve all expenditure if you keep going so far over budget.

Ms LAWRIE: Chief Minister, I know you want to nobble opposition and do everything you can to do it ...

Mr GILES: I want a good opposition because I support democracy. Unfortunately, we do not have a good opposition.

Ms LAWRIE: The reality is you have a \$33m blowout in the Department of the Chief Minister's budget. You put on 76 extra staff ...

Mr GILES: It is 73.

Ms LAWRIE: ... while, at the same time, you are taking an axe to education and health, and have doubled power and water costs for Territorians to reap profits. Chief Minister, how can you possibly explain to Territorians, while you are on a \$33m spending spree - extra funding to the Department of the Chief Minister - on glossy brochures and campaigns, without any new bridges for it, without any additional teachers in classrooms. You are enjoying a \$33m spending spree in the Department of the Chief Minister, an extra 73 staff, and everyone in the Territory is hurting under your doubling of the cost of living ...

Madam CHAIR: Opposition Leader, is there a question?

Ms LAWRIE: We have seen teachers go. How do you explain that to Territorians? You are having a good time with an extra \$33m in the Department of the Chief Minister for brochures, for advisors to you, with no outcomes from that \$33m extra funding, an extra 73 staff by your calculations ...

Mr GILES: Is this time for a speech, Madam Chair, or are we going to ...

Ms LAWRIE: ... while Territorians are struggling under your cost of living ...

Mr GILES: I know there is a big grandstand at TIO Stadium, but this is the biggest grandstand I have seen.

Madam CHAIR: Is there a question at the end of this?

Ms LAWRIE: How do you explain it? Do you want to provide a breakdown of the \$33m?

Mr GILES: I just did.

Ms LAWRIE: Do you want to table any documents to explain your \$33m spending spree?

Madam CHAIR: Chief Minister, have you answered the question?

Mr GILES: I just explained the change in the profile. I explained the financial profile of the breakdown of the department. I explained how we have five additional portfolios within the Department of the Chief Minister ...

Ms LAWRIE: One new.

Mr GILES: If there is a proper question, I am happy to answer it. If there is a factual question – I said I believe in democracy in the Territory and a strong and robust opposition. There is not one at the moment and that is unfortunate. We have a strong and robust member for Nelson - that is good. I am happy to take serious questions, but if it is about grandstanding ...

Ms FYLES: A point of order, Madam Chair! I take offence to the comment there is not a strong opposition in the Territory.

Mr GILES: There is not. Who is in charge of it?

Ms LAWRIE: The reality is, Chief Minister, under your watch your department has an extra \$33m. You have an extra 73 staff. That is the fact ...

Madam CHAIR: Opposition Leader, this is becoming nauseatingly repetitive ...

Ms LAWRIE: Madam Chair, I am asking a question.

Madam CHAIR: Chief Minister, do you have any further information to provide on this line of questioning?

Ms LAWRIE: Madam Chair, will you allow me to finish the question?

Mr GILES: It is not a question, it is a statement. This is not a House of debate ...

Ms LAWRIE: No, it is a question.

Mr GILES: ... it is scrutiny of the budget.

Ms LAWRIE: This is really important. This is \$33m extra expenditure into your department for glossy brochures, an extra 73 staff to advise you - no outcomes - yet teachers have been sacked from classrooms, health is in crisis and chaos, Territorians are having to pay almost double on their electricity and power bills and are literally packing up and leaving. How can you explain your priorities? Are they not simply wrong?

Mr GILES: Madam Chair, I have answered this question a couple of times. However, I noted the mild negative assertion to cost of living, so I will provide a couple of words on the cost of living. I know the cost of living is a serious issue for many Territorians, and we are working hard to drive down everyday living expenses. That is why, in government, we have announced a record land release program as part of Budget 2014-15 to fast-track the building of new houses to reduce ...

Ms LAWRIE: A point of clarification, Madam Chair.

Madam CHAIR: Sorry, Chief Minister, one moment. Opposition Leader.

Ms LAWRIE: The Chief Minister said he would not be taking questions on land release as they go to the minister for Lands and Planning, yet if he raises it ...

Madam CHAIR: The Chief Minister is talking about the cost of living.

Ms LAWRIE: ... can we then raise questions on it?

Mr GILES: It is about the cost of living.

Madam CHAIR: It is a matter for the Chief Minister, he is answering the question.

Ms LAWRIE: If he brings it into debate can we question him on it?

Madam CHAIR: It is entirely a matter for the Chief Minister. Chief Minister, you have the call.

Mr GILES: You mentioned the cost of living so I am happy to talk about it. Madam Chair, some useful research recently crossed over my desk which is quite worthy of noting in the context of cost of living. It paints an interesting picture of what is happening with the cost of living in the Northern Territory. There is no doubt there are challenges with the cost of living across Australia and across the world. The report I refer to was compiled by one of the world's leading corporate consultancy firms, Mercer. I have no doubt the Leader of the Opposition will be quick to castigate Mercer, but I hold them in very high regard; they are one of world's leading corporate consultancy firms.

Mercer helps clients calculate the different cost of living their staff may encounter when they are transferred to other parts of world. They identify cost of living in a different part of the world, do an evaluation and provide cost estimates to companies so they know, when they relocate people to cities in the world, they know what it will cost. Mercer's last cost of living study late in 2013 compared 350 cities around the world. It looks at a basket of goods which include food, transport, utilities and leisure activities. It shows Darwin has the lowest cost of living of any Australian capital city. Let me be clear, Madam Chair, a person moving to Darwin would spend less on everyday expenses than they would living in any other capital.

Before the Opposition Leader talks about utility prices, Mercer updated its cost of living index in March this year from the 2013 model. It broke down the data even further with a focus on Darwin and looked at individual items in the basket of goods. Interestingly, it shows Darwin residents have the cheapest utility prices in Australia. Our utilities are 18 points less than Melbourne and Adelaide and a full 25 points lower than Sydney, which has the most expensive utilities in the country. Of course, this is largely because of the significant taxpayer subsidies we provide to Power and Water, we all know that. The fact remains that our utilities are still cheaper than other capitals.

If you look at separate to the cost of living report, Mercer also ...

Ms LAWRIE: Chief Minister, are you happy to table that?

Mr GILES: ... compares the cost of renting an apartment or house in similar capital city suburbs across the country for the year 2013. The Darwin suburbs of Rapid Creek, Nightcliff, Jingili and Moil were used for this survey. The results are surprising, Madam Chair. For someone moving to Darwin from Sydney rent is 52% less. It is 32% less for someone moving from Perth, 30% less moving to Darwin from Melbourne and 21% less moving from Brisbane. Of course, this is just snapshot of the equivalent suburbs for 2013 - all 350 of them – but gives some insight into how we compare, Madam Chair.

Mercer is an international leader in this kind of analysis, Madam Chair, globally recognised. They are the go-to researchers for corporations who relocate employees around the world. This is crucial data which shows it is much cheaper to base staff in the Territory than other capitals, particularly Darwin. This is encouraging in terms of our efforts to woo companies who might want to move headquarters here. I especially note the 32% rental difference between Darwin and Perth, which is where many multinational mining and gas companies currently headquarter their staff. This data injects some necessary perspective in this argument, and I am happy to table the relevant sections of this report for members of the Legislative Assembly and the general public to read.

Madam CHAIR: Thank you, Chief Minister.

Ms LAWRIE: Chief Minister, in relation to the cost of living, we welcome the analysis by Mercer and would be keen to look at it because I think you will have a pretty tough sell job convincing Territorians the cost of living is not a problem. For the average family, their power and water bills have gone from about \$900 a quarter to about \$1700 a quarter under your watch. That is crippling. It is also crippling small businesses - the sheer strain and pain of power and water bills under your watch.

Of course, when you look at medium prices for rent or growth of about 8% in the housing market for sales, they are all issues of a booming economy but, nonetheless, huge cost of living issues.

Chief Minister, your budget paper shows the cost of living - inflation was 2% under Labor and is now double that at 3.9% under the CLP. Your budget papers say it is attributed to utility price increases and motor vehicle registration fee increases you decided to make. Can you explain where the Mercer report looks at a doubling within a year of the cost of living and what that impact is on Territorians?

Mr GILES: There is no such thing as a doubling in a year of the cost of living. I think you should read the Mercer report. No doubt you have not read the Mercer report, and I challenge you to say otherwise. If you want to look at the biggest issues around cost of living, the biggest concern is the cost of housing. That is why it is really important to plan. Labor never planned for the future, particularly when INPEX arrived bringing some of the stronger economic growth pressures we would experience. That is why, as part of Budget 2014-15, the Giles Country Liberals government has allocated \$135m towards land release, which includes \$50m for commercial and \$85m for residential land release. It is the biggest release of land in the Territory's history. It is a plan the Country Liberals for our future to make sure we reduce the cost of living pressures.

I encourage you to read the Mercer report. I think you will find it very good reading for the Northern Territory.

Ms LAWRIE: Budget Paper No 2, the economy book, page 3, indicates the cost of living has gone from 2% in one year to 3.9% this financial year. That is a doubling of the cost of living in one year under your watch for Territorians.

Mr GILES: That is not cost of living. You are talking about CPI and have not reflected on the downgrade in CPI, what it is forecast to be, how well we have managed the budget and the economy and what we have done to improve society by releasing more land and putting downward pressures on that. Also, we are making sure the lifestyle in the Northern Territory is much better than it was under Labor.

People ask me what the difference was with Labor and its marketing campaign compared to the Country Liberals and our marketing campaign in government. The difference is Labor spent all its money marketing Labor, and when that went sour under Kevin Rudd and Julia Gillard's leadership it started marketing Paul Henderson. Labor marketed individuals, not what it was doing. When you look at what we are doing and our marketing approach, we are talking about the biggest land release in the Territory's history, the biggest capital investment going into our school system and the biggest road infrastructure ever spent. The majority of road spend is coming from the Territory government, putting more money into and opening up the roads in the Northern Territory, opening up the Territory, the economy and ensuring we support the growth and development of northern Australia. That is the plan the Country Liberals have and that is how we will drive forward.

Ms LAWRIE: The land release funded in this budget is Palmerston East, which was designed and developed by Labor. Roads funded in this budget were negotiated and delivered under Labor.

Mr GILES: That is a lie.

Ms LAWRIE: What new land release exists in this budget under the CLP, because the land you are talking about - for example, Holtze or Berrimah Farm - is, at a minimum, two years away?

Mr GILES: You are misleading this committee. I do not have the exact number. The minister for Lands and Planning would be best to answer this, but there are around 15 different land releases across the Northern Territory. Look at what is happening in Muirhead, the forecast works in Palmerston ...

Ms LAWRIE: Labor.

Mr GILES: If you can be quiet, I know ...

Ms LAWRIE: They were Labor releases, Chief Minister. Will you talk about any new CLP releases?

Mr GILES: Madam Chair, is there any chance the grubby approach by the Leader of the Opposition can stop? I would not mind talking about this.

We have Kilgariff in Alice Springs ...

Ms LAWRIE: Labor.

Mr GILES: ... we have Tennant Creek ...

Ms LAWRIE: Labor.

Mr GILES: Look at Kalkarindji

Ms LAWRIE: They all occurred under Labor; where are the new CLP releases?

Madam CHAIR: Opposition Leader, let the Chief Minister finish answering the question.

Mr GILES: We have Alice Springs, Tennant Creek, Ti Tree, Kalkarindji, Timber Creek, Katherine East, which has recently been set up, Muirhead, Berrimah Farm, Palmerston and the rural area, which you might call north Palmerston or east Humpty Doo, whatever you want to call it.

Mr WOOD: No, Holtze and Howard Springs will do, Chief Minister.

Mr GILES: There is a range of different areas.

Mr WOOD: Otherwise, we will call Alice Springs something else.

Mr GILES: We are putting the biggest land release in the Territory's history on the table.

Mr WOOD: Darwin south.

Ms LAWRIE: Chief Minister, the \$33m extra you have tipped into the Department of the Chief Minister with the 73 extra staff ...

Mr GILES: It is fantastic. I am really excited we have done that because it gives us opportunity to provide strategic direction on northern Australia, Asian Relations and Trade, Regional Development, building the bush and building remote areas like we have never done before.

Ms LAWRIE: Madam Chair, I have not finished asking the question. Is there a process here?

Mr WOOD: Consulting rural people.

Mr GILES: Yes, we have spent a bit of money on that.

Mr WOOD: It is a memo, that is all.

Ms LAWRIE: Chief Minister the extra \$33m you have tipped into the Department of the Chief Minister to provide you with advice not physical outcomes for the Territory - nothing will be built with that funding, no one will be taught with that funding, no one will get better healthcare from the funding, it is to provide you with advice ...

Mr GILES: That is not true.

Ms LAWRIE: An extra \$33m, with 73 staff, how much of that will go to funding campaigns?

Mr GILES: Are you complaining about the Asian Relations and Trade portfolio assisting us getting the buffalo trade to Vietnam? You do not support live cattle so you do not support live buffalos. That is the Labor way, not supporting economic growth.

Ms LAWRIE: Given you did not wait for the answer I will ask the question again.

Mr GILES: I gave you the answer.

Ms LAWRIE: Chief Minister, of the extra \$33m you have tipped into your own Department of the Chief Minister to provide you with advice and the extra 73 staff to help you - no extra teachers or healthcare out of that, nothing built from it - how much of that is going towards campaigns, promotion materials and activities in campaigns in the financial year?

Mr GILES: I think the best thing you can do is wait for the recommendation from the member for Daly for the Auditor-General to look at some of those concerns about PIAC. A lot of money that has been spent in your office ...

Ms LAWRIE: Chief Minister, the question is around promotions in campaigns.

Mr GILES: You asked a question, I am happy to answer it.

Ms LAWRIE: There is a whole section called Media Communications ...

Madam CHAIR: The minister is getting to the answer.

Mr GILES: Thank you very much. The member for Daly, when the Auditor-General appeared, raised some concerns about promotional works being undertaken out of your office and whether it complied with the PIAC guidelines. He will be making a reference, as I understand it, to the Auditor-General, who will then investigate whether you have breached public information guidelines. That is part of the promotion you are talking about.

If you want to talk about the financial aspect, we can talk about the 44% budget blowout you had in your office, the 148% over-expenditure you had on hospitality - alcohol and so forth. There are some things consider. If you want to talk about the additional \$30m-odd into Department of the Chief Minister, we need to focus – if you want to focus on real money we will talk about the Leader of the Opposition's budget blowout if we get down to nitty gritty figures.

Ms LAWRIE: Chief Minister ...

Mr GILES: It is important to look at where that money has gone ...

Ms FYLES: You are not even answering the question. Can you remember it?

Mr GILES: I know exactly where it has gone – major events, BASSINTHEGRASS, it was not ...

Mr HIGGINS: A point of order, Madam Chair! I found what the member for Nightcliff said quite offensive - her derogatory remark about the Chief Minister asking if he can remember the question. I think she should apologise and withdraw that. Thank you.

Ms FYLES: If the Chief Minister took offence, I apologise.

Mr GILES: Thank you, member for Daly. Madam Chair, we are excited about the \$33m. It is investing into major events, northern Australia development promotion and Asian Engagement and Trade. Look at what we have done in opening up investment into Vietnam. A fantastic outcome, and look at ...

Ms LAWRIE: A buffalo-led recovery. Can you meet quota?

Mr GILES: Look at the Leader of the Opposition making jokes about buffalo. She was one of ...

Ms LAWRIE: You cannot even meet quota. That is embarrassing, Chief Minister, when you go to Vietnam and over talk the capacity of delivering buffalo to another nation.

Madam CHAIR: The Chief Minister is half way through answering his question.

Ms LAWRIE: The industry has indicated they cannot meet that quota.

Mr GILES: Look at how we opened that up, and then look at what happened when former Prime Minister, Julia Gillard was in Nhulunbuy and put an end to the live cattle trade. The nodding puppy dogs in the Labor party, particularly the former Chief Minister, Paul Henderson, and also the Leader of the Opposition and her merry Labor men and women stood back and saw the demise of the live cattle industry. What have we done since we came to government? We have brought back the live cattle industry. There are record numbers of live cattle over our port, and we will hear about the port later today. Vietnam is now taking live cattle. We have opened up the buffalo industry. A lot of this has been driven out of minister Willem Westra van Holthe's portfolio of Primary Industry, but also out of Asian Engagement and Trade and our negotiation through the federal government - through Austrade - to get the buffalo trade up and running. They are demanding more and more buffalo.

We are working tirelessly to ensure we can get the buffalo industry growing even further, because we believe it will provide fantastic job outcomes for people, particularly those living in rural and remote areas. That is why it is really important that we put all this extra money into roads, because we want to open the country so there is more accessibility to get buffalo out to help drive jobs and grow the economy.

It is something Labor does not understand. I understand it provides frustration to you, but it is something we are really confident in and will continue to provide economic growth. If you talk further about what is happening ...

Ms LAWRIE: Chief Minister, I have a ...

Mr GILES: Hang on, I am still answering the question. If you talk further about that \$33m, as you explain – we know when we came to government there was a high number of media employees in each government agency so we sought to centralise that as best we could to get ...

Ms FYLES: We have just as many.

Mr GILES: I am sorry, the member for Nightcliff is mumbling again. It is hard to understand.

Madam Chair, the CMB - Central Marketing Bureau - we rationalised some of the media/marketing approach where those agencies were just promoting Labor not what was being done. We now have the CMB promoting the Country Liberals Giles plan of driving forward economic growth and northern Australia development. That is what we are doing, and that is part of the expenditure because there was a reduction in other agencies ...

Ms LAWRIE: That is a lot of money to promote you.

Mr GILES: ... and an increase in this.

Ms LAWRIE: Chief Minister, how much money is being spent in the marketing bureau and the communications bureau - two new units within the Department of the Chief Minister you created for self-promotion? How much is being spent on promotions? What is the promotions budget?

Mr GILES: That is in the answer to the written questions I have already tabled.

Ms LAWRIE: Yes, but I am asking you. If you have it there, provide the answer.

Mr GILES: You asked the question on notice. I have given you the answer.

Ms LAWRIE: Chief Minister, how much is being spent in the marketing bureau and the communications bureau on self-promotion?

Mr GILES: On what?

Ms LAWRIE: On your promotions.

Mr GILES: Of what?

Ms LAWRIE: You have a couple at the moment. You have Developing the North. How much is that campaign costing? What is the campaign time line? Where are the advertisements running? Did that go out to tender or was that a certificate of exemption? You also have the Festivals NT campaign.

Mr GILES: Hang on a second, you have asked the question and I am happy to answer it. About time we got to a question, Madam Chair.

Ms LAWRIE: No, you do not like the big questions. You do not like being exposed for the \$33m funfest you are having while Territorians suffer.

Madam CHAIR: Opposition Leader, that is completely unnecessary.

Mr GILES: The total cost is \$8.981m. Sorry, it is \$8981.

Ms LAWRIE: The Developing the North campaign is costing, for its entire duration, \$8900 instead of the \$8m you mentioned? It helps to table those figures.

Mr GILES: I will not be tabling them.

Ms LAWRIE: It is only an estimates process.

Mr GILES: You asked these questions on notice and we are giving you the answer on notice.

Ms LAWRIE: I am asking you quite specifically about the cost of the Developing the North campaign.

Mr GILES: Your question 161.08 detailed ...

Madam CHAIR: Chief Minister, sorry to interrupt you, I think your microphone is not on.

Mr GILES: Question 161.08 says:

Detail and costs on all government advertising and communication since 1 July 2013 for DCM.

I will read out the answer that has already been provided to you.

Department of the Chief Minister marketing and communication expenditure from 1 July 2013 to 31 March 2014 includes: strategic communications, \$381 000; communication marketing, \$17 000; total \$398 000.

Ms LAWRIE: That is not the question, with all respect, Chief Minister. The question was not to the promotions from 1 July 2013 to 31 March 2014. The question is: for the Developing the North campaign, how much is the campaign budgeted to spend? What is the time line for the campaign? Where is the campaign being run and in what mediums? Did that go out to tender or was that a certificate of exemption?

Mr GILES: Madam Chair, I know the Leader of the Opposition does not support Developing the North, but I am happy to take that question on notice.

Question on Notice No 4.1

Madam CHAIR: Thank you Chief Minister. Member for Karama, do you want to restate that question please?

Ms LAWRIE: How much is the Developing the North campaign costing? What is the time line for the campaign? What is the budget for the campaign? What is the breakdown of the advertisements for the campaign? Did the campaign go out to tender or was it a certificate of exemption?

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Absolutely.

Madam CHAIR: The question asked by the Opposition Leader to the Chief Minister has been allocated number 4.1.

Ms LAWRIE: Chief Minister, how much is the Festivals NT campaign costing?

Mr GILES: Happy to take that on notice as well.

Madam CHAIR: That was reasonably clear, I think Hansard has that, but Opposition Leader, could you please restate the question for the record?

Ms LAWRIE: Chief Minister, how much is the Festivals NT campaign costing? What is the campaign time line? What budget was allocated to that campaign? Where are the advertisements running and what mediums? What is the breakdown of the advertisements? Did this go out to tender or was it a certificate of exemption?

Mr GILES: Madam Chair, the Territory government has committed \$1.7m to expand the Territory's annual program of cultural, sporting and business events under a new banner called Festivals NT. Festivals NT will build on existing events as well as incorporate new sporting, business and cultural elements, many with an Asian flavour to create a year-round festival calendar.

The program aims to cement the Territory as a gateway between Asia and Australia. It will establish northern Australia as a meeting place for conducting business as well as a hub for arts, culture and tourism and a top-class sporting destination. It means Territorians can enjoy a wider range of high-quality festival entertainment, but it is also a smart strategic move for our economy that will strengthen our sporting, business and cultural ties with Asia.

To maximise the opportunity arising from Festivals NT, a new creative director will be appointed to oversee the Festivals NT calendar of events and activities, including greater focus on Territory Day. The recruitment process for this new position will begin in coming weeks.

The Chief Executive of the department of Sport and Recreation met with sporting organisations this week to outline the government's visions. In this meeting the government put forward its view that the former Arafura Games would not be returning. While the Arafura Games has attracted support in the past, there is reduced interest in the concept among our neighbours and the sports community as well, and we believe a new approach is needed and required.

Multisport events have become a serious challenge in logistics, and we need to ensure government efforts in this area achieve the best result for the community and taxpayers generally. In the sporting arena we have begun discussions with Territory, national and international sporting bodies who are keen to schedule new fixtures under the Festivals NT umbrella. Soccer is among the sports we are excited to be talking to in regard to opportunities that align with our Asian focus. There is already a strong line-up of top level sporting events in 2014 as part of our agreements with Adelaide United, the Parramatta Eels and the Melbourne Demons. There is also the quadrangular international cricket series being held in the Top End this Dry Season.

This year's festival season will be bigger and better with a range of new arts activities, including five additional acts for the Darwin Festival. This government has committed an additional \$296 000 in funding to the Darwin Festival to build up its Asian content in 2014. This will see new acts incorporated into the festival line-up, including two large scale public events, the Vietnamese water puppets at the Waterfront and the Temporary Territories by Indonesian artist collective RuangRupa.

Arts and Museums will receive an additional \$280 000 for exhibitions and cultural events as part of a new Northern Territory international arts program running from July to December this year. Business events are another important opportunity to showcase the Territory to investors as well as provide a boost to the tourism industry. Additional funds will be allocated as part of this package to attract more conferences, conventions and high profile business events to the Territory. Our business events and ambassadors will assist in this effort.

Negotiations are well under way to bring the national Small Business Association of Australia Conference to Darwin later this year. This will add to an already bumper line-up of conferences in 2014, including the prestigious Australia/Japan Business Conference in October and NT Resources Week in August, which has been experiencing unprecedented demand for exhibition space.

Festivals NT will provide a stellar line-up of festivals and growth throughout the Northern Territory into the future. Our investment in this area will ensure we have greater economic growth across all sectors, particularly the business, tourism, social and cultural sectors which will drive growth, drive jobs and help us develop the north, particularly into Asia.

Ms LAWRIE: Thanks for that, Chief Minister. Will you be taking the question on notice?

Mr GILES: What was that question?

Question on Notice No 4.2

Ms LAWRIE: I will repeat the question for you: how much is Festival NT's campaign costing? What is the campaign ...

Mr GILES: \$1.7m, I just said that.

Ms LAWRIE: There are questions within this so if you just want to listen. What is the campaign time line? What is the budget? Where are the advertisements running? What is the breakdown of advertisements? Did the contract go out to tender or was it a certificate of exemption?

Mr GILES: I will take it on notice.

Madam CHAIR: The question asked by the Opposition Leader of the Chief Minister is question 4.2.

Ms LAWRIE: Chief Minister, your own travel expenses as of 31 March this year – not a full year yet – from 1 July 2013 to 31 March this year you have spent \$1.24m on travel. That is in excess of what you proposed to be a \$1.1m budget for the entire opposition. Is it reasonable?

Mr GILES: What is your question?

Ms LAWRIE: Your own travel expenses, Chief Minister, Adam Giles ...

Mr GILES: It is not my travel.

Ms LAWRIE: No, your own?

Mr GILES: Are you talking about the department?

Ms LAWRIE: No, just yours.

Mr GILES: Me personally?

Ms LAWRIE: Yes. In response to a written question, in terms of you, Chief Minister, Adam Giles ...

Mr GILES: Which question number are you talking to?

Ms LAWRIE: It is written question 161-15 – travel, accommodation and hospitality - \$1.24m.

Mr GILES: It is travel, accommodation and hospitality, it is changing?

Ms LAWRIE: Yes. Travel, accommodation and hospitality for you, Chief Minister, already totals \$1.24m at 31 March yet you propose ...

Mr GILES: That is not just me, member for Karama.

Ms LAWRIE: That is your ministers - you and your ministers?

Mr GILES: You said it was me. You are misleading or wrong, which is it?

Ms LAWRIE: I have a response which says, 'Minister, Hon Adam Giles', it says, 'Portfolio - Chief Minister'. It does not break it down. It has \$1.24m. It has your name on it and it has Chief Minister on it. That is as it appears.

Mr GILES: That is not what question 161-15 says.

Ms LAWRIE: The ministerial travel ...

Mr GILES: Let me read it for you. It might be hard. Sometimes it is misleading. I will read it out.

Full details and costs of all ministerial travel, including accommodation, hospitality and flight details, including flight class travel since 1 July 2013.

Ms LAWRIE: You and your ministers have clocked up ...

Mr GILES: It does not only mention me.

Ms LAWRIE: You and your ministers have clocked up travel, hospitality and accommodation at \$1.24m as of 31 March - not a full year. That is just you and your ministers flying around - not operational expenses, not staff expenses, just you and your ministers travelling. Your travel costs, accommodation and hospitality are already \$1.24m.

Mr GILES: Can you read that again? \$1.24m. When you were in government it was \$1.7m.

Ms LAWRIE: \$1.24m.

Mr GILES: When you were in government it was \$1.7m.

Ms LAWRIE: That is not a full year, Chief Minister; that is at 31 March. You are quoting a full year figure.

Mr GILES: \$1.7m. Good job.

Ms LAWRIE: Chief Minister, I am asking about you and your travel.

Mr GILES: That was the last full year of Labor.

Ms LAWRIE: Okay, I note that.

Mr GILES: That is 2011-12, and 2012-13 is the same as your spending. Thank you, we have spent less.

Ms LAWRIE: Chief Minister you are comparing - it is not on a full year, so do not be cute about it. That is as of March so there is a whole quarter to go. As of March you and your ministers, just on travel - not on staff, expenses, operational expenses to run an office - have already clocked up \$1.24m on travel, accommodation and hospitality as of March, yet you propose the entire opposition budget be less than that. Do you think that is reasonable?

Mr GILES: This sounds like negotiating with the member for Namatjira; it is all about her.

Let me explain one thing, in the last full year of Labor it spent \$1.7m. This year, to date, it is \$1.24m. Let us put a bit of context into that. There are nine members of this government ...

Ms LAWRIE: Does that include your private jet?

Mr GILES: Hang on, do you want to listen to this? Yes, it does. Do you want to hear the answer? Five members of Cabinet do not live in Darwin, which is different to the way Cabinet was under the previous government, so there are more expenses.

Ms FYLES: Would their travel not come under the Legislative Assembly?

Mr GILES: Member for Nightcliff, I am happy to answer the question rather than you mumbling in the corner. Five members of Cabinet do not live in Darwin. Yes, it is more expensive to run government, but we are running it rationally and keeping our costs lower than when Labor was in and your ...

Ms LAWRIE: No, you are not keeping your costs lower, Chief Minister, you are already at \$1.24m,

Mr GILES: ... ministers mainly lived in the northern suburbs.

Ms LAWRIE: You are already at \$1.24m; you cannot claim it to be lower.

Mr GILES: If you projected out the \$1.24m with an additional quarter - I will do the maths for you. If \$1.24m equals nine, divide it so you get a third, add that on top and what would that equal? That would be less than the \$1.7m you spent in your last financial year. If you want a better analysis ...

Ms LAWRIE: How many private jets between now and July, Chief Minister?

Madam CHAIR: Opposition Leader.

Mr GILES: ... you would get the CPI figure and multiply that into the \$1.7m you spent when Labor was in government and come up with a new figure, which would be an increased allocation or estimate, and we are still not even meeting that. We are not meeting what you spent for forecast; we are not meeting what you could have spent through a CPI analysis in the forward projection. Clearly we are having a rationalised approach, albeit with greater challenges because more of our ministers live outside Darwin.

Ms LAWRIE: Chief Minister, you would apply CPI to your budget but not the opposition budget. That is curious.

The Northern Australia Development office and the campaign you have running, apart from the promotions what is it delivering? You have staff there so what is it delivering? Is it bridges or roads?

Mr GILES: It is delivering a fantastic whole-of-government approach, and I am very proud to talk about the Northern Australia Development Office. I might have a few words I can read from to make it a little easier, Madam Chair.

The Northern Australia Development Office is an office that brings everybody together ...

Ms LAWRIE: What is the budget for it, Chief Minister?

Mr GILES: Madam Chair, budget 2014 lays out a blueprint for securing north Australia's future through the development of northern Australia. The budget proves the Giles government is serious about building the Territory of tomorrow by attracting investment and creating real jobs for our children through the development of the north. North Australia development will secure increased prosperity for all Territorians, building better roads and better schools, as well as attracting new industries which capitalise on our proximity to Asia.

Budget 2014 contains a comprehensive package of spending to support sectors crucial to northern Australia's development including infrastructure, commercial and residential land release, education, industry engagement and Asian relations.

Infrastructure is crucial to opening up the north and budget 2014-15 delivers \$1.14bn for key projects that connect and build the future of the Northern Territory. Among this is more than \$50m to continue the release of commercial land across the Territory. For the economy to grow we need to release more industrial land for the Territory's oil and gas, mining, transport and logistics sectors which are closely located to transport links. The Darwin Business Park precinct will receive \$11.1m for expansion. The industrial area is strategically located close to the port of Darwin and to the Adelaide to Darwin rail freight terminal.

Other projects include the next stage of ...

Ms LAWRIE: Do you want to table your notes, Chief Minister?

Mr GILES: ... Muramats Road industrial area where there is \$6.3m set aside for five additional lots and \$5.9m to continue works on the Wishart Road development.

Ms LAWRIE: Chief Minister, do you wish to table your notes?

Mr GILES: Concentrating industrial development in these strategic zones will free up more prime land for residential development. This commercial land release complements our residential land release program announced on the weekend, which will see 6500 dwellings constructed across the Territory. This \$135.6m plan is the most ambitious land release program ever undertaken by a Northern Territory government, and it is crucial to developing northern Australia by driving down the cost of living and giving the population room to grow. An amount of \$44.9m will be invested to accelerate brand new residential suburbs in Holtze and

Berrimah Farm, and to fast-track existing land release in Palmerston East. There is also \$39.6m for land release in our regional centres.

The Giles government is also securing our children's economic future, with almost \$6m in funding to support the new Northern Australia Development Office and a new Commissioner for Indonesia and ASEAN over the next two years. This kind of work will translate into real employment opportunities for future generations of the Northern Territory ...

Ms LAWRIE: Chief Minister, rather than reading a statement to the committee, do you want to table your notes so we can get on with questions?

Mr GILES: ... and it is great to be partnered with industry to grow our economy. A total of \$126m has been allocated for new education-related infrastructure over the next four years to teach the Northern Territory workforce of tomorrow.

Ms LAWRIE: Chief Minister, do you want to table your notes?

Mr GILES: This includes \$40.5m to construct new boarding facilities to provide bush students with improved access to secondary schooling, something Labor completely failed on.

Budget 2014-15 sets aside \$5m for initial headworks to begin at the new \$150m Palmerston regional hospital. That is an exciting development that will build our health capacity and allow the Territory to grow as the capital of northern Australia.

It was great yesterday to see the Commonwealth embracing many of our ideas as part of the draft green paper on northern Australia development. Again, the Territory is leading the debate on this issue and driving the national agenda.

One of the interesting things to note in regard to northern Australia is only the Country Liberals have a plan for developing Australia's north. It is quite ironic Labor does not seem to have a policy in any area, let alone northern Australia development.

Ms LAWRIE: Chief Minister ...

Madam CHAIR: We have been going for over two hours so I will call a five-minute recess so people can refresh. We will come back at 10.45 am.

Ms LAWRIE: I have a couple of questions on that. If we can wait for a couple of questions then we are done with northern Australia. We are in the midst of it.

Madam CHAIR: Sorry, Opposition Leader. In five minutes.

The committee suspended.

Madam CHAIR: Before we commence, the Estimates Committee has met and we are doing a slight reschedule. There is no loss of time to the estimates process. Instead of finishing at 12.30 pm today for the lunch break, we will have lunch at 12 until 12.30 pm, and the Chief Minister will come back smack on 12.30 pm and be here until 1 pm. Again, there is no loss of time, just a slight movement of the lunch break.

Mr GILES: Does that mean - for clarification - we break at 12 noon?

Madam CHAIR: Yes, break at 12 noon and you will be back at 12.30 pm. We were at agency-related whole-of-government questions.

Mr GILES: We are talking about the Northern Australia Development Office ...

Ms LAWRIE: Chief Minister, you have finished ...

Mr GILES: ... and I was just about to provide an update on some of that stuff.

Ms LAWRIE: ... and I had indicated I had a couple of questions.

Madam CHAIR: Yes, the Chief Minister has an update on something for you.

Mr GILES: Yes, there was some more information on the Northern Australia Development Office.

Ms LAWRIE: I am fine. I do not need that update. I have some questions.

Madam CHAIR: Opposition Leader.

Ms LAWRIE: Chief Minister, you said nothing had occurred in developing northern Australia under Labor. I will table, for your benefit, the *Pathway to Possibilities - A Blueprint for Regional Development Across Regional Australia* ...

Mr GILES: Is that the one you did not implement or did nothing with?

Ms LAWRIE: It was collaborative between the federal government, the Northern Territory, Western Australia and Queensland, and included all tiers of government, including local government. The work being done now is welcomed. The northern Australia development agenda has been in place for decades and I am delighted you are embracing it, Chief Minister. To say that ...

Mr GILES: A point of clarification, we are not embracing anything from Labor. You had no chance on northern Australia development; did nothing. You saw the end of the live cattle trade, you did not invest in roads or support the pastoral industry apart from some small work ...

Ms LAWRIE: Chief Minister, \$400m ...

Mr GILES: ... by the member for Casuarina, you did not support horticulture, agriculture or investment ...

Ms LAWRIE: additional in roads infrastructure in the Territory.

Mr GILES: ...you are an embarrassment.

Ms LAWRIE: There was \$400m additional in roads infrastructure in the Territory. The oil and gas development here, the Marine Supply Base, the second largest major project in the Territory's history to establish us as an absolute deliverer of oil and gas now and into the decades. You like to pretend nothing happened in 10 years, but the reality is you inherited the strongest economic growth rate in the nation under Labor.

Chief Minister, yesterday we saw the Commonwealth government announce a Northern Australia Advisory Group chaired by Shane Stone. Earlier this year Shane Stone slammed your leadership and your government. I quote from an article in *The Australian* of 5 March this year. He criticised Chief Minister Adam Giles for reportedly spending \$100 000 of taxpayers' money to hire a private jet to attend a press conference with Tony Abbott. He says:

'The punters understand that more than they understand a \$3 billion budget blowout', he said. 'I think this government is struggling because its members are preoccupied with themselves'.

Furthermore:

'When you get the sense nothing is happening and time's running out, someone has to say something'.

Further:

The question for the CLP today is, what's their agenda?

Chief Minister, the federal government has appointed one of your harshest critics to head up policy on northern Australia development. Furthermore, they have created a summit in Queensland not Darwin. Chief Minister, the reality is, apart from you trying to brand northern Australia development to yourself, you have been sidelined by the Commonwealth.

Madam CHAIR: Was there a question there, Opposition Leader?

Ms LAWRIE: Yes, that is right.

Mr GILES: There was no question but I will go to point of clarification. You spoke about road investment and mentioned some things in particular. I do not accept the premise of your statement; I think it was completely wrong. Let me point to two things. The first was around the Tanami Road, something I lobbied very hard for in opposition. I also lobbied hard for it in government, and something that we fought to get through the Regional Infrastructure Fund, which had substantial money. One of the projects, as I understand to be approved out of that, was a road in a remote area of South Australia going to the AP lands. We fought to get the Tanami dual lane sealed all the way to the Newmont mine at the Granites, and also what benefit it could provide to the communities through CSO at Yuendumu, what it can do to support communities at Papunya, Kintore, Nyirripi, Yuelamu and all those places.

It went through a feasibility study on a new modelling that looked at economic and CSO obligations in remote areas of Australia. It went through the full Infrastructure Australia, the full Infrastructure Council and reached the upper echelons of Anthony Albanese who decided not to spend the money, despite being the number one prioritised project around Australia to Infrastructure Australia - the number one project. Anthony Albanese, your Labor buddy, brother boy in Canberra, decided not to support it.

The second project of note is the ...

Ms LAWRIE: That was not the Tanami, that was the Outback Way.

Mr GILES: That has never been – no, that was not the Outback Way.

Ms LAWRIE: The entire Outback Way.

Mr GILES: No, it was not the Outback Way. You need to do some research my friend. I am happy to talk about the Outback Way.

Ms LAWRIE: You do not have a cent under the Commonwealth for that project?

Mr GILES: I am happy to also tell you about ...

Ms LAWRIE: How are you going under Tony Abbott?

Madam CHAIR: The Chief Minister is answering your first question.

Mr GILES: That is another lie or another misleading statement ...

Ms LAWRIE: Not a cent.

Mr GILES: ... which I will get to.

Ms LAWRIE: Not a cent.

Mr GILES: It is another lie by the Leader of the Opposition.

Ms LAWRIE: The funding for the Tanami in the budget existed under Labor; it was in the forward estimates and was signed off ...

Mr GILES: Madam Chair, can you keep her quiet?

Ms LAWRIE: ... under Albanese.

Mr GILES: The \$50m - I do not have the budget paper in front of me, but a few years ago there was \$50m promised by - I think it was Kevin Rudd - to the Northern Territory to expand the port in Darwin. I have a question: did that money ever come through or was there a sleight of hand no one saw and it was moved to a different project? Did the money ever come through? You were Treasurer at the time, did the money ever come? Very good question. No, it did not.

Let us get to the Outback Way, Madam Chair. I have had very successful negotiations on the Outback Way and Peter Styles, Minister for Transport and also Infrastructure will talk at length about this. An announcement was made in the days or weeks before the federal election last year where Warren Truss,

current acting Prime Minister, then shadow minister for Transport and Infrastructure, visited Alice Springs and announced \$11m per year for three years - \$33m to match funding into the Outback Way, which pretty much goes from Perth to Cairns.

Queensland and the Northern Territory, to date, have been very successful in getting money appropriated for the Outback Way. That \$11m per year for three years has now increased to a point where we have a guarantee from the current acting Prime Minister, minister for Roads and Infrastructure at the Canberra level, to match any money we put towards that. We have put forward \$7.5m this financial year to do work on the Outback Highway and we have commitments so that next financial year and the financial year after - being \$22.5m - will go into the Outback Way and it will be fully matched by Canberra.

Seeing \$45m going into the Outback Way is a fantastic outcome, something we have not announced, but a very good outcome for opening the country up, especially to support the cattle industry going into Queensland, but also to support greater elements of tourism. They get a more substantial effect on an outcome for CSO - the customer service obligation where we provide better access for communities along those roads.

Ms LAWRIE: The Commonwealth government yesterday announced one of your harshest critics, Shane Stone, as Chair of the Northern Australia Advisory Group. The summit for northern Australia development is being held in Queensland, not Darwin. Did you lobby to have the summit in the Territory?

Mr GILES: No.

Ms LAWRIE: Why not?

Mr GILES: Because we did not; there are other approaches to take. If you want information about northern Australian development ...

Ms LAWRIE: There is no correspondence with you suggesting ...

Mr GILES: Hang on, you asked a question.

Ms LAWRIE: ... something in the Territory.

Mr GILES: You are a very rude person, Delia, so rude. I know you are grubby, but let me answer the question.

Ms LAWRIE: There is no correspondence asking for the summit in the Territory, Chief Minister?

Mr GILES: The green paper released yesterday has a majority of information contained in it as provided for and lobbied by the Northern Territory government. We are extremely happy that the work done to date, in ensuring we lobby strongly for what we believe is in the interests of the Northern Territory, was included. There were some things included in the green paper which came from us, which I did not think would make the final cut of the green paper, so that is good. We had an officer based in Canberra working with DCM to ensure we get the best outcome for the green paper and the white paper - not just doing the administrative component but also the lobbying on our behalf to ensure we get a good outcome.

I think the green paper, while it is out there for discussion, will form the white paper. It is a very good start to a debate and I was quite happy and positive to see it.

I am also happy to see Luke Bowen sit at the head of the Northern Australia Development Office. I am happy to work with Colin Barnett, Campbell Newman, Tony Abbott and Warren Truss in engagement of a strategic approach. In regard to where meetings will be held, there are different layers and I encourage you to get a briefing one day so you know what it is all about. There are different layers as to how north Australia development works. At the most senior level is me, Campbell Newman, Colin Barnett and Tony Abbott. Below that, we have officials and then we have other ranges. There is a range of different consultancy groups at the moment trying to get in on the north Australia development agenda and run forums around the country. We are asked to hold forums here all the time, but a lot of it is about how much money we will put in. To date, we have not asked to put the money there.

The idea of having the first meeting between me, Tony Abbott, Colin Barnett and Campbell Newman outside Canberra - because we had one pre-COAG - having the first regional meeting in Darwin was my suggestion, but I suggested it would be best to have it in Kununurra. I put Kununurra as the first and most

important meeting about northern Australia development so we can show the Prime Minister and Campbell Newman what the Ord River represents. Colin Barnett and I have a fair degree of understanding on that and it gives us an opportunity to not just learn the activities of the Ord Stages 1 and 2, but promote what we want to see happen with Ord Stage 3 on the Northern Territory side. That is where we are lobbying to have the first meeting.

Ms LAWRIE: Chief Minister, the announcement yesterday of the Northern Australian Advisory Group included advice that CSIRO would look at modelling dams for the Northern Territory. Would you support dams in the Northern Territory?

Mr GILES: I support any scientific research that looks at anything to improve the dynamic benefit of the Northern Territory.

Ms LAWRIE: Would you rule out support for dams on the Daly?

Mr GILES: I do not make decisions based on populist models. I would want to see information from scientists who have worked out the best outcome for the growth of northern Australia.

Ms LAWRIE: You would not rule damming the Daly?

Mr GILES: I do not rule anything in or out. I am not taking a populist approach so you can issue a media release and talk about dams here and there. I want to base it on science. I have full support and faith in the CSIRO. We are, at the moment, looking at how we can work more closely in Central Australia with the CSIRO to get more research analysis done, particularly for the mining and agricultural sectors, so I am not ruling anything in or out. The best thing to do is find scientific evidence.

Ms LAWRIE: If you make a decision on a dam for the Daly based on scientific evidence, where would you place environmental and social concerns?

Mr GILES: Sorry, did you say something.

Ms LAWRIE: If you, as you stated then, base your decision on a dam for the Daly on scientific advice, where would you place environmental and social concerns?

Mr GILES: I do not accept the premise of the question. I did not mention a dam for the Daly, you are talking about that. That is the scare campaign you operate as Leader of the Opposition. This is the grubby politics you like to get into. The CSIRO has been tasked in the northern Australia green paper development agenda in conjunction with the federal government, but also with support from us, to undertake studies about where the best water allocation will be and how that will work across northern Australia to open the north up and drive industry in the form we want to see.

I think people forget about what happened in the late 1980s and 1990s when the forefathers of the Northern Territory set up Darwin as a gas hub. We saw ConocoPhillips, Darwin LNG, what is happening at the Bonaparte, and issue of the INPEX gas licence in 1998 under CLP guidance, set Darwin up to what it is today with the gas hub. Now we are reforming that agenda. We are still going with the gas environment but reforming the agenda around northern Australia, moving into other productive areas that will include pastoral, agricultural, horticultural and onshore gas. These are the areas we want to look to in development of the north.

That does not set aside areas of investment around international education, what we can do with the IT industry and how we can get our educational performance, as a different element of international education, up to world standards. There is a great element of opportunity, and that is what northern Australia is all about.

I want to base it on science. We are leading the debate; we are leading the nation in this. It is fantastic to see all the information contained in the green paper yesterday. Let the scientists and experts look at it. That is what we should be doing as government, not running populist politics and getting down in the gutter, the way you like to.

Ms LAWRIE: Chief Minister ...

Mr WOOD: Can I ask some questions soon?

Ms LAWRIE: Yes. On this issue, Chief Minister, I am not making up the issue of damming the Daly. That has been raised ...

Mr GILES: Not by me.

Ms LAWRIE: ... by conservative ...

Mr GILES: It has never been raised by me. I have never spoken about it. It is you and your populist politics where you try to scare people and play grubby politics, Delia Lawrie.

Ms LAWRIE: Chief Minister, I think you need to take a deep breath every now and again. Chief Minister, conservative members of the federal parliament have consistently raised damming the Daly as an opportunity to grow agribusiness for the Northern Territory to be the food bowl of nation. It has been raised consistently by conservative members of the federal parliament.

The issue of damming the Daly has been significant in the development of northern Australia for a couple of decades. It is not something I raise out of context. It is in context, particularly given the announcement yesterday included advice that the CSIRO will do modelling around dams.

Mr GILES: I welcome that.

Ms LAWRIE: It is appropriate to ask whether you would rule out damming the Daly.

Mr GILES: It is not appropriate. Many people ask me, 'Chief Minister, what is the difference between Northern Territory politics and federal politics?' A part of that answer is quite simple: the level of debate and professionalism. In Canberra, people are willing and free to talk about issues that might be contentious. People want to have a conversation, a debate, and gain information so you can educate the community and yourself, and get the scientists involved.

In the Northern Territory, when something contentious comes up, people such as yourself run grubby politics, get down in the gutter, as Delia Lawrie always does, and try to get to the lowest common denominator on populist politics. What is wrong with asking the CSIRO to look at water analysis, look at surface water and ground water, how best to capture that, what the recharge rates are and how we best utilise that for horticulture, agriculture or whatever it may be? A fair, reasonable politician would keep their mind open if they want to drive the Northern Territory. Fundamentally, my job as Chief Minister, our job as Cabinet and as government is to ensure we get the best educated kids working in the best jobs possible, that is where we are driving this reform.

Ms LAWRIE: Chief Minister, just as Territorians did not want you to axe the Arafura Games they do not want you to allow damming the Daly. Will you rule out damming the Daly under your watch?

Mr GILES: I have answered this question. In regard to the Arafura Games, the majority of Territorians wanted to see the end of Arafura Games.

Ms LAWRIE: Absolute rubbish.

Mr WOOD: Any survey on that?

Madam CHAIR: Member for Nelson, do you have a question?

Mr GILES: I challenge you to ask the sporting organisations if they are happy to see a different approach.

Ms LAWRIE: The sporting organisations were huge supporters of the Arafura Games.

Mr GILES: The organisations coming here are very keen to see a change.

Ms LAWRIE: The multicultural communities of the Top End were huge supporters of the Arafura Games. Our Asian neighbours were huge supporters of the Arafura Games. It was very popular amongst locals and business people - massive support ...

Mr GILES: I ask, Madam Chair, if there was such huge support and your government was so encouraged, why, when we came to government, had nothing been prepared ...

Ms LAWRIE: No ...

Mr GILES: Hang one, let me keep going ...

Ms LAWRIE: Again, that is rubbish.

Mr GILES: No venues had been booked, no accommodation booked, only two countries were secured to come, no marketing had been done, no advertising ...

Ms LAWRIE: That is rubbish.

Mr GILES: ... had been signed up. The worst part about all of this ...

Ms LAWRIE: That is simply your excuse.

Mr GILES: Hang on, let me answer this.

Madam CHAIR: Opposition Leader, please do not interrupt.

Mr GILES: Let me answer. The worst part about all this is the person who was supposed to head the whole lot up for former Sports minister Karl Hampton was Ken Vowles, the member for Johnston. The member for Johnston failed with the Arafura Games which forced us to make a change. Look in your own back yard.

Mr WOOD: Minister, sometimes I get a bit annoyed that in this debate you cannot be supportive of the government. You either have to be completely with you or totally against you ...

Mr GILES: Good debate.

Mr WOOD: I support the concept of being open for business, except it has to be sustainable. I do not want to go down the path of sucking too much water out of the ground then, later, we find we have the same problems as the Murray Darling. We need to ensure our science is right, as you say, before we commence development.

Chief Minister, it is good the government is looking at trying to vary the economy. I have said in parliament before to have all our eggs in one basket is a problem - relying on gas and mining is not a good way for our economy to be. When there are fluctuations, it is better to have an economy that has a lot more in it than just a few major projects. I support what the government is doing from that point of view.

What concerns me is sometimes you do not bring the people along with you. I will give you the example of what you call Palmerston north and I call Holtze. I support your government opening up more land for housing; however, if I asked if you support the right of people in the rural area (1) to be consulted and (2) that the government should support the option of choice of a rural lifestyle versus a suburban lifestyle, would you agree with both those?

Mr GILES: Yes and yes.

Mr WOOD: Then would you, before you sign and put your handprint in concrete on the development of Holtze and Howard Springs, at least enable the local members, including me - your Speaker lives in that area - to discuss this with the community ...

Mr GILES: The parliament's Speaker.

Mr WOOD: She also lives in Wallaby Holtze Road, Holtze. Before you sign off on this as if it is one of the Ten Commandments, can we at least discuss it with you to see if we can find an option which would satisfy some of what you want but would, respectfully, allow people in the rural area to remain living in a rural lifestyle. We would still open up the land for housing, except it would be on larger blocks and we would have a choice.

Are you saying you and Peter Chandler made a decision two Sunday's ago - no discussion with me, no discussion with the people. Is that decision set in concrete and can never be discussed again?

Mr GILES: Gerry, I know the camera is on you at the moment ...

Mr WOOD: I cannot help that, they are right next to me.

Mr GILES: I had a meeting with you and Peter Chandler to talk about this development opportunity. It is now out for community feedback. We announced it and the community has, obviously, provided a lot of feedback and you will provide feedback. I am sure the member for Goyder, maybe even the member for Daly and even the Palmerston members, will provide feedback, Madam Chair. We will take all that on board. There has been no finality of the design concepts. Those illustrations show what we are doing in moving towards land release and the consultation will continue.

Mr WOOD: I will raise the illustrations, but not today. I will raise them with the relevant minister because there are two illustrations. One is ...

Mr GILES: I will not take any more questions on land.

Mr WOOD: You say you want development, you say you want more opportunities for people to get an affordable block of land, but when it comes to bringing people with you, like the local member, you do not. In other words, I might be on your side but you do not allow me to be on your side because you make a unilateral decision. Mr Putin would be pleased with your way of doing things, 'We are taking over Crimea'.

Mr GILES: That is not a very nice comment to make.

Mr WOOD: You know what I mean.

Mr GILES: That is not fair.

Mr WOOD: He is nice sometimes, but he makes a unilateral ...

Mr GILES: You are no Vladimir yourself.

Mr WOOD: No, I am not. I cannot ride a horse.

Mr GILES: That is a terrible assertion. We announced we want to release land and have identified a site. We have not split blocks or made a final decision on any of that. That is where we are heading.

Mr WOOD: There was no consultation.

Mr GILES: Hang on. The consultation is going on now. You are being consulted now.

Mr WOOD: After the event.

Mr GILES: No, it is not after the event.

Mr WOOD: You announced it.

Mr GILES: I am not in a debate with you, Gerry; I am answering a question for you. If you would like me to answer it, I am happy to.

Mr WOOD: I would love you to answer it.

Mr GILES: If we identify a large area where we want development - we have announced we are doing that. We are not keeping it secret, we have announced it and yes, it is in our budget because we are putting money towards the consultation on what headworks might be required. We are not doing the internal headworks ourselves. We are just talking about that area. You are now being consulted, the public is being consulted, we are having a conversation and it is healthy for us to do that and the right approach to take.

Mr WOOD: Consultation after the event is very difficult because if you have made up your mind ...

Mr GILES: I think you made a poor assertion on Russians as well.

Mr WOOD: I am sorry.

Mr GILES: I think you have. You used derogatory terms about a Russian leader when we are talking about how we can solve some of the cost of living issues through land release and a consultation process.

Mr WOOD: His consultation about taking over a piece of land was about as good as your consultation about taking over Holtze and Howard Springs; that is what I was comparing it with. I am not saying you are Mr Putin at all.

Mr GILES: You are talking about the Ukraine.

Mr WOOD: I will talk about Defence. You have it in your budget paper as Strategic Defence Liaison. Nigel Scullion said in March some consideration had been given to Gove having some strategic position in relation to Defence. Have you had any more discussions with Nigel Scullion or the federal government in relation to that?

Mr GILES: I talk to the federal government on a range of things at a range of times.

Mr WOOD: That is true, but Nigel Scullion said he thought there were possibilities Gove could be used as part of a strategic defence plan. Has that been developed at all?

Mr GILES: The Defence department is part of the Australian government. You are probably best to put those questions to the Australian government.

Mr WOOD: Yes, but Gove is part of the Northern Territory and Nigel Scullion is the senator for the Northern Territory.

Mr GILES: I understand that, but Defence is part of the Australian government. What the Australian government does - you should ask the Australian government.

Mr WOOD: That is a bit hard because I am on the Estimates Committee for the Northern Territory parliament.

Mr GILES: If you have a question about Australian Defence and where they put their priorities and resources ...

Mr WOOD: I could ask you a question in relation to Howard Springs north Defence complex. What negotiations has the government had in obtaining that land for your future housing development? What were the arrangements to obtain that land?

Mr GILES: You will have to ask the Minister for Lands, Planning and the Environment.

Mr WOOD: No, it is Defence land we are talking about.

Mr GILES: That is coordinated by John Coleman, the CEO, and minister Chandler through Lands, Planning and the Environment.

Mr WOOD: Surely there would have been some high level discussions with Defence.

Mr GILES: Gerry, I am giving you an answer. They talk to Defence about those ...

Ms LAWRIE: The CEO is trying to let you know they have been involved.

Mr GILES: Can you be quiet, Leader of the Opposition.

Ms LAWRIE: Well, it is pretty obvious, Chief Minister.

Mr GILES: Member for Nelson, the CEO of Lands, Planning and the Environment, under the guidance of the Minister for Lands, Planning and the Environment has discussions with Defence about some of those land issues and you are best putting those questions to them under the appropriate output area.

Mr WOOD: Another area you put a lot of emphasis on, and I support you, is upgrading of roads in the Northern Territory. I understand if you want to develop the Northern Territory and do not have proper infrastructure you will never get anywhere. However, you have issues. One is the amount of roads to be upgraded, a small population and not a large amount of money to spend. Two is the issue of roads on

Aboriginal land. You have talked about upgrading the Central Arnhem Road. What negotiations are continuing to make that a public road, because I gather you still need a permit? Therefore, is the Territory government spending money on a private road?

Mr GILES: You will have to put those questions to the Minister for Transport and for Infrastructure.

Mr WOOD: One of the things here is about developing key infrastructure and one is roads. This is a more global question. Are there issues in relation to developing parts of the Northern Territory, especially where you want to develop roads through Aboriginal land, from the point of view that you have to obtain an agreement as to whether that road is purchased or leased? Are you not part of any of those negotiations?

Mr GILES: We have a very good relationship working with the land councils, many traditional owners and prescribed body corporates under the native title boundaries. In relation to the Central Arnhem Road and what negotiations we have with the TOs or NLC in regard to permit and access, those things are conducted from within the confines of the Department of Transport. Peter Styles, the minister, is the best person to answer those questions. We have followed the same process operated by the former Labor government, which is having a transport officer located within the NLC - the only one we have - we do not have one in the CLC, the ALC or the TLC, but we do in the NLC to try to assist with negotiations and make sure we facilitate development in that regard. However, for anything specific, talk to Peter Styles in the appropriate output area.

Mr WOOD: There is a philosophical or legal issue. Can you spend public money on a road you do not own which is private? The Central Arnhem Road it is not all public road otherwise you would not need a permit. You are spending taxpayers' money for a good reason - I understand why it is being done - but legally, technically or philosophically can you do that? If you did that on a pastoral property or on my front driveway ...

Mr GILES: It has been done for the last 30 years.

Mr WOOD: It may have been ...

Mr GILES: You can do it.

Mr WOOD: Of course you can, but you cannot do it on my driveway. You would be front page of the *NT News*.

Mr GILES: That is why we negotiate and get access, but talk to the minister about it.

Mr WOOD: There is an increasing cost in leases for schools, police stations and aged care facilities on Aboriginal land. I believe they should not have to pay a lease because the government put that on Aboriginal land for Aboriginal people. Do you see that as an issue? That will go up by CPI every year, which means less money can be put into facilities on Aboriginal land. Do you go ahead and say it was done by a previous government therefore you will pay the rent?

Mr GILES: You should ask the appropriate ministers who enter into those leases, whether it is schools or housing ...

Mr WOOD: I am not asking the Police Commissioner ...

Mr GILES: You are asking for an opinion, not policy.

Mr WOOD: No, I am asking a policy question because the government as a whole agreed. The previous government did, and it had directions from the Commonwealth government, which was a Labor government, that any ...

Mr GILES: Do you mean the former government did not make its own decisions?

Mr WOOD: ... public or government buildings, such as schools, power stations or aged care facilities now pay rent based on the UCV for having facilities on that land. I have always argued those facilities are there for the benefit of the people - it is not KFC or car sales - who live in those communities.

I am asking for the government's policy on that approach, not what individual ministers they think. Does the government have a policy in relation to that?

Mr GILES: The former Labor government signed a range of leases that were costed very highly and indexed to the maximum, which means we have a liability financially going into the future which we cannot get out of. We will continue to pay that because we were signed up to do it. As a government, as a jurisdiction - that was before we came into government as the Country Liberals and we continue to operate under that model.

We do not have a policy about getting rid of them or getting new ones; we do the job. If we needed to build a new school in your electorate and government did not own any land and we had to buy or lease land, is it fair and reasonable that we buy or lease land in your electorate to run a school? Is that any different to doing it in an Aboriginal community?

Mr WOOD: First, where have you done that? The only place I know the government has built anything ...

Mr GILES: No, you asked me a hypothetical ...

Mr WOOD: Hang on. It does not normally happen, because when you develop a town you develop public land for those facilities. In this case no public land has been set aside.

Mr GILES: We own the land.

Mr WOOD: That is right, you do. I know that is an argument from the Central Land Council, but how many public education buildings are not on government land - about 99%. The only building I know is the one sitting in Mitchell Street. Schools are all on public land.

Ms LAWRIE: Wooliana.

Mr WOOD: Yes, and that is because of poor planning. In general – you can have exceptions, but ...

Mr GILES: Gerry, we are debating a point which should not be debated in this process, but if you think education is there for the common good, why does the Department of Education pay rent for its office space?

Mr WOOD: I do not know. Why does it not develop on its own land? You have plenty of Crown land. Why does it buy office space in town?

Mr GILES: You are starting to sound like Vladimir.

Mr WOOD: The point is some of these facilities would not exist if it was not for the government.

Mr GILES: If you have questions about education, ask the Education minister.

Mr WOOD: No, it is not about education; it is a long-term philosophical issue I do not think has been handled well by government.

Mr GILES: It is not part of the budget.

Mr WOOD: It is because you are paying money, and it will be an increased amount of money ...

Mr GILES: Thanks to Labor.

Mr WOOD: No, it will be an increased amount of money you will not be able to put back into those facilities.

Mr GILES: I know.

Mr WOOD: That is more what the argument is about.

Mr GILES: My preference is to deliver educational outcomes. Labor's preference was to spend money on things with no outcome.

Mr WOOD: In relation to the previous Chief Minister's position in Indonesia, what is the position, how is it funded and what are the conditions in relation to that appointment?

Mr GILES: You have to ask that question in the right output group.

Mr WOOD: I thought northern development ...

Mr GILES: No, we are still at whole-of-government.

Madam CHAIR: Yes, we are still in agency whole-of-government. I am happy to move through outputs.

Ms LAWRIE: Can I seek clarification about where some of these sit?

Madam CHAIR: Yes, that is fine.

Mr WOOD: It is a bit of a blur here.

Ms LAWRIE: I have been asking questions in whole-of-agency because it is not immediately clear. For example ...

Madam CHAIR: That is fine.

Ms LAWRIE: I knew that was Asian Relations and Trade, but given coordination for Nhulunbuy is under the Chief Minister's purview – he has the Gove transition coordinated within the Department of the Chief Minister – in which output area do those questions sit?

Mr GILES: I will find my list of outputs.

Mr WOOD: Can I ask two more and then I will be quiet?

Ms LAWRIE: Otherwise, I will ask them in the whole-of-agency.

Mr GILES: Output 1.5 - Regional Coordination. That is part of the \$33m helping people in Gove.

Madam CHAIR: Sorry, what output was that, Chief Minister?

Mr GILES: Output 1.5.

Ms LAWRIE: There is no Output 1.5, Chief Minister. Regional Coordination and Economic Development is 7.5.

Mr GILES: Sorry, 7.5.

Ms LAWRIE: What about election commitments, which output is that?

Mr GILES: It depends what portfolio it is in.

Ms LAWRIE: Election commitments you are responsible for, Chief Minister.

Mr GILES: It depends what portfolio they are in.

Ms LAWRIE: I will ask them in whole-of-agency.

Mr GILES: If it is an election commitment about a school, you ask in education.

Ms LAWRIE: I will ask them in whole-of-agency.

Mr WOOD: I have just come back from Europe where I looked at various places, and I have given you a copy of my trip. One of the trips was to AREVA, a power company not an electricity company, which does both renewables and nuclear. It is also the company that would recycle any nuclear waste from Lucas Heights coming back in storage containers. The picture shows the size of the storage containers – they are up to my shoulder. In fact it will be caesium, because 96% of the waste from Lucas Heights will be recycled in nuclear power plants. We get 4% plus a little metal back and there will be 25 of those containers.

Regardless of whether it goes to Muckaty or not, do you believe the Territory has a role – it is a big place – in finding a place for that waste to be stored safely?

Mr GILES: All jurisdictions in Australia have a responsibility for disposal of nuclear waste, particularly what they consume. I know there are hospitals, schools and plenty of other places across the Northern Territory that consume and have nuclear waste lying around their workplace or work sites. There is a responsibility on all jurisdictions to administer that waste. Your question was possibly more in depth than that.

Mr WOOD: Well, it is to do with ...

Mr GILES: For example, all hospitals have nuclear waste.

Mr WOOD: Yes, that is right. I do not believe the normal low level nuclear waste is a problem if stored properly. It will eventually reduce down to natural levels and you can dispose of it correctly. We are talking about waste from Lucas Heights. Lucas Heights is our only nuclear reactor. When the rods are finished being used in that nuclear reactor they are transported to France. France strips them down, so 96% of that waste is reused in France's nuclear reactors using different processes. We are required, under international law, to take 4% of caesium, which is a vitreous form of glass. We will get 25 of those containers and need to store them somewhere ...

Mr GILES: Australia does.

Mr WOOD: Yes, but Lucas Heights belongs to us all, and the Northern Territory is part of Australia.

Mr GILES: I know that.

Mr WOOD: We are all responsible for doing something with those 25 containers. Do you think the Northern Territory can find a place - regardless of an opinion on Muckaty - to store that waste for the benefit of all the people of Australia?

Mr GILES: In regard to Muckaty, there is a federal court case on, and I am will not comment on that. I support recognition of the traditional owners in the position they take. If traditional owners want something, and they are declared to be the traditional owners, we should listen to what they have to say.

In regard to whether Australia should manage such waste, Australia as a nation should. There are international obligations to do that. In regard to whether the Northern Territory should be responsible for taking some of that waste from around Australia, that discussion needs to be happen at the federal level with all first ministers to identify where the best location will be.

Mr WOOD: As you know, all states do not want it, and it is political. It has nothing to do with science, it is purely political. Where do you stand there? Are you saying you would not take it, or are you saying you would take the lead and, if we can find a suitable place for it that is geologically and scientifically suitable, the Territory could accept that waste? After all, it would probably cover one-tenth of this room in size.

Mr GILES: I understand the dynamics around such recyclable material, but it is a matter to be discussed at the federal level. It is history about the NLC nominating a site. There is now a court case about who the traditional owners were talking about the site. I do not get involved in any of that. I will wait to see what the court outcome is.

I note federal Labor, in opposition, was opposed to Muckaty. When in government it went cold on Muckaty and supported it, and even brought in legislation to get it going. Once again, it will be one of those polarising populous things where the opposition in the Northern Territory and Canberra join with the Greens and oppose ...

Mr WOOD: Just on ...

Mr GILES: Hang on, I am still answering. I do not have a position on it. I understand Australia has to take it back. I understand the politics of the states that do not want it. I understand we are a Territory and not a state - us and the ACT. I understand the politics of the ACT. Because we are a long way from Canberra, people think they can just put it in the Northern Territory.

Is there an opportunity financially? It is a massive opportunity financially. Is Muckaty the right place to go? That is not up to me; that is up to the scientists and the traditional owners. Let us see what happens with the court case.

Mr WOOD: You agree science is a basis for where it should go?

Ms LAWRIE: I have questions on Muckaty. Do I come in here or do we ...

Mr GILES: We have already done whole-of-government with you.

Ms LAWRIE: No, we have not done that, Chief Minister ...

Mr HIGGINS: Can I ask ...

Mr GILES: We have already done the whole-of-government with you, now we are going around the committee.

Ms LAWRIE: No, I had not completed whole-of-government ...

Mr GILES: A point of clarification, Madam Chair!

Ms LAWRIE: Chief Minister, if you would just let me ...

Madam CHAIR: We are still in whole-of-government, Chief Minister.

Mr GILES: Do we have shadow minister, other people and then move to the output group?

Madam CHAIR: Certainly, but ...

Ms LAWRIE: I was asked to give the member for Nelson an opportunity to ask questions. I had not completed mine.

Mr WOOD: Otherwise, I would sit here and we would forget where we started from.

Ms LAWRIE: I had not finished whole-of-government. I will cut in on Muckaty. Chief Minister, Territory Labor has been staunchly opposed to a nuclear waste dump at Muckaty - staunchly opposed when in government and staunchly opposed in opposition. Chief Minister, when the CLP was in opposition, you joined us in a motion of parliament opposing a nuclear waste dump at Muckaty. Why have you changed your position and now accept the potential of a nuclear waste dump at Muckaty?

Mr WOOD: It is not a dump.

Mr GILES: Madam Chair, I seek to provide an amendment response to section 161.49 ...

Madam CHAIR: Yes, you tabled some documents earlier?

Mr GILES: It was one of the written questions. There was an issue around the zeros on one of the pages. It did not make any difference to what I said, but I want to table a new answer if possible.

Madam CHAIR: Is it a replacement page in your tabled document?

Mr GILES: Yes.

Ms LAWRIE: Chief Minister, Territory Labor, in government, was staunchly opposed to a nuclear waste dump at Muckaty ...

Mr GILES: You were when the federal Coalition were in government in Canberra, but not so much when federal Labor were in power in Canberra.

Ms LAWRIE: I will repeat the question. Chief Minister, Northern Territory Labor members of parliament were staunchly opposed to a nuclear waste dump at Muckaty when in government, and continue to be staunchly opposed in opposition.

The CLP, in opposition, previously supported opposing a nuclear waste dump at Muckaty, including a motion of parliament. Why have you, Chief Minister, changed the CLP's policy of opposing a nuclear waste dump at Muckaty?

Mr GILES: There has been no change; this is a policy question not a budget question.

Ms LAWRIE: Yes, but estimates go to the operations and financial positions, and includes policy.

Mr GILES: It goes to scrutiny of the budget, not scrutiny of policy. That is what parliament is about.

Ms LAWRIE: Come on, Chief Minister, it goes to policy as well and you know that. The bulk of questions asked at estimates are on policy because policy influences ...

Mr GILES: That is because you are a bad opposition and you do not focus on the budget. That is what I said earlier, the quality of a sound democracy is having a very good and robust opposition. Unfortunately, under your stewardship, under Delia Lawrie's stewardship it is a bad opposition.

We are here to scrutinise the budget, ask budget questions. I have not opened a page yet to get information about the budget because you are asking general questions to run populous politics to try to get on television rather than scrutinise the budget. I want an opposition to asks proper questions. I love it when Gerry asks questions, we get a decent question. You are a bad Opposition Leader.

We have a budget paper here - \$6bn - start asking about the money. Instead, you focus on - at the start - \$33m included in expenses. Yes, it has gone up by \$33m; we have reasons for that. As soon as I started giving them you did not want to hear, you did not want to tap into those questions, you did not want to find out how much money is being spent in regard to implementation of policy, you just run populism. That is a bad Opposition Leader. You need to look in the mirror, you are a bad Opposition Leader, I am sorry.

Ms LAWRIE: Thank you, Chief Minister for the critique. I have heard it before.

Mr GILES: You hear it all time because everyone says it. If you go outside people say it all the time. The critique about you being a bad Opposition Leader is not just from me, I am reflecting the view of Territorians. The majority of Territorians do not like the way you do your job.

Ms LAWRIE: Chief Minister, Territorians are interested in why you have changed the CLP's position on Muckaty. In opposition, the CLP was opposed to a nuclear waste dump at Muckaty. In government, under your leadership, you are not opposed. Why has the position changed?

Mr GILES: I will be very clear once again, we have not changed our policy; we have not announced a new policy or changed our policy. This is time for scrutiny of the budget. Let us do it otherwise we all pack up and go home. If you do not ask budget-related questions it is pointless being here. Maybe the other members of the PAC might like to ask questions about money. I am keen to answer money questions because it is the budget. I hold serious senior portfolio responsibilities driving the government forward to the point where we are bigger and better than ever before; a \$6bn budget where the economy is going through the roof and crime is going through the floor. Ask some questions on the budget please?

Ms LAWRIE: Chief Minister, a nuclear waste facility at Muckaty would mean nuclear waste goes across Darwin port, travels by rail through Darwin, Palmerston ...

Mr GILES: It already goes across Darwin port, you know that.

Mr WOOD: It will come from France to Darwin.

Mr GILES: Nuclear waste already goes across the port every day.

Ms LAWRIE: High level nuclear waste rods, Chief Minister.

Mr WOOD: No, not rods. No, you are wrong.

Mr GILES: No, she is misleading and lying in an estimates process which is about the budget.

Ms LAWRIE: Come on, withdraw.

Mr GILES: You are misleading, you are giving incorrect information.

Mr WOOD: No, there are no rods.

Ms LAWRIE: Ask him to withdraw please, Madam Chair?

Madam CHAIR: You know you need to move a motion to make an allegation of misleading.

Mr GILES: Madam Chair, the Leader of the Opposition just provided misleading information to the committee.

Ms LAWRIE: Withdraw, come on.

Mr GILES: You did. The member for Nelson knows that.

Madam CHAIR: Would you like to rephrase your ...

Ms LAWRIE: Chief Minister, if a nuclear waste dump is approved at Muckaty nuclear waste will go across Darwin port, through Darwin, through Palmerston down the rail all the way to Tennant Creek and, we assume, be trucked to Muckaty.

Chief Minister, why are you not opposing a nuclear waste dump at Muckaty? Why are you accepting - a backflip on the CLP's previous position - that whatever the outcome is of the federal court case you will accept a nuclear waste dump at Muckaty?

Mr GILES: I have answered this question, Madam Chair.

Ms LAWRIE: You refuse to answer it.

Mr GILES: Hang on a second, grubby, let me get to the point. Madam Chair, I have answered this question. There has not been a policy change; we are waiting for the outcome of the federal court process. I would pose this question to members of the PAC, particularly the grubby Opposition Leader: do you support ...

Madam CHAIR: Chief Minister!

Mr GILES: .. nuclear waste sitting in every hospital in the Northern Territory? Nuclear waste in RDH, why do you support that?

Ms LAWRIE: I understand you will not answer the question as to why you have done a backflip and why you are now supporting a nuclear waste dump at Muckaty. I understand you get it is wrong to support a nuclear waste dump at Muckaty.

Madam CHAIR: Have you answered the question, Chief Minister?

Mr GILES: I have answered it four or five times. I want the Leader of the Opposition to answer if she supports ...

Ms LAWRIE: In regard to Nhulunbuy ...

Mr GILES: Hang on a second, can I get to the point?

Ms LAWRIE: This is not Question Time, Chief Minister, you are confused about where you are.

Mr GILES: No, you asked a question, I am allowed to give a response.

Ms LAWRIE: I am asking the questions.

Mr GILES: Madam Chair, a bit of clarification?

Madam CHAIR: Chief Minister, have you answered the question?

Mr GILES: I am still answering the question. I have answered the same question four or five times, but the real question is does the Leader of the Opposition, and Labor, support nuclear waste sitting in every hospital in the Northern Territory and schools as it does right now?

Ms LAWRIE: The Gove Community Advisory Committee, GCAC, has asked that the Northern Australia Development Office be established in Nhulunbuy as part of the structural adjustment request the community has made. The GCAC's task force members have requested it, why have you ignored that simple request?

Mr GILES: The Northern Territory government has worked hard to secure the future of Nhulunbuy and the East Arnhem region following Rio Tinto's announced curtailment of production at the Gove refinery. I take this opportunity to reiterate my government's strong commitment to maintaining Nhulunbuy as a regional centre, the hub for East Arnhem. We have committed to the Northern Territory government expending more than \$1bn in the region over the next five years, providing continued government services. This expenditure will guarantee the delivery of Northern Territory government services such as health, education and police for the next five years.

In this current financial year we are on track to spend \$330m in the region. Of this, \$272m will be spent on services, grants and new infrastructure and \$58m on public sector wages. In addition to ongoing expenditure in schools, health and community safety, the 2014-15 Northern Territory budget includes measures to boost the regional economy, such as \$2m for the establishment of the East Arnhem economic development entity and fund, which will be matched by Rio Tinto.

We continue to call on the federal government to contribute to this project: \$1m for geoscience research into the oil, gas and mineral potential of the region; \$2.45m to establish a 50-bed corrections regional work camp at Nhulunbuy; \$500 000 of additional funding to the Melville Bay medium to large vessel pontoon development; \$700 000 for ongoing support for the development of an Aboriginal commercial fishing capacity marketing model; \$30 000 for regional tourism and marketing; and \$24 000 to support Indigenous economic development opportunities and provide permit-free access to intertidal waters overlying Aboriginal land.

This builds on the activity I described when I last addressed parliament on the matter. This support includes our involvement on the Gove Community Advisory Committee and other community groups. We have delivered a highly successful business growth program, which many local businesses have taken advantage of as they work towards making a successful transition to a post-refinery future.

I congratulate and thank all those hard-working government officials who have been based in Nhulunbuy and assisted the community with the transition, with particular attention to the Department of Business, which I understand has gone above and beyond the call of duty.

At my direction my department established and led the Gove task force. With our task force partners, Rio Tinto, the Northern Land Council, the Australian government and a number of regional leaders and some non-leaders, we have evaluated a range of options for diversifying the economy of Nhulunbuy and the East Arnhem region. The task force has now delivered its final report. The government has accepted all of the task force recommendations and I have approved public release of the report. I am shortly expecting a report from the government's economic development panel, which I anticipate will provide an independent analysis of the region's economic opportunities and challenges. I expect to make this report public once I have had a chance to study its findings.

Going back to the proposals contained in the Gove task force report, I expect future economic development will capitalise on the region's existing strengths such as the port infrastructure, the excellent education and health facilities and the availability of economically useful assets and facilities made surplus by the refinery's curtailment. We will continue to work strongly with Rio Tinto and the Australian government to deliver on the task force priorities. The Australian government has a strong role to play in resourcing strategic infrastructure in our regions to unlock the economic potential of that region.

It is important to acknowledge the immediate impacts of the transition being felt right now throughout family and friendship networks within the East Arnhem region as a curtailment process continues. The next few months will be very difficult for the community, but we believe strongly Nhulunbuy has an extremely bright future.

Community and business leaders continue to look to the future with new opportunities in fisheries, tourism and forestry arising from the expanded use of existing assets in the region like the Gove port, access roads and surplus Nhulunbuy housing. New partnerships are emerging between industry and Yolngu communities and landowners, building on the promising developments we are already seeing with the Yolngu creating new businesses on their own land. For example, traditional owners are progressing the necessary steps to establish a mine training school at Gulkula and develop forestry industries as part of the mine site remediation. The proposals being considered aim to capitalise on the region's strengths, such as of the existing port infrastructure and the excellent education and health facilities.

Of course, funding will be required to capitalise on these strengths, attract investors and encourage commercial enterprises to come to the region. We continue to push for additional support from the

Australian government for a range of activities ,including a new boarding facility for Yolngu children, a regional roads package, and a contribution to the regional economic development entity I mentioned before.

We have had some successes, including the previously mentioned geoscience research program. Although the Australian government response to our approach for support has been less emphatic than I would have hoped for, I am continuing to press with the Australian government that development in the north must include our regions. East Arnhem is no exception. We believe the Australian government's current white paper and green paper on northern Australia provides us with a strong platform to push for major investments and reforms needed to unlock the potential of the East Arnhem region. My government has positioned itself to take advantage of the federal government's northern Australia white paper process by establishing our own Northern Australia Development Office.

NADO, the acronym we use, worked with Deloitte and the National Australia Bank to facilitate a forum in Nhulunbuy on 9 May with the regional economic development committee and key business leaders. The forum provided an opportunity to discuss the emerging opportunities outlined in Deloitte's recent paper on *Positioning for Prosperity? Catching the next wave*, a good paper if anyone has a chance to read it. The Parliamentary Secretary for northern Australia development is a big advocate of the Deloitte paper. *Positioning for Prosperity? Catching the next wave* includes education service delivery, energy, tourism and agribusiness, something Labor is completely opposed to.

Together with NADO, our local office supported business and community leaders in making submissions to the Joint Select Committee on Northern Australia when it visited Nhulunbuy on 21 May this year. Our discussions with the Australian government in relation to implementing a pre-competitive geoscience initiative are aimed at kick-starting a broadening of the mining sector in the region. We are using the recent report into the education of remote community children, the Wilson report, to press the Australian government to provide funding assistance for the establishment of a boarding facility in Nhulunbuy for senior students from remote communities in the region.

I have had some very positive discussions with minister Scullion, Minister for Indigenous Affairs, and think there might be some funds coming in the future as those conversations continue.

I note construction of upgrades to the Central Arnhem Road is continuing. This work has been funded in part by the Australian government, and I thank it for the assistance. Nevertheless, I will continue to press the relevant Australian government ministers and agencies hard to extend that funding and to make an even greater investment in the region's road infrastructure.

At the local level, our new regional executive director is working hard to hold facilitated workshops this month for the Regional Economic Development Committee, the Gove Community Advisory Committee and the Chamber of Commerce. These workshops will be focused on making progress with a number of economic development concepts identified by local business input with the support of government agencies. I particularly thank Mike Chiodo for the hard work he did, and I congratulate him on his appointment as the CEO of the Department of Community Services.

Our strategy of having senior departmental executives, including chief executives, visit this region is continuing. Benefits of this approach have included the development of a new tourism marketing campaign for the region and the placement of executive staff in Nhulunbuy to express and progress exciting new developments with fisheries and forestry. Our recent activities include significant efforts in regional economic development as well as expanded business assistance and community engagement. We are continuing to work with Rio Tinto to establish the new private sector entity to drive growth and diversification across East Arnhem.

This new economic development entity will be given the responsibility and capacity to drive economic development in East Arnhem. At this stage it will be jointly funded by this government and Rio Tinto, and we continue to engage with the Australian government on this. It will have the resources needed to drive the deepening and strengthening of the East Arnhem region. The entity will support new economic development activity by leadership and driving and coordinating new and existing development activity in the region.

Indigenous economic development: supporting business and labour market development for the regional Indigenous population, marketing, actively promoting the township and region to prospective investors and residents, investment attraction ...

Ms LAWRIE: Chief Minister, do you want to table the rest of that?

Mr GILES: ... identifying and securing new investment for Nhulunbuy and the wider region, and facilitation, engaging available assets, funding and regulatory assistance, as well as local networks to facilitate the establishment of new industries and business and/or expansion of existing activities.

The new entity will have access to resources such as 250 surplus houses ...

Mr WOOD: Can I just ask, Madam Chair ...

Mr GILES: ... Rio Tinto will make available to facilitate new private sector investment ...

Mr WOOD: Can you ask the Chief Minister how many more pages he has to read?

Mr GILES: There are four more.

... being able to assist entrepreneurs overcome many of the barriers that have previously ...

Ms LAWRIE: Misuse of estimates.

Mr GILES: Well, this is all about the budget.

Ms LAWRIE: Yes, but table it, Chief Minister.

Mr GILES: I am giving information.

Ms LAWRIE: This is a misuse of the estimates process, and you know it.

Mr GILES: ... being able to assist entrepreneurs overcome many of the barriers that have previously stymied the establishment of ...

Ms LAWRIE: Information like this can be simply be tabled and we move on with questions.

Mr GILES: ... of new businesses in Nhulunbuy will be one of the entity's key roles so the capacity to assist ...

Ms LAWRIE: It is arrogance.

Mr GILES: ... with accommodation for a new and expanded ...

Ms LAWRIE: Arrogance and a misuse of process.

Mr GILES: ... activity is a major achievement. This entity has a significant role to play in brokering new opportunities ...

Ms LAWRIE: This does not happen anywhere, Madam Chair, where people just read for lengthy periods of time ...

Mr GILES: ... and it is critical to get the first time right, Madam Chair ...

Ms LAWRIE: ... information that should be tabled.

Mr GILES: We are engaging legal and commercial experts to provide advice on the most ...

Ms LAWRIE: It is a misuse of the process.

Mr GILES: ... appropriate governance and financial structure for this body ...

Ms LAWRIE: Incredible arrogance.

Mr GILES: My government will continue to work with the Gove Community Advisory Committee and other stakeholders to progress this ...

Ms LAWRIE: Table the information, Chief Minister, and let us get on with questions.

Mr GILES: ... as rapidly as possible ...

Madam CHAIR: Opposition Leader, cease interjecting.

Mr GILES: More broadly, Tourism NT was back in the region on 2 May for an annual industry workshop. This visit focused on the marketing of the region and included a report of the results to date from the 'Do Amazing, Do Arnhem Land' campaign. I understand Tourism NT and the Department of Business continue to work with the local tourism association to explore opportunities for the regional industry. I encourage you to work with the Minister for Tourism through this estimates process to find out further information in regard to promoting Nhulunbuy through a tourism prism.

The Department of Primary Industry and Fisheries began visiting Nhulunbuy with its first visit taking place three days from 6 May. The senior Primary Industry and Fisheries representative was there to work with local entrepreneurs to develop their ideas for new forestry, fisheries, and agricultural projects.

We now have early advice on the areas to target further over coming months, and I congratulate and thank those employees from the Department of Primary Industry and Fisheries for their hard work in trying to drive reform and economic opportunities in the East Arnhem region.

Madam Chair, I note the positive news in April that the freight company Sea Swift intends to expand its reach to the region by growing its base in Nhulunbuy. We continue to hold discussions with peak industry organisations and commercial businesses to promote opportunities available in the township and the region. Sea Swift is significantly reducing the cost of living pressures in the Nhulunbuy region by driving down the cost of delivery. I am sure, member for Casuarina, you will be very interested to know what some of those changes will be in Nhulunbuy around freight charges having a substantial effect. That is what competition brings - a pure liberal philosophy ...

Mr WOOD: Is the barge landing open to the public now?

Mr GILES: In this context, we are also working with Rio Tinto on a guide to attract investors ...

Ms LAWRIE: No.

Mr WOOD: Who owns the barge landing?

Mr GILES: ... to the region ...

Ms LAWRIE: They have not resolved it, Gerry.

Mr GILES: ... to the region to fill the critical information gaps and address the misconception that East Arnhem is not open for business. That is something Labor drives.

In regard to business support, the Department of Business has been on the ground in Gove ...

Ms LAWRIE: Madam Chair, we have 12 minutes left to question the Chief Minister before the lunch break. Does he want to table the rest of this?

Mr GILES: ... since early December giving advice and assistance to local businesses. The Department of Business Senior Client Manager has met with 115 local ...

Madam CHAIR: Chief Minister, do you want to table the document?

Mr GILES: Madam Speaker, I am not reading directly from it. I am ad libbing I go.

Ms LAWRIE: Rubbish!

Mr GILES: The Department of Business Senior Client Manager has met with 115 local businesses with 60 applications from businesses, employing 430 staff, for a business consultancy grant. Last financial year, these businesses turned over more than \$73m ...

Ms LAWRIE: That is why no one takes you seriously. No one can trust what you say.

Mr GILES: I understand well over \$600 000 in grants under the Business Growth consultancy program has been committed to date, and I congratulate them on that. We are working with businesses to make sure everyone has completed their consultancies by 31 December, which is when Rio Tinto will cease its co-contribution into the program. The government's contribution, however, will continue.

A number of workshops were provided during May to local businesses impacted by the transition on topics such as retail strategies and tendering essentials. These were very well received by local operators.

In direct response to questions from local businesses, the NT government is now working with the Chamber of Commerce, Rio Tinto and Charles Darwin University to establish a suite of accredited training programs to be offered across the year. This training will assist local businesses and employees to up-skill for the new operating environment in Nhulunbuy. Funding will be jointly split between my government and Rio Tinto.

In regard to procurement - I am sure the member for Nhulunbuy will be interested in hearing how we can get more projects to local people and gain more economic opportunities through jobs - to further support East Arnhem businesses my government worked with Rio Tinto to deliver a local procurement expo on 20 May - a fantastic event. This provided local businesses opportunities to showcase their capabilities to experienced NTG agencies and Rio Tinto staff involved in procurement for the East Arnhem region and beyond. We are trying to ensure we get local projects for local people rather than having fly in, fly out contractors, businesses or staff.

This procurement action was done in the context of our clear commitment to get those direct procurement opportunities for local companies. The government continues to restructure and reprioritise capital projects and repairs and maintenance programs to ensure local service providers and contractors are able to secure such contracts. This is under the direction of me as Chief Minister, through our Cabinet, to make sure jobs are local. Combined with Rio Tinto's equivalent strategy for prioritising local procurement, this approach is assisting many in the region to manage their business transition with Rio Tinto's reduced activity levels.

In regard to community support, I am pleased to report as a result of the combined efforts of the government, Rio Tinto and the East Arnhem community, population estimates for the end of December may be more positive than we widely and initially anticipated, at around 2100 people. This is up from Rio Tinto's original projection of around 1200, which was based on there not being any efforts to mitigate the effects of curtailment.

The effect of the Northern Territory government getting involved and working with Rio Tinto, trying to convince the federal government to change its practices, and changing the way we do business will increase the forecast, with an extra 900 people remaining in the Gove region. In my humble opinion, Gove will grow to a larger size than it was before the curtailment was initially announced. To check the veracity of these population estimates, the Northern Territory government and Rio Tinto jointly funded Charles Darwin University to undertake a demographic study into the possible future population figures and to model a range of social and economic impacts for the township.

CDU researchers visited Nhulunbuy on 19 May 2014 to consult with key stakeholders on this project and will visit again in the coming weeks. We expect the report to be released in August this year, which I am sure the members for Nelson and Nhulunbuy will be very interested in.

On 21 March we confirmed the teaching arrangement at the two public schools will continue as is until the end of the year, with a plan being developed for 2015. We will make sure we have teachers to teach the students remaining.

Dedicated funding has been allocated in this year's budget for upgrades to lifts, fire safety and cooling systems at Gove District Hospital. The hospital's emergency department upgrade will go ahead in some form, in consultation with the Commonwealth as the project proponent and funder. We are re-examining the scope of the upgrade to ensure our investment is well targeted and meets to future needs of East Arnhem residents. This will take into account utilisation rates at the hospital and demographic projections for the entire regional population.

My government also understands the importance of maintaining the strong social fabric of the Nhulunbuy region and beyond this transition period. Representatives from the department of Sport and Recreation will also visit the township in June and July to hold sessions with local clubs and associations to assist in progressing their transition plans. This effort will be further strengthened by our funding sports and

community organisations to provide a series of workshops for local clubs on fundraising and committee responsibilities.

I trust that meets the question you ask, Leader of the Opposition. I think it is clear everything we are doing in Nhulunbuy has substantial effort coordinated by the Chief Minister's department, but also across agencies. I thank all government officials for their work. I thank those who did not take the negative side of the agenda and always saw the positives that could come in job and change reform in Nhulunbuy. Yes it is hard, yes it is challenging. Rio Tinto's decision had a negative outlook, but we are driving change that will have a positive response. We believe the growth of Nhulunbuy will be larger than before curtailment was announced by Rio Tinto some months ago.

Ms LAWRIE: Chief Minister, back to the question. The Gove Community Advisory Committee and task force representatives from that committee requested Nhulunbuy be the site of the office of north Australia development. Why did you not accede to that request?

Mr GILES: The Northern Territory government responded quickly to Rio Tinto's announcement to curtail the Gove aluminium refinery and continues ...

Ms LAWRIE: Madam Chair, he is repeating the statement he just read.

Mr GILES: I read some answers off a different piece of paper. I am looking at this and ad libbing as I go.

Ms LAWRIE: Seriously, Chief Minister we can play this pantomime or you can be honest with Territorians and answer the question. Given there was a request from GPAC and task force members from Nhulunbuy to locate the office of north Australian development in Nhulunbuy, why did you not accede to that request?

Mr GILES: Leader of the Opposition, the information I provided in that last response, as much as you do not like it because you could not ad lib and get grubby, was the most substantive response to action we have taken to date. You have asked another question. You are wrong with your question.

Ms LAWRIE: It is a simple question.

Mr GILES: If you want some information about what we are doing there, which I am sure the member for Nhulunbuy – I am surprised she is not here ...

Ms LAWRIE: Chief Minister, will you answer the question?

Mr GILES: ... asking these questions. If you want information for yourself and for the region I am happy to provide it, because the fundamental thing is the Rio Tinto ...

Ms LAWRIE: Provide an answer to that question then.

Mr GILES: Hang on, I know you cannot keep it together. Rio Tinto and the Northern Territory government have agreed to open an economic development office in Nhulunbuy.

Ms LAWRIE: No, GCAC and task force members asked you to send a clear signal about the future of the region – that is the premise of the request.

Mr GILES: You just heard all about the future of the region; it is very bright.

Ms LAWRIE: They asked the office of north Australia development be established in Nhulunbuy. Why did you not do it?

Mr GILES: Because we set it up in Darwin, but we have ...

Ms LAWRIE: Why?

Mr GILES: Hang on, you asked the question you will get an answer. I know you cannot keep quiet, but we set the NADO up in Darwin. I will read something about the NADO office.

Ms LAWRIE: The NADO office is doing nada. Why would you not set it up in Nhulunbuy?

Mr GILES: I will read the information about the Northern Australia Development Office. The government's Northern Australia Development Office is now open for business - and then I will get back to Nhulunbuy.

Ms LAWRIE: That is not the question, Madam Chair, I have five minutes.

Mr GILES: You just asked about nada.

Ms LAWRIE: I ask that I proceed with Nhulunbuy questions.

Mr GILES: You asked about nada, I will give you an answer. The government's Northern Australia Development Office is now open for business providing a new base for peak ...

Ms LAWRIE: I asked about NADO, even you are calling it nada. Do you know what 'nada' means in Spanish? It means 'nothing'. It is doing nothing other than promoting you.

Mr GILES: ... industry bodies to plan for the Territory of tomorrow. I was thrilled to officially open ...

Ms LAWRIE: Your spin machine.

Mr GILES: ... the new hub from which the Territory will drive its push for north Australia development in partnership with our most important industry leaders. It is a vision of mine. North Australia development is crucial to securing prosperity for all Territorians in the future through better transport links and the creation of real jobs ...

Ms LAWRIE: Madam Chair, he can table this. I have some more Nhulunbuy questions. We only have a few minutes before the break.

Madam CHAIR: Chief Minister, would you like to table your response?

Mr GILES: No, Madam Chair, I have notes all over the place and I will read from my notes and answer the question.

Ms LAWRIE: I have questions. I would like to come back to this after the lunch break.

Mr GILES: This also relates to a question asked before the break.

Ms LAWRIE: Cool.

Mr GILES: The Territory has already proven to Canberra and its fellow northern jurisdictions it is serious about the push for development of the north, despite the Leader of the Opposition not wanting development of the north to come out of Darwin.

The new Northern Australia Development Office will spearhead our campaign into the Territory, interstate and overseas as well as coordinate the economic development strategies to underpin that. The office will work with the federal government and industry groups to maximise the Territory's opportunities, attracting investment and capitalising on the natural assets, including the proximity to Asia. The facility has permanent office space for up to 10 organisations, meeting rooms and state-of-the-art communication and theatre facilities, all in the heart of Darwin's CBD.

I recently announced the outgoing head of the NTCA, Luke Bowen, will head up the Northern Australia Development Office. Luke is the perfect bloke to head up the office. We have helped to drive forward our approach to leading northern Australia out of Darwin.

With regard to Nhulunbuy, we have an agreement with Rio Tinto to establish a joint economic development office in Nhulunbuy for the benefit of the whole region to drive economic gains in that area, to look at the investments coming in, what those opportunities are and drive that reform.

If the Leader of the Opposition wants to call it nada - her Spanish name for herself - I am more than happy to take that into consideration. To me, it is an office to drive economic development and economic growth supporting Nhulunbuy. The fundamental thing is Labor refused to deal with the issue of Nhulunbuy and the potential closing of the refinery. We have dealt with it and suffered the pain, the community has suffered the pain and we are trying to rebuild Nhulunbuy to its former glory and beyond.

We have already been able to attract and retain an additional 900 people from initial estimates and we believe it will go beyond population expectations into the future.

Ms LAWRIE: The residents of Nhulunbuy and the northeast Arnhem region have been waiting very patiently for advice on the Northern Territory and Commonwealth governments' structural adjustment packages. They have not been announced. Could you provide advice as to why not?

Mr GILES: You obviously were not listening to my last answer. I have already provided it.

Ms LAWRIE: That was not a structural adjustment package.

Mr GILES: Yes, it was.

Ms LAWRIE: In your last answer there is about \$2m additional. That is not a structural adjustment package.

Mr GILES: That is our response and our response is working.

Ms LAWRIE: You have no structural adjustment package for Nhulunbuy and the northeast Arnhem region?

Mr GILES: That is our structural adjustment package. I will read it again; you might have missed it the first time.

The Northern Territory government has worked hard to secure the future of Nhulunbuy and the East Arnhem region ...

Ms LAWRIE: Nothing from the Commonwealth either, Chief Minister?

Mr GILES: Do you want me to keep going and talk about the \$1bn we are spending in the region, the \$272m being spent in the current financial year, the \$58m ...

Ms LAWRIE: That is \$1bn government was already spending in the region. It is a continuation. That is not additional effort, which structural adjustment packages are.

Mr GILES: I answered that question before. I spoke about what each agency is doing in ...

Ms LAWRIE: No structural adjustment package from the Northern Territory ...

Mr GILES: I spoke about what each agency is doing in addition to what would normally occur.

Ms LAWRIE: No structural adjustment package from the Commonwealth?

Mr GILES: The effort of those agencies and the work with the community has been outstanding and substantial.

Ms LAWRIE: That is it, you have closed the door.

Mr GILES: This is not in the budget, but I am sure the members for Drysdale, Daly and Blain will be interested in hearing I get a lot of feedback from Nhulunbuy about ...

Ms LAWRIE: No structural adjustment packages?

Mr GILES: ... how concerned people were with the negativity of the member for Nhulunbuy. All she ever did was talk the town down and not talk about positive things.

Ms LAWRIE: Madam Chair, the Chief Minister is asking himself questions and answering his own questions. Do you think we could resume the estimates process?

Mr GILES: That is because we do not have any good ones coming from you.

Madam CHAIR: It is now 12 pm so we will break for lunch. Chief Minister, if you could please be back at 12.30 pm.

Mr GILES: Thank you very much, Madam Chair.

The committee suspended.

Madam CHAIR: Thank you, Chief Minister for coming back after the break. We are still with the Department of the Chief Minister considering agency-related whole-of-government questions on budget and fiscal strategies.

Ms LAWRIE: Chief Minister, in relation to what I will refer to as the Smith and McTaggart report that is now months overdue, when will it be made public?

Mr GILES: Which one?

Ms LAWRIE: The Smith and McTaggart report in relation to Nhulunbuy.

Mr GILES: In relation to Nhulunbuy, any day. I have approved it for release we just have not released it yet.

Ms LAWRIE: Are we talking a week, a fortnight?

Mr GILES: Yes, possibly, it is just about timing. I have endorsed it, just not released it.

Ms LAWRIE: It has been endorsed by you but you do not have a release date?

Mr GILES: I have not released it yet; it will be released soon.

Ms LAWRIE: Would you be able to provide it to the committee today if you plan release it?

Mr GILES: No.

Ms LAWRIE: Why not, Chief Minister?

Mr GILES: Because it is like any report for consideration. I read it, I have endorsed it, I have approved it to be released, and it will be released when I release it. I have given you a rough estimation of around a week.

Ms LAWRIE: You will release it in one weeks' time but not today?

Mr GILES: That is correct, you heard me right.

Ms LAWRIE: Given you have seen the report, does it identify the impact of the refinery curtailment on businesses?

Mr GILES: Sorry?

Ms LAWRIE: Does the report identify the impact of the refinery curtailment on business?

Mr GILES: The task force has a look at that, yes.

Ms LAWRIE: What does it say?

Mr GILES: The task force report - when I release it you can read it and see what it says.

Ms LAWRIE: You will not provide any information today on the impact on businesses?

Mr GILES: I have provided a lot of information about Gove. I have read through a stack of stuff on Gove because I thought it was important to get it on the record for you ...

Ms LAWRIE: You did not go to the impact on businesses though, Chief Minister and that is the specific question.

Mr GILES: I did.

Ms LAWRIE: How many businesses are being impacted? Is there any analysis on closure or the impact on the residential property market?

Mr GILES: That is a question you should put to the Department of Business.

Ms LAWRIE: I put questions on Nhulunbuy to the Treasurer, as Minister for Business, yesterday and he specifically advised me to ask you questions on business saying the responsibility for Nhulunbuy came under you which is why, at the outset of the estimates process, I identified whether I put questions on Nhulunbuy to you because you have it sitting within the Department of the Chief Minister. Your Minister for Business said to ask you, so I am asking you.

Mr GILES: As I said, Leader of the Opposition, questions specific to business should go to the Minister for Business under the right output group. I am happy to answer whole-of-government things and I have provided an exhaustive response about Gove and what we are doing - more than anyone thought we were. If it is about individual business numbers you have to ask the Department of Business through the Minister for Business.

Ms LAWRIE: Chief Minister, yesterday, when I asked the Minister for Business about the impact of the curtailment on businesses, he advised me to ask you as Chief Minister. He said the Department of the Chief Minister was co-ordinating the response for Nhulunbuy. The economic analysis report has been done under your budget Chief Minister, the details around the impact on business is in that report surely, otherwise how could they have done their job. Chief Minister, I know you like to shirk responsibility but, at the end of the day, this one rests clearly and simply with you.

Mr GILES: Thanks very much for the question, but the responsibility for estimates in regard to asking questions is firmly the responsibility of PAC and those who want to ask questions. If it is in relation to specific issues around business you should ask the Minister for Business in the right output group. If it is the whole-of-government aspect I am happy to provide a response to that, and I have provided a very detailed answer and conclusive advice about what has been occurring to date. I said I think Gove will grow bigger than it was at the time of the curtailment. There is plenty of evidence that business is growing substantially from many of the businesses there now. Some businesses are more profitable than they have ever been by changing some of their business practises, and that is through the intervention of some of the staff that have been there, particularly business staff, who I acknowledged before in my response.

For example, I am told the bakery is recruiting more bakers because Woolworths has decided to buy bread locally so it is changing the dynamics of the bakery. That is just a small business and I do not have exact numbers, but if you want to ask a business question, talk to the Business department.

Ms LAWRIE: In the organisational structure for the Department of the Chief Minister, the Gove transition coordinator sits within your agency. Is that still the case or has that position ceased to exist?

Mr GILES: As I mentioned earlier, Mike Chiodo - and I thank him - was the head person. Mike has taken a different position and we have now recruited a local person, Jim Rogers, to oversee that transition process.

Ms LAWRIE: Will the position still be the Gove transition coordinator within the Department of the Chief Minister or is it being moved to another agency?

Mr GILES: The Regional Economic Development Coordinator.

Ms LAWRIE: It has changed to the Regional Economic Development Coordinator. Is it still sitting with the Department of the Chief Minister?

Mr GILES: Yes.

Ms LAWRIE: Integrated into - is it still in the same stream? I have the organisational structure here.

Mr GILES: Still in the same department, still operating the same way to have a seamless transition for the people of Gove and the Nhulunbuy and East Arnhem region.

Ms LAWRIE: Given the position is the same and the information is going across - my understanding of the structure is all the multiagency information is going to that coordinator position, is that the case?

Mr GILES: If you keep asking questions along this line, it would be best if we get to the right output group, which would be Output 7.5.

Ms LAWRIE: You will take questions under Output 7.5 regarding the position, but you will not take them now, is that what you are saying?

Mr GILES: You asked me about an organisational chart and where that fits. It fits within Output 7.5, and if you want to ask a specific question let us do it then.

Ms LAWRIE: What is the budget for policy advice and coordination within your agency?

Mr GILES: Which specific portfolio?

Ms LAWRIE: I will go to a breakdown.

Mr GILES: No, that is no good; you have to ask in an output area. What output are you after?

Ms LAWRIE: For example, the organisational structure in the Cabinet office. What is the budget for the Cabinet office and what are the classifications within it?

Mr GILES: I will take that on notice. If you want a breakdown to output areas and how much is spent for a strategic policy and federal coordination advice, we can provide that. If you want to know how much for people who work in the Cabinet Office, without looking at it I cannot see it being any different to when you were in government. I know you did not understand the budget when you were in government so I will take that on notice.

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

Mr GILES: That fits under the Government Business Support output. The government business support area has 164.92 FTEs and an estimated budget of \$32.327m, in the 2014-15 year it is down to \$31.572m. That includes Cabinet, support to the Administrator, support to my office, your office and a range of other things, including VIP, protocol and the hydraulic factory inquiry. There are eight people in the Cabinet Office.

Ms LAWRIE: To make it easier, I will be asking for a breakdown of that because they are within different units. Is there a document you can table?

Mr GILES: No, there is not, but I am trying to give you as much information as I can to help with your question.

Ms LAWRIE: Will you take the question on notice?

Mr GILES: Yes. Did you ask how many people work in the Cabinet Office?

Ms LAWRIE: I will be asking for a breakdown of those units, the budget for the unit ...

Mr GILES: Which unit?

Ms LAWRIE: ... the number of staff in the unit. The Cabinet Office, the marketing bureau, the Communications Bureau, the Office of the Chief Minister, the Leader of the Opposition's office – for all these ...

Mr GILES: Is that the office that is over by 44.5%?

Ms LAWRIE: All the offices described under Government Business Support for all of the units.

Mr GILES: Is this a whole-of-government question already asked?

Ms LAWRIE: It is really a normal estimates question.

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

Ms LAWRIE: If you have the information why not table it?

Mr GILES: What was the question?

Ms LAWRIE: Will you take the question on notice?

Mr GILES: I have already said yes.

Madam CHAIR: Clearly restate it please.

Mr GILES: I tried to provide some information to help you, but clearly you need more than help.

Ms LAWRIE: Chief Minister, please provide a budget breakdown for the units contained in the area of Government Business Support including Cabinet Office, the Marketing Bureau, the Communications Bureau, the Office of the Chief Minister and the Leader of the Opposition's office. Mr Barnes, are there any others in those units?

Mr GILES: Direct your questions to me, I am the Chief Minister.

Ms LAWRIE: Chief Minister, are there any other units that need to be included in the question?

Mr GILES: You have missed out the Leader of the Opposition's budget, which is heavily over budget by ...

Ms LAWRIE: No, I included it.

Mr GILES: ... 128% in hospitality and 44.5% in ...

Ms LAWRIE: You do not always have to be belligerent. We can get through this as mature adults if you want. Calm down and take a breath.

The first question, so I can get the question on notice accurate, is please advise ...

Mr Barnes interjecting.

Ms LAWRIE: Yes, I know but trust is lacking ...

Mr GILES: I am happy to take the question on notice, Madam Chair and then we can address the Leader of the Opposition attacking senior public servants on this side of the table.

Ms LAWRIE: Withdraw that, I am not attacking him. I was having a polite conversation with Mr Barnes. I was not attacking him, so withdraw that slur.

Mr GILES: Can we get on with it?

Ms LAWRIE: Withdraw it. I find it highly offensive.

Madam CHAIR: Chief Minister, the Opposition Leader is offended by your comment.

Mr GILES: I withdraw your offence.

Question on Notice No 4.3

Madam CHAIR: Opposition Leader, please restate the question clearly.

Ms LAWRIE: Provide the budget, the staffing breakdown ...

Mr GILES: Including the Leader of the Opposition's budget.

Mr GILES: ... and the classification levels and numbers of people in each of those classifications for all the units sitting within Government Business Support which includes the Cabinet Office, Marketing Bureau, Communications Bureau, Office of the Chief Minister and the Leader of the Opposition's office. Are there any I missed in that?

Mr GILES: You should know. Obviously you get briefings about how things work.

Ms LAWRIE: I do not have your structure. It is a simple question.

Mr GILES: You have the organisational structure there, you just read from it. I will take it on notice.

Madam CHAIR: Why not word the question 'including but not limited to'?

Ms LAWRIE: Yes, including but not limited to, and the budgets as of 31 March 2014 from 1 July 2013, and the budgets from 1 July 2012 to 30 June 2013.

Madam CHAIR: Chief Minister, do you accept the question.

Mr GILES: Happily, anything to allow the Leader of the Opposition to move on. However, I point out that in the answer we will itemise the Leader of the Opposition's budget and over expenditure.

Madam CHAIR: Thank you. The question asked by the Opposition Leader of the Chief Minister is question number 4.3.

Ms LAWRIE: Have any additional people been employed by the Cabinet Office in the last financial year?

Mr GILES: No.

Ms LAWRIE: Have any additional staff been employed in the Marketing Bureau in the last financial year?

Mr GILES: The Marketing Bureau, as you know, has changed, where we rationalised different agencies and their marketing capacity to have the CMB. We will have to take that on notice. Do you want a global figure of what it is now or ...

Ms LAWRIE: Do you want to take it on notice?

Mr GILES: ... because obviously there are changes in staff. In all agencies people take maternity leave, go on holidays and staff come and go.

Ms LAWRIE: That is right. These are normal estimates questions, Chief Minister.

Mr GILES: Would you like a global figure?

Ms LAWRIE: I am asking for the Marketing Bureau, so that is not a global figure.

Mr GILES: Would that be in the global questions you have already asked under the written questions?

Ms LAWRIE: No, the Marketing Bureau is quite specific.

Mr GILES: It has gone from – she wants what it started from. She is just playing games.

Ms LAWRIE: I am not playing games.

Mr GILES: We will take it on notice.

Question on Notice No 4.4

Madam CHAIR: Opposition Leader could you clearly restate the question for the record.

Ms LAWRIE: Could you provide the number of staff in the Marketing Bureau and how many additional staff have been employed in the past financial year?

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: The question asked by the, Opposition Leader of the Chief Minister is number 4.4.

Ms LAWRIE: The same for additional staff in the Communications Bureau?

Mr GILES: It is the same thing.

Ms LAWRIE: I just want to make clear what I am asking for.

Mr GILES: Leader of the Opposition, address me. It is the same thing - the marketing bureau is the CMB. It is one thing.

Ms LAWRIE: I am working with an organisational structure which shows me they are separate.

Mr GILES: There were 23.55 people working there as of 23 March.

Ms LAWRIE: So they are merged?

Mr GILES: We are happy to take the question on notice.

Madam CHAIR: Another question? Are you saying that question covers both the marketing unit and the ...

Ms LAWRIE: I seek clarification. If it covers both the Marketing and Communications Bureau I am satisfied. The organisational structure I have has them as separate.

Mr GILES: They are covered in that last question.

Ms LAWRIE: Covered in the last question, excellent.

What is the budget for Central Australia region coordination and how many staff?

Mr GILES: I will get some advice. We cannot give you a specific Alice Springs figure. We can talk about regions because there is more than one region. We can talk about region globally or we can take it notice for Central Australia.

Ms LAWRIE: If you could take it on notice because I am interested in each one. I am interested in the Central Australian - I am again reading from the department's organisational structure, so if the titles are wrong please advise me.

Mr GILES: I can tell you, Leader of the Opposition, Regional Coordination and Economic Development - that comes under 1.7.

Madam CHAIR: Output 7.5, Regional Coordination and Economic Development.

Ms LAWRIE: I ask these questions under 7.5?

Mr GILES: Yes.

Ms LAWRIE: To alert officers not to be obstructive, I am working from organisational structure chart which has a description of Central Australian region, Barkly region, Big Rivers region and East Arnhem region.

Mr GILES: You have the same regions as we have.

Ms LAWRIE: Excellent. I will ask those questions under 7.5.

Chief Minister, last year at estimates you said:

In relation to the publication of ministerial travel, that will be done. It has not been done yet. It will be done at a later date.

You went on to say:

All ministers' travel will be made public in an open and transparent way.

That was in response to a question in regard to the election commitment to create a website with all ministerial travel details on it. When will the website be established?

Mr GILES: I have to take that on notice, Leader of the Opposition.

Question on Notice No 4.5

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

Ms LAWRIE: Chief Minister, when will you establish a website with all ministerial travel details on it as promised by the CLP in the 2012 election?

Mr GILES: Keep in mind you have information in the answers to global questions about travel. Yes, I will take it on notice.

Madam CHAIR: Thank you. The question asked by the Opposition Leader of the Chief Minister is number 4.5.

Ms LAWRIE: Chief Minister, during estimates last year you were asked to provide a copy of the election commitments described as community contracts. You planned to talk to Cabinet Office about that. Are you able to provide that information?

Mr GILES: What was the question?

Ms LAWRIE: Are you able to provide to the committee the community contracts signed by the CLP as election commitments? Last year you said you would seek advice.

Mr GILES: They have been provided under answer to question 161.05.

Ms LAWRIE: What is the answer?

Mr GILES: You have been given it.

Ms LAWRIE: What is the answer?

Mr GILES: Are we going to provide them?

Ms LAWRIE: Yes.

Mr GILES: You were provided those today when I started.

Ms LAWRIE: Where?

Mr GILES: I handed out the global questions.

Ms LAWRIE: Can you point me to it?

Mr GILES: The question number is 161.05. They were provided to you this morning.

Ms LAWRIE: 161.05 ...

Mr GILES: It is a great news story, Leader of the Opposition. Just about all of them have been completed. There is one where a little more work needs to be done.

The question you asked me, which I had our staff develop an answer to, was progress on implementation of all signed written contracts with Territory communities. I have provided a response on the progress of all those contracts. Have you found it there?

Ms LAWRIE: Is that attachment A?

Mr GILES: Yes.

Ms LAWRIE: I do not seem to have Attachment B, which is referred to. I only have attachment A. Attachment B is the ...

Mr GILES: They are the contracts themselves. They are supposed to be there. I will find them and give them to you, but I am sure you already have them. I will get a copy for you.

Ms LAWRIE: It says, 'Copies of written contracts are located at Attachment B' but I do not have it.

Mr GILES: Maybe it has slipped off. I will give you the attachment, but I am sure you have the contracts. I will get a copy of the contracts. However, you have detail of progress to date.

Ms LAWRIE: Will we get attachment B at the end of the day?

Mr GILES: I will make sure I get them to you. We will take that as a question on notice.

Madam CHAIR: Opposition Leader, please restate the question.

Question on Notice No 4.6

Madam CHAIR: Opposition Leader, please restate the question.

Ms LAWRIE: Chief Minister, please provide a copy of all written contracts with Territory communities signed by former Chief Minister Terry Mills. You know the ones, so I do not know how you want me to accurately describe them - election commitment contracts with Territory communities.

Mr GILES: They are public documents; everyone seems to have a copy of them. I will do your research for you and get them. The one which still has a couple of things outstanding is the Borroloola one, which was a boarding school and establishment of a whole-of-government office.

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: That question will be number 4.6.

Ms LAWRIE: Chief Minister, in relation to boarding schools and commitments to boarding schools, are you able to advise us where the boarding schools identified in the government's Education budget will be? You have put about \$40m in there.

Mr GILES: You would have to ask the Minister for Education.

Ms LAWRIE: Do you have a view on where they should go or where the priorities are?

Mr GILES: I have an opinion, but you would have to ask the Minister for Education.

Ms LAWRIE: It is normal, Chief Minister, for the chief to express, as Chair of Cabinet, where they believe the policy settings sit? In regard to the policy setting around boarding schools for education, it is quite a significant shift in education policy. You are not prepared to shed any light on that.

Mr GILES: Not with you, Leader of the Opposition, because I am pretty fearless and frank in giving advice, happy to give my opinion, happy to talk about government policy quite freely. I share it with many people in the public or the media on a regular basis. I do not have a stonewall media face; I am happy to talk to anything. If the member for Casuarina asked me a sensible question, or the member for Nelson, or any other member on this panel asked a proper and reasonable question I would be happy to freely answer it and go beyond the means of my output group responsibility. You muckrake too much and I will not play those games. I will answer a sensible question in the confines of an estimates process as it relates to the budget, and if someone asks another serious question, I am happy to answer it.

I talk freely to the member for Casuarina on a range of different things to assist in good governance of the Northern Territory. Leader of the Opposition, I found you to be a very poor Treasurer, very poor at your job

and I want to provide that leadership opportunity, and if other people ask the right question I will do that. I will not now take it from Kon because you have asked him.

Mr VATSKALIS: No, Chief Minister. We all recognise how important education is for Indigenous people, but everybody ...

Mr GILES: Ask the Education minister in his output, Kon.

Mr VATSKALIS: This is a broader policy decision by your government. I am not asking exactly where you will put the boarding schools ...

Mr GILES: That was the last question.

Mr VATSKALIS: No, I am not saying put one in Borroloola or one in Yuendumu. You have a view about boarding schools you have shared with the Education minister. What is the view? Will it address the needs in the city, the regions, or will you allocate them by the regions? That is what we want to know.

Mr GILES: That is a really good question, member for Casuarina.

Mr VATSKALIS: You wanted a good one, you got a good one.

Mr GILES: My view is we should not be talking opinion; we should be talking on government policy as it relates to the budget. Unlike the former government, I have a team of outstanding ministers with the competence and capability of talking in their own portfolio areas. In this regard, the Minister for Education is best equipped to answer that question.

Ms LAWRIE: Chief Minister, the Environment Centre of the Northern Territory, as well as the Arid Lands Centre are concerned about a recent decision by the Environmental Protection Authority to cut their funding. They have made several entreaties to your Environment minister, minister Chandler, who has advised them he does not hold the sway in Cabinet to make those decisions and they would need to lobby more senior ...

Mr GILES: That is completely false.

Ms LAWRIE: ... ministers. Chief Minister, what is your view? Would you support funding to the Environment Centre of the Northern Territory and the Arid Lands Centre if they were to make applications to you as Chief Minister?

Mr GILES: Thank you very much for your question, Leader of the Opposition. I support sound government policy not opinions presented at estimates unless there is express need to do that, as decided by the individual or minister making that decision to their opinion.

In regard to my opinion on this matter, the minister for the Environment is the best person to answer the question about environmental matters, particularly where it comes to grants and funding under the auspices of the Environmental Protection Authority, an independent agency only the Country Liberals had the gumption to put forward.

Ms LAWRIE: Do you support operational funding to the Environment Centre NT and the Arid Lands Centre?

Mr GILES: I support the question being put to the Environment minister.

Ms LAWRIE: As Chief Minister ...

Mr GILES: This is not about me giving opinions.

Ms LAWRIE: ... you make a decision, you sit around the Cabinet table. As Chief Minister, you are the most senior minister in the government ...

Mr GILES: I have full faith in the minister for the Environment.

Ms LAWRIE: Would you support the minister for the Environment if he brought an application to Cabinet for operational funding for the Environment Centre NT and the Arid Lands Centre?

Mr GILES: I support the minister for the Environment having the capability and competency to answer questions in relation to the environment in the confines of the output area under his ministerial responsibility. He is a great minister, doing a great thing. One example of what the minister for the Environment has done is fixed your failed container deposit legislation. He brought in an independent EPA. He has the strongest environmental regulations protecting the environment.

Ms LAWRIE: It is not independent anymore.

Mr GILES: Look at what he is doing ...

Ms LAWRIE: That is why it has been a big fix; it is no longer independent.

Mr GILES: What is not independent?

Ms LAWRIE: Everyone is talking about that. The EPA is no longer independent.

Mr GILES: You are not attacking someone personally again, are you, Delia?

Ms LAWRIE: That is your form. You have been doing it all day. Do not pretend the EPA is independent.

Mr GILES: You are the one who attacks people.

Ms LAWRIE: Everyone with environmental knowledge knows.

Mr GILES: Madam Chair, this belligerent questioning on areas not within the purview of my responsibility in regard to the output groups – it is not helpful to ask questions outside the output. If it is about opinions ask me in the street, if you want to know about the budget ask me now.

Ms LAWRIE: You clearly do not want to answer any questions regarding your responsibility when it comes to education or the environment.

Let us talk about your infamous trip to Asia, when you returned early for a photo opportunity with the Prime Minister.

Mr GILES: It was a good photo.

Ms LAWRIE: Had you or your delegation been booked to return on a commercial flight?

Mr GILES: Yes.

Ms LAWRIE: What was the total cost of those commercial tickets?

Mr GILES: Around \$30 000, roughly.

Ms LAWRIE: Has that been reimbursed? What happened to the commercial tickets?

Mr GILES: They were refunded, or held over for utilisation at a later date. There was no loss of funds.

Ms LAWRIE: Can you provide more specific advice on that?

Mr GILES: I have just given you a fearless and frank answer.

Ms LAWRIE: On which airline are they held?

Mr GILES: I was advised, while in Vietnam in February 2014, that the Prime Minister had brought forward the timing of a visit to the Northern Territory to discuss and announce the next steps in the development of northern Australia. At the same time, I was also advised the Minister for Immigration and Border Protection, Scott Morrison, was also coming to Darwin and sought to finalise a long-standing debate through an agreement on police servicing for detention centres in the Northern Territory. At that point, when I knew the importance of the visit by the Immigration and Border Protection minister and the Prime Minister, I had to make a decision about whether to come home a day early or not.

I knew working with the Immigration minister represented an opportunity to sign a two-year \$48m agreement to secure 94 additional police to support border protection requirements in the Top End. We had been lobbying for this for quite a while. It also gave me an opportunity to talk about the importance of the regional migration agreement, or DAMA, through the Department of Business and advocate on its behalf, because Labor in government was not able to negotiate that and I am still trying hard to fight in that regard. A decision was made about whether should come home early or not.

In regard to development of northern Australia and conversations with the Prime Minister, the agenda is critical to the Northern Territory's economic development and the Commonwealth's white paper represents a significant opportunity for that to occur. The Prime Minister had scheduled the meeting for 28 February in Darwin, the day before I was to return with the delegation after departing Vietnam. I was supposed to get in on a red eye flight and meet the Prime Minister straightaway but he brought the trip a day forward, which presented a challenge.

Under the Vietnam travel schedule, I and the delegation were scheduled to depart Hai Phong City at 10.45 am on Friday 28 February, arriving at Darwin via Ho Chi Minh City and Kuala Lumpur at 5.10 am on Saturday 1 March 2014. For me to meet the Prime Minister, all available travel options were considered. The only practical commercial option would have necessitated me foregoing the meeting and the signing of the memorandum of understanding with Hai Phong City, which I thought was really important.

It was deemed unacceptable given Hai Phong City is a major destination for our live cattle and our buffalo trade. The charter flight was therefore investigated and organised, and departed on the afternoon of Thursday 27 February, following an official luncheon hosted by the Chairman of the People's Committee of Hai Phong City. Two departmental staff, Mr Brian O'Gallagher and Mr Thai Tung, remained in Hai Phong to deliver the Northern Territory's trade and investment seminar late that afternoon.

Joining the Chief Minister on the charter flight was Mr Ron Kelly, my Chief of Staff, Mr Gary Barnes, Chief Executive to the Chief Minister, Mr Misha Cartwright from the Department of the Chief Minister, Ms Kathleen Bruyn from Channel 9, Mr Graham Morrison from Channel 9, Ms Julie Ross, president of the Chamber of Commerce NT and Mr Sean Mahoney Chair of the International Business Council. Mr O'Gallagher and Mr Tung, who followed the original travel schedule, were delayed by two days due to severe weather and did not arrive back in the Territory until the Monday - it took four days to get home.

The outcome of the meeting with the Prime Minister on 28 February was quite good in that we had the Tropic of Capricorn bent to include the whole of the Northern Territory and the northern Australia development agenda. That was fantastic. We signed the agreement with the Minister for Immigration and Border Protection for \$48m for 94 additional police.

As you know, it is difficult to get home from some places and a decision had to be made as to whether the merits of the anticipated outcome from the meeting with the Prime Minister and the minister were beneficial. It was deemed they were.

We undertook a range of investigations in regard to the cheapest way to get home. There was one quote for \$99 000 US from Singapore to Darwin. That quote was for the full way. The total cost of our trip was \$85 000 from Hai Phong to Darwin direct. The other quote we had was \$107 000 AUD.

Ms LAWRIE: Contained within that was no specific response about the commercial airfares. Are you able to give more information on the commercial airfares not used?

Mr GILES: The commercial airfares not used?

Ms LAWRIE: It was not covered. If it is in the tabled responses point me to it. I am happy to search.

Mr GILES: We will take it on notice. There is information there but you want to know where the credit is, how the credit is accounted for and what airline. I do not have the credit information. I will take it on notice.

Question on Notice No 4.7

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

Ms LAWRIE: Could the Chief Minister provide advice on the status of the unused commercial flight return tickets from the trip to Vietnam, whether or not the costs have been written off or whether they exist as credit with an airline? If so, what airline and to what extent?

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: The question is number 4.7.

Ms LAWRIE: Chief Minister, under the budget in strategic issues for 2014-15 you identified advancing social policy initiatives and policy development across agencies.

Mr GILES: What output area are we in?

Ms LAWRIE: Because it is not clear, I am asking in the whole-of-government. If you hear the question out and give ...

Mr GILES: Madam Chair, we have not even gone through an output area yet.

Ms LAWRIE: If your staff want to provide advice on which output area.

Madam CHAIR: If you can assist the Opposition Leader with an area she can ask it. otherwise ...

Ms LAWRIE: Thank you. In the budget paper under Strong Society, page 30, you have:

Advancing social policy initiatives and policy development across agencies in partnership with the non-government sector.

What is the budget within the Department of the Chief Minister to do that? Looking at the organisational structure, where does that sit? Is that directly within and wholly contained within the Social Policy Coordination Unit and, if so, what is the budget and how many staff are there?

Mr GILES: Your question is highly global. You have already asked a question about breakdown in areas before ...

Ms LAWRIE: I have not asked this one.

Mr GILES: The question is more about Output 7.6 under Community Engagement and Support.

Ms LAWRIE: Would it be 7.6 where I ask that one?

Mr GILES: I have just said it is 7.6.

Ms LAWRIE: I will ask that in 7.6. Questions relating to annual and/or training funding are all dealt with under 7.6 and it will not be ruled out? Thank you - 7.6.

Madam CHAIR: There is no more?

Ms LAWRIE: No.

Madam CHAIR: Great. That concludes ...

Mr HIGGINS: Many Territorians, Chief Minister, are concerned about the impact of the federal budget on service delivery by the government. Can you outline the impact of that?

Mr GILES: Thank you very much, member for Daly. One of the biggest impacts of the Commonwealth government budget measures announced on 13 May 2014 has been in relation to health services.

Changes to the National Health Reform funding means the Northern Territory may see a reduction in health reform funding of 17% or \$102m over the next three years over the forward estimates. It is equivalent to

seeing the closure of a hospital ward, seven beds or 15 nurses and associated medical and support staff. The Commonwealth has revised the public hospital funding arrangements from 2017-18. This is what you commonly refer to as being in the 'out' years. Funding will be indexed by the Consumer Price Index and population growth. However, the Northern Territory's health costs and CPI are growing faster than they grow at the national rates. A cost comparison of the two presents significant challenges. That could, potentially - we have done modelling - mean up to a 25% reduction in funding, or about \$650m over the next 10 years - forward estimates into the outer years. That presents a significant challenge for us. We have 60 beds, and also the same funding levels as the Palmerston hospital.

For a government which is working very hard to get a fiscal balance between income and expenditure and remove Labor's deficit before we can start paying back Labor's whopping \$5.5bn debt legacy, that presents a challenge for us. We have been doing a fantastic job of getting the budget right, getting it to our expectations while also building the Territory. In the light of the debt crisis left to us as a legacy from Labor, it is a challenge how we not only run the hospital this year, but on \$102m or the 17% reduction over the forward estimates. That includes a figure of roughly - off the top of my head - \$33.8m this coming financial year.

How do we find that money? It is tough. We have been dealt a tough blow in Health this financial year. I went over the forward estimates - if you want to build and run the Palmerston hospital. We said it should open in around 2018. How do you fund it when you can lose anywhere up to \$650m? It is tough.

In regard to education, fortunately in the forward estimates we were not hard done by. We did not sign up to Gonski, which has been a benefit to the Northern Territory. That is in the forward estimates. However, in the outer years education is a challenge for us. Whether that will be realised or not we will wait to see, but what we expect throughout the 'out' years is roughly a 10% reduction of around \$310m, which is another financial issue we will have to deal with.

In regard to health and education, health is a lot harder done by than education, although we are both losing in the outer years. I know the Health minister, Robyn Lambley and the Education minister, Peter Chandler are both pulling their hair out about what it looks like in the forward years, because in the forward years we have other schools we want to build and other education expansions we want in hard infrastructure which, of course, needs and requires future operational money. For minister Lambley in particular, where do you find \$33.8m this year?

On top of that are the discontinuing agreements between the Territory and federal governments. One such agreement is the Pensioner Carer and Concession Scheme. I am talking off the top of my head, I do not know if I have any notes, but we are looking at around a \$1.5m reduction for some of the pensioner support which includes - \$1.4m has been withdrawn by the federal government to support pensioners, which goes to pensioner subsidies on power and water, motor vehicle registration, council rates and so forth. There is also another \$100 000 being cut out from transport, which subsidises bus tickets for seniors. We will cop a \$1.5m budget cut for pensioners if the budget is passed in Canberra. It is a challenge we have to work on with Canberra, but also be able to facilitate here.

The unexpected drop in funding for the transport component equates to about 65 000 drivers losing that subsidy for motor vehicle licensing, or 750 000 bus trips. That is what the \$100 000 - just on the transport side - means. I hope that answers ...

Mr HIGGINS: As you know, I was not real happy with seniors losing that as I turned 60 a week after the budget.

Mr GILES: You have a conflict of interest, member for Daly.

Mr HIGGINS: The other one is regional migration and I have spoken about using seasonal workers. I know you recently attended COAG. Did you have an opportunity to talk to the Prime Minister about this and what are his views?

Mr GILES: I touched on that when I answered the question about northern Australia and also when the member for Casuarina, or someone, asked about the regional migration agreement, or what is now called DAMA, the Designated Area Migration Agreement. I spoke with the Prime Minister the day before COAG. Colin Barnett, Campbell Newman, me, Tony Abbott and Warren Truss met. We spoke about the need for migration polices to support the growth of northern Australia. I have written to the Prime Minister and expressed that view. I discussed it with Warren Truss, the acting Prime Minister, and also the minister who

has a fair amount of responsibility for IA in northern Australia and they are progressing that. I will continue to take it up with COAG.

When Labor was in government it was looking at regional migration of about 200 people. I will not go into an immigration policy, but there are many parameters around skill sets, English literacy and so forth. We have to look at ways to do that. You talk about - I do not want to paraphrase you member for Daly, but I have heard your media commentary about seasonal workers. That is a challenge for us. When I was in Timor a month or so ago, I presented certificates to 20 Timorese who are now working in the Katherine region. That was quite positive. We are looking at how we can expand that. We also expanded across industries.

One of the challenges with the seasonal worker program is the type of accommodation you have to provide people. Of course we want people to be accommodated, so I am saying anything against that, but when it comes to Timorese, Indonesians and Vietnamese, they have lot of VFR - visiting friends and relatives - and stay with people in billeted accommodation, so it is not as much of an issue and is not taken into too much consideration with seasonal workers.

Questions about immigration should be put to the Minister for Business under his immigration component or the federal government. We are working on it and there is a lot more work to be done.

Mr HIGGINS: Thank you.

Madam CHAIR: Okay. That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 7.0 – ADVICE AND COORDINATION **Output 7.1 – Strategic and Federal Policy Coordination**

Madam CHAIR: The committee will now proceed to Output Group 7.0 - Advice and Coordination, Output 7.1 - Strategic and Federal Policy Coordination.

Ms LAWRIE: Chief Minister, the impact of the announced cuts to health and education by the federal government are pretty much catastrophic for the Territory.

Mr GILES: They are not education issues - health.

Ms LAWRIE: Education stands to lose about \$300m in funding across the forward estimates ...

Mr GILES: Not in the forward estimates.

Ms LAWRIE: ... with the cuts, so it is \$300m ...

Mr GILES: That is for out years not the forward estimates. Do you know the difference? Forward estimates are what is in the budget, out years are beyond that up to 10 years.

Ms LAWRIE: However, \$300m in anyone's view, in a reduction ...

Mr GILES: It is not in the forward estimates and it is not this year, so you cannot mislead. You have to get that accurate, that is all. I am trying to help you out.

Ms LAWRIE: You cannot help yourself. The Territory stands to lose \$652.2m in health funding and \$312.3m in education funding - which you do not seem fussed about, but any Chief Minister worth their salt would be - because of cuts by the federal government. Your federal counterparts are taking a wrecking ball to Territory budgets and services. What are you doing to ensure this funding is not ripped out?

Mr GILES: I answered that question when the member for Daly asked. I spoke at length about what is in the forward estimates and what is out. I could have said, had we signed up to Gonski, we would have lost a lot more in education this year in the forward estimates and the reason we are not losing ...

Ms LAWRIE: Because there would have been a greater investment in education - extraordinary.

Mr GILES: ... in education in the forward estimates is because we did not sign up to Gonski. I went through the health and education components. I said it is a challenge for the Ministers for Health and for Education. Can you put any further questions ...

Ms LAWRIE: So, \$1.4m in pensioner concessions ...

Mr GILES: ... in regard to where those cuts will be ...

Ms LAWRIE: ... and \$33.8m in health funding.

Mr GILES: I just said all that.

Ms LAWRIE: You are happy to answer the question when the member for Daly asks you, but ...

Mr GILES: Yes, but I just said all that so you are repeating what I said.

Ms LAWRIE: No, because you are not talking about what you are doing to try to keep funding flowing through to the Territory.

Mr GILES: I will give you a hint.

Ms LAWRIE: You are just rolling over.

Mr GILES: Talking about it at estimates and criticising the federal government for cuts is something I am doing.

Ms LAWRIE: Chief Minister, 19 national partnership agreements expire this financial year worth \$41.3m, a further seven expire next financial year worth \$22.2m. Budget Paper No 2, page 52, says:

If Commonwealth funding is ceased, then additional demands may be placed on state finances ...

What are you doing to ensure these national partnerships do not expire?

Mr GILES: To any agreement there are always two partners. Clearly, if we wanted to be a partner to a national partnership agreement we would want to sign it. If the federal government removes a national partnership agreement, terminates it early or does not want to renew it, there are not two equal parties sitting around the table. We negotiate with the federal government to continue, expand or not terminate national partnership agreements.

I am on the record saying I am unhappy with the way the federal government have conducted its business. The way it has unilaterally terminated NPAs is outrageous. I understand Tony Abbott, Joe Hockey and Warren Truss have the same predicament we had coming into government, that is, a legacy of bad Labor administration, bad Labor financial management, high levels of deficit, debt and forecast debt which will continue to grow with increasing deficits.

Tony has had to take action and he has. I have an opinion on some of those things, but as I said, I do not give opinions. I work for the best interests of the Northern Territory and we are lobbying to reduce those impacts. As I have said, and I will be clear about it, terminating an NPA with the stroke of a pen is an appalling way to do government. However, he is also trying to repay Labor debt and repair what Kevin Rudd and Julia Gillard did.

You have to balance things out sometime. Bad Labor management and decisions affect us. We are the guinea pigs in the middle and are trying to manage our way through it.

Ms LAWRIE: Rather than being an apologist for Tony Abbott and Joe Hockey slashing some \$652m from health, \$300m from education a further \$1.4m in pensioner concessions and some \$41.3m this financial year alone in national partnerships, stand up for the Territory and get this funding into our budgets. It is crucial. We are a developing jurisdiction with a small population. What will you do if you cannot restore this funding? What will you do with these services?

Mr GILES: We will make decisions about how we move on ...

Ms LAWRIE: You said it will take a hospital from us.

Mr GILES: Hang on a second, you have asked a question. The fundamental reason these can be terminated is because when Kevin Rudd signed them they were not binding. If Kevin Rudd had made it so you could not willy-nilly pull out and we lose money at the drop of a hat – I have not bagged Kevin Rudd for this decision, but I think it is atrocious to terminate a national partnership agreement. Fundamentally, if Kevin Rudd, the former Prime Minister, and Julia Gillard had had proper binding agreements that could not be terminated straightaway we would not be in this predicament but we are.

Ms LAWRIE: Joe Hockey and Tony Abbott decided to cancel the national partnerships.

Mr GILES: Get your agreements right at the federal level with your Labor mates.

Ms LAWRIE: Your Liberal mates made the decision to cancel \$41m in national partnerships funding to deliver services in the Territory this year alone. What are you doing to restore it?

Mr GILES: I have answered the question.

Ms LAWRIE: You have not answered the question.

Mr GILES: I have.

Ms LAWRIE: You have just apologised and felt sorry for Tony and Joe and had a little Kevin Rudd bashing exercise. It is \$41m in funding to services, Chief Minister. What will you do to ensure these services are sustained? What will you do to replace the \$41m ripped out by your Liberal mates in Canberra?

Mr GILES: You try to balance the budget and it very challenging. As Leader of the Opposition ...

Ms LAWRIE: Will you take the \$33m for self-promotion in the Department of the Chief Minister and put it into service delivery? Where are your priorities?

Mr GILES: I will not engage in this belligerent debate coming from a very poor performing Leader of the Opposition.

Ms LAWRIE: Do nothing. You are the do nothing Chief Minister because you are being sidelined and they are taking ...

Mr GILES: Madam Chair, can you ask this very poor ...

Madam CHAIR: Opposition Leader, the Chief Minister is answering the question.

Mr GILES: Could you get her to be quiet while we try to answer her question.

Ms LAWRIE: The do nothing Chief Minister ...

Madam CHAIR: Chief Minister, you have the call.

Ms LAWRIE: ... just roll over.

Madam CHAIR: Opposition Leader, please stop interrupting.

Mr GILES: I am done on that answer.

Madam CHAIR: Are there any further questions on output 7.1?

Ms LAWRIE: No, he is rolling over to the feds, how disappointing.

Madam CHAIR: That concludes consideration of output 7.1.

Mr GILES: Do you understand, Madam Chair ...

Ms LAWRIE: You are the first Chief Minister in the Territory to do that.

Madam CHAIR: We will now move on to output ...

Mr GILES: Madam Chair, can I make a statement? The Leader of the Opposition has just shot herself in the foot again. You have a Chief Minister having a crack at the federal government for not doing its job ...

Ms LAWRIE: Poor Joe and poor Tony have had to do this.

**Output 7.2 – Economic Development, Strategic Defence Liaison
and Major Infrastructure**

Madam CHAIR: We will move on to Output 7.2 - Economic Development, Strategic Defence Liaison and Major Infrastructure.

Mr GILES: There is a reason you are the worst Opposition Leader in the Northern Territory, and it is being displayed today.

Ms LAWRIE: Bring it on.

Chief Minister, discussions are occurring about trading off the land supporting the Defence hub. What land swaps are you considering for that land?

Mr GILES: I refer your question to the minister for Lands and Planning.

Ms LAWRIE: Chief Minister, what discussions have you had with US Defence forces rotating through the Top End on training exercises?

Mr GILES: With whom?

Ms LAWRIE: With US defence representatives.

Mr GILES: You said what discussions have I had, I talk to lots of people. I walk down the street and people ask what is happening and I say, 'Well, who knows what is happening'. Are you talking globally?

Ms LAWRIE: Another non-answer.

Mr GILES: I have talked to thousands of people ...

Ms LAWRIE: Have you raised business opportunities for service and supply?

Mr GILES: Yes.

Ms LAWRIE: Where would that service and supply occur?

Mr GILES: Many different places.

Ms LAWRIE: Do you want to name any?

Mr GILES: Darwin would be a good spot to start.

Ms LAWRIE: In the Defence Support Hub?

Mr GILES: Maybe.

Ms LAWRIE: You will not look at service and supply opportunities in the Defence Support Hub?

Mr GILES: That is not what I said.

Ms LAWRIE: What does 'maybe' mean Chief Minister? Have you specifically had a discussion around service and supply and locating it in the Defence Support Hub, which is across the road from Robo?

Mr GILES: There are many opportunities in this space. If you want a direct answer, ask a direct question and I will give it to you, albeit under the guise of confidentiality.

Ms LAWRIE: Chief Minister, quite specifically, I am asking whether or not you have been representing the Territory's interests in service and supply opportunities on US equipment, given they are based here and we have the Defence Support Hub?

Mr GILES: The answer is yes.

Ms LAWRIE: And?

Mr GILES: Yes. You asked, 'have I?' Yes, I have.

Ms LAWRIE: How are you going with those discussions, Chief Minister?

Mr GILES: Pretty well, thanks.

Ms LAWRIE: Are there any indications there will be service and supply contracts out of the US position here?

Mr GILES: I think there might be.

Ms LAWRIE: You think there might be? Any particular equipment?

Mr GILES: Not that I am prepared to talk to you about.

Ms LAWRIE: Chief Minister ...

Mr GILES: Change your approach and you might get information in your answers.

Ms LAWRIE: Seriously!

Mr GILES: Maybe the member for Casuarina should be Leader of the Opposition. At least he understands how economics and diplomacy works.

Ms LAWRIE: I know you are desperate to have anyone else lead other than me because you are so unpopular.

Mr GILES: The Territory is, to be honest. It is not me; the Territory wants a different Leader of the Opposition.

Ms LAWRIE: Chief Minister, underpinning the economic growth of the Territory is the Ichthys project ...

Mr GILES: You have just gone through all your Defence questions and no one in the Territory is any the wiser based on your poor performance in estimates.

Mr WOOD: Can I ask about Defence?

Mr GILES: Yes Gerry.

Mr WOOD: Regarding the land next to Robertson Barracks, are there more negotiations about expanding the amount of land?

Mr GILES: I will not defer you, but talk to minister Chandler because he can tell you specifically where they are looking and what parcels of land - albeit with confidentiality. He can tell you a bit more about that.

Mr WOOD: I hope it is not too confidential because the land is there - you can touch it.

Mr GILES: Yes, if there is a conversation with the Australian Defence Force it is a lot easier to talk about it than any other Defence force. I am not being secretive ...

Mr WOOD: No, it is just that ...

Mr GILES: He knows the details of that ...

Mr WOOD: One of the issues was ...

Mr GILES: John Coleman can talk to you about Defence, through Peter Chandler, the minister, and also height limits, restrictions, land swaps and all those things.

Mr WOOD: It is multiple use. The Kamfari was there this year - it moved. There are quarries which have been feeding INPEX with rock on similar land. It would be nice to know what is happening. Of course, Kowandi north seems to be marked for housing. There is a range of issues related to Defence land we do not know about.

Mr GILES: If you want to get a briefing as well – you, in particular - about some of the things that, generally, we are trying to work through with Defence that are not part of budget, and things that are just new initiatives we are trying to work on, I am happy to have a chat to you on the side.

Mr VATSKALIS: Chief Minister, on Defence, with the downturn in mining - a number of companies here were servicing the mining industry. They were able to supply diesel, heavy machinery and everything else. These people will now be looking for new opportunities. The presence of the American Marines, plus the present day Australian Defence Force, is an ideal opportunity to switch from mining to Defence. Has your government done anything to persuade the Australian government Darwin is the place to do at least light maintenance, not the big maintenance?

Mr GILES: I do not accept the premise of the question regarding a downturn in mining as mining is getting bigger. Gas onshore will get bigger as well. You will see fundamental changes in that. We have just had the second production licence for oil and gas in the last 32 years, the last one being Dingo and, before that, Surprise out of Kintore, which is fantastic. Mining challenge, drop in world iron ore prices – yes, it is a challenge and, yes, some of those iron ore companies might find it difficult in the future.

In regard to servicing Defence, there are opportunities in the Australian, US and possibly other Defence services. A range of opportunities are being discussed at a Territory and federal level with different agencies and different corporate sectors about what that may be. Conversations happen across different governments about what that means. Conversations have occurred infrequently with multinational companies about their presence, potentially, in the Territory and servicing such endeavours.

Mr VATSKALIS: Does your government still have the team which dealt with Defence? That used to be, in my time, with the Department of Business. I do not know where they are located now. Is there still such a team?

Mr GILES: Yes, there is.

Mr VATSKALIS: Do you also have a local representative in Canberra so they can have a closer relationship with the Department of Defence and the federal government on Defence issues?

Mr GILES: We still maintain those traditional lobbying models, but we are looking for a much broader lobbying perspective which will be driven out of the Northern Australia Development Office. It is something we can talk about in the future - it is not ready today.

Ms LAWRIE: With the major project Ichthys, which is driving economic growth data at the moment, the 2014-15 GSP statement final demand peaks exist then there is a drop away. What are you pursuing as low hanging fruit in the next major oil and gas development opportunity? We have floating LNG, which will be good business for the Marine Supply Base, but is there a particular project you are pursuing, Chief Minister?

Mr GILES: Yes, there is. You said a particular project we are pursuing, yes.

Ms LAWRIE: Do you want to talk to the committee about what you are pursuing as a priority project?

Mr GILES: There are a range of things. I have a 25-page answer here somewhere.

Ms LAWRIE: It would be good to table it.

Mr GILES: I might read from it. You asked me a Dorothy Dixier about how good we are doing, so let me tell you. We have the north Australian development approach, we have the Northern Australia Development Office, we have changed the *Pastoral Land Act* to ...

Ms LAWRIE: Chief Minister, I did not ask that question.

Mr GILES: You asked what the next projects are.

Ms LAWRIE: No, no.

Mr GILES: You asked if we were doing anything else - yes.

Ms LAWRIE: I am talking about offshore oil and gas, I am being specific. I am talking about offshore oil and gas after Ichthys, which starts to drop away in gross state product, state final demand. From 2014-15 it starts to tail away. You will have the operational input into GSP coming out of Ichthys, which is great, but obviously the construction boom will start to drop away. Which project, within this economic development and major infrastructure area, in offshore oil and gas are you pursuing?

Mr GILES: All areas offshore.

Ms LAWRIE: Do you have any specific information you want to share. Your staff are passing you information. It is about the economic future of the Territory, why do you not want to share it at this Estimates Committee? It would be good news, Chief Minister.

Mr GILES: You asked me a broad question, 'Are you exploring areas offshore for gas?' Yes. 'What areas?' All areas.

Ms LAWRIE: Come on, you know what the companies are. Let us be cute about this.

Mr GILES: All areas.

Ms LAWRIE: ConocoPhillips, the second train, the third train, will that be seen as a priority? Is there a particular area of exploration you are in discussions with the major oil and gas companies about that is a priority? Is it ENI? Is there anything you want to share in this area of strategic economic development, Chief Minister?

Mr GILES: I am happy to share anything that is asked fair and reasonably, direct enough, that does not breach any commercial or Cabinet confidentiality and supports information we provided to Territorians. If you cannot ask the question clearly enough, I cannot help you. Your question was, 'Are you looking at other things offshore?' Yes. 'What area?' All areas.

Ms LAWRIE: Come on, your staff are giving your information that you will not even share with the committee. Why? What is wrong with you?

Mr GILES: Let us get to Kon. Kon will ask a proper question.

Ms LAWRIE: Is it simply because, as Leader of the Opposition ...

Mr GILES: Not at all.

Ms LAWRIE: ... you cannot handle a woman questioning you? Are you some sort of misogynist?

Mr GILES: Do not dare ask that misogyny question.

Ms LAWRIE: Answer a simple question.

Mr GILES: Let me get to this point.

Ms LAWRIE: What is the priority in the strategic economic development for offshore gas and the next project?

Mr GILES: Let me say something about your misogyny comment, clearly going to the gutter again. Through the Chair, when was the last time you had a briefing on the offshore opportunities?

Ms LAWRIE: I have discussions with oil and gas companies ...

Mr GILES: When?

Ms LAWRIE: ... directly, Chief Minister.

Mr GILES: What do you think of Caldita and Barossa, Evans Shoal, Heron, Frigate, Tern, Petrel, Poseidon or Crown? What do you think about Woodside or Shell ...

Ms LAWRIE: What do you see as the next real opportunity in bringing gas onshore? Which one do you think will fire next as a major project apart from the floating LNG which, of course, is there?

Mr GILES: Which one do I think? You want me to give an opinion about someone else's portfolio area?

Ms LAWRIE: What will your department, in its strategic economic development - what is it pursuing?

Mr GILES: We work with all these companies.

Ms LAWRIE: Is there a strategic view in prioritising, because you do not want major projects dropping at the same time so there must be a ranking system?

Mr GILES: Yes, there is.

Ms LAWRIE: There is a ranking system.

Mr GILES: No, there is not a ranking system. Do we prioritise? Yes, we do.

Ms LAWRIE: Okay, you prioritise. Under the prioritising of areas currently under exploration, where do you see the next big potential? That is not floating anything.

Mr GILES: I am not giving hypotheticals or looking into a crystal ball.

Ms LAWRIE: It is not a hypothetical.

Mr GILES: You said 'which do I see?' Decisions are made on commercial decisions...

Ms LAWRIE: Which one is your department pursuing as low hanging fruit for strategic economic development opportunities for the Territory?

Mr GILES: All of them.

Ms LAWRIE: You just said you prioritised them, so what is the top priority?

Mr GILES: We prioritise the ones we think may come earlier than others, but these are commercial decisions ...

Ms LAWRIE: What are they?

Mr GILES: We are not giving opinions.

Ms LAWRIE: It is an area of government output, Chief Minister.

Mr GILES: Yes, and we work on those areas, but we are not giving opinions about which one we think will be earlier than another one.

Ms LAWRIE: Which ones have you prioritised, Chief Minister?

Mr GILES: All of them.

Ms LAWRIE: All of equal ranking?

Mr GILES: If someone says, 'We want to come to Darwin', they will get number one priority.

Ms LAWRIE: Is there anyone you are after?

Mr GILES: Yes.

Ms LAWRIE: Who?

Mr GILES: All of them.

Ms LAWRIE: Okay, you clearly do not want to answer the question.

Mr GILES: You ask an uninformed question. I do not ...

Ms LAWRIE: No, it is not uninformed, you are being belligerent.

Mr GILES: Why do you not ask me about a particular deposit? Ask me about how many TCF are in Frigate, Tern and Petrel or what will happen with the Y bend in the pipeline which goes out to Bayu-Undan? Ask me something intelligent, not something that requires a yes or no answer.

Madam CHAIR: I think the member for Casuarina has a line of questioning.

Ms LAWRIE: You are ridiculous.

Mr GILES: I am not. You sit there and swear ...

Ms LAWRIE: Any Chief Minister would happily provide an answer to this but you will not because you cannot handle being questioned by the Leader of the Opposition, can you?

Mr GILES: I do not have a clue what you are talking about with offshore gas. You do not know what you are talking about, Delia.

Ms LAWRIE: You are ridiculous.

Mr VATSKALIS: We know about Caldita, and we know about all this because it happened before. We also know a lot of companies were talking about floating LNG, but compared to ConocoPhillips and Ichthys they are small projects. We are talking about the next big project like Browse Basin. I have spoken to them and the Leader of the Opposition has spoken to Woodside. Have you a dedicated team to talk to these people? If so, where is this team located, how many people are there and what kind of expertise do these people have?

Mr GILES: The dedicated team is the whole Mines and Energy department, so there is a range of people who work on all these things.

Mr VATSKALIS: We went through that with Ichthys and found it worked, but we had a dedicated team. Do you have a dedicated team of three, four or five people with expertise to talk to these people?

Mr GILES: A lot of this stuff is coordinated through the Chief Minister's department and also through Minister Willem Westra van Holthe. Willem maintains a stronger presence on onshore development than offshore, because offshore is clearly in the federal area, but the Chief Minister's department does a lot of it and I do a lot of it personally because I have such an interest in it.

Mr VATSKALIS: You cannot name a five person team which drives ...

Mr GILES: I could name the section where the people work in these economic areas: Economic Development, Strategic Defence Liaison and Major Infrastructure Unit under the guise of economic development.

Ms LAWRIE: That is right, which is a section we are dealing with under Output 7.2, but you will not provide any advice on what fields the government sees as the best opportunity for the next major project to the Northern Territory. You just will not do it. Is that the case? You do not want to share that information?

Mr GILES: Leader of the Opposition, in all fairness I do not think you quite understand it. We were in Timor recently and we have the issue of Greater Sunrise going through the international court. There is Abadi, which is just outside Australia in Indonesian waters. There are future opportunities in the Browse Basin, there is Caldita Barossa and that region up there. A range of opportunities are ...

Ms LAWRIE: Bonaparte.

Mr GILES: You asked about major opportunities, so you are now ...

Ms LAWRIE: You said that region up there; it is called Bonaparte.

Mr GILES: Hang on a second, that region is not called Bonaparte. Bonaparte is down there, but we do not want to get too geographically ...

Ms LAWRIE: You will not draw out what you are going after?

Mr GILES: It is commercially inappropriate for me to tell you who I am talking to. To be fair, you do not even know where the basins are or what is in either basin.

Ms LAWRIE: You will not give an answer. Seriously!

Mr GILES: You did not know where the Bonaparte Basin was.

Mr VATSKALIS: You mentioned Petrel, so ...

Mr GILES: I was talking about Caldita Barossa and she called it Bonaparte.

Ms LAWRIE: The Marine Supply Base is under construction. When will it open?

Mr GILES: I am happy to answer that during ports.

Ms LAWRIE: It does not come under ...

Mr GILES: No, it comes under the port. Anyone who knew this portfolio would get a briefing on it and would know it comes under the port output area.

Ms LAWRIE: In relation to the strategic economic development around the Marine Supply Base, what is your plan for service and supply?

Mr GILES: In regard to?

Ms LAWRIE: The Marine Supply Base and growing and developing industry.

Mr GILES: The Marine Supply Base comes under the output area of the port.

Ms LAWRIE: Probably the construction and functional aspects of the Marine Supply Base would come under the port ...

Mr GILES: No, the construction comes under the Department of Infrastructure.

Ms LAWRIE: ... but is there a strategic economic development plan associated with the Marine Supply Base?

Mr GILES: Is there a ...

Ms LAWRIE: Strategic economic development plan associated with the Marine Supply Base?

Mr GILES: A range of different things are occurring with the MSB. As you know, there is a private operator so any components of the marketing and operational areas are probably best to put to the private operator. In regard to its ...

Ms LAWRIE: The government does not have a strategic ...

Mr GILES: Hang on, I am still answering the question. In regard to construction, I suggest you put that to the Department of Infrastructure, which has been project managing construction and facilitation. Any other questions about the MSB I would put through the output group relevant to the port.

Ms LAWRIE: This is the area where we look at strategic economic development, and I am asking if you have a strategic economic development plan around the Marine Supply Base?

Mr GILES: Yes.

Ms LAWRIE: Could you explain the plan and provide a copy of it?

Mr GILES: In the right output area, I will.

Ms LAWRIE: Which output area specifically, because this is the strategic economic development output area and I am asking for a strategic economic development plan, so where specifically do I ask this?

Mr GILES: I suggest asking it under Land Development Corporation, under the port or under the Department of Infrastructure, depending on which component you are looking at.

Ms LAWRIE: I will be specific. I am asking for the strategic economic development plan around the Marine Supply Base.

Mr GILES: It is up to you, I do not want to frame your questions for you or give assistance because you clearly do not know where to go. Maybe it would be the LDC - probably the port.

Ms LAWRIE: Can we have a definite on that, Madam Chair? He is saying two different areas at this stage.

Mr GILES: There are two different areas of responsibility.

Ms LAWRIE: It is the strategic economic development plan.

Mr GILES: Who is your shadow minister for ports?

Mr VATSKALIS: I am.

Mr GILES: Is that you, member for Casuarina?

Ms LAWRIE: It is the strategic economic development plan.

Mr GILES: Clearly, the member for Casuarina would know the marine industry park is run by the LDC. You would know the MSB is owned by the port. If you want to ask questions about ownership of the port and its operation, you talk to the port or the private operator. If you want to talk about ...

Ms LAWRIE: This is a different question, Chief Minister.

Mr GILES: No, I am helping you so you know where to ask questions, member for Karama. If you want to know about the MSB and its ownership, talk to the port because the port owns it. If you want to talk about future expansion near the MSB, talk to the LDC that is doing the MIP - the marine industry park. If you want to know what is happening with forward developments on the port you should talk to either the port or in this outcome area where we are looking at future opportunities around the port.

Ms LAWRIE: With the Marine Supply Base, Chief Minister, many businesses and services in the supply chain benefit from infrastructure such as a Marine Supply Base. Whether they are located within the LDC business park land, off the LDC site, the links to the hydrocarbon centre at Charles Darwin University, the multiplier effects of service and supply, the pursuit of ...

Mr GILES: The MSB is not located associated with the hydrocarbon centre.

Ms LAWRIE: I am talking about the businesses that provide services and supply flowing out of the Marine Supply Base. Many of them will need a relationship with the hydrocarbons centre at Charles Darwin University in regard to the specialist expertise they will require for their businesses. There is a series of links, both on site at the business park and off site. Aberdeen, of course, is the city we moulded the Marine Supply Base on as the multiplier effect it has into the economy.

Sitting around that is normally a strategic economic development plan that would identify how you bolster and increase economic outcomes from the opportunity of the Marine Supply Base. Where would that plan sit? Is it in the Department of the Chief Minister, is it with the port or is it with LDC?

Mr GILES: I think you might be overstretching on the MSB and a specific plan in regard to that. It is a holistic approach and I suggest you put the question either in the frame of the port ...

Ms LAWRIE: Right, we are getting somewhere. You do not have a specific plan?

Mr GILES: We do have a specific plan.

Ms LAWRIE: Do you have a specific strategic economic development plan?

Mr GILES: Yes, we do.

Ms LAWRIE: Then could you table it, please?

Mr GILES: For the MSB or for ...

Ms LAWRIE: Yes.

Mr GILES: No, not just for the MSB. It fits a broader strategy.

Ms LAWRIE: It fits the port and the MSB?

Mr GILES: I have told you where you should ask your questions. If you want to ask those ...

Ms LAWRIE: You do not have a strategic economic plan for the Marine Supply Base?

Mr GILES: We have a strategic approach for both the marine industry park and for the port and foreshore harbour development.

Ms LAWRIE: Is there a strategic economic development plan for the park and the port?

Mr GILES: I am sure there is a strategic plan for the MSB. The operator of the MSB would be the best person to talk about that.

Ms LAWRIE: A strategic plan is different to a strategic economic development plan – okay?

Mr GILES: What is the difference?

Ms LAWRIE: Quite specifically ...

Mr GILES: What is the difference between a strategic plan for the MSB and a strategic economic development plan?

Ms LAWRIE: When I am Chief Minister and you are a backbencher ask me questions. Right now I am the Leader of the Opposition and you are the Chief Minister and I am asking you questions. You will get your turn post 2016. Today I am the Leader of the Opposition and I get to ask questions.

Mr GILES: We are all so sorry for that.

Ms LAWRIE: Chief Minister, you started out pretending there was a strategic economic development plan for the Marine Supply Base, then, to help with this pretence, it was 'Ask the question in the port area. Ask the question in Land Development Corporation area.' Now we find out ...

Mr GILES: Ask this question of the ports minister.

Ms LAWRIE: ... through questioning, that there is no strategic economic development plan for the Marine Supply Base. Why not? It will have such a multiplier effect in the economy if you get the business right. Why not? Would you countenance pursuing one or is it just not your priority? If it is not your priority, say so. Would you countenance creating a strategic economic development plan for the MSB?

Mr GILES: No.

Ms LAWRIE: Thank you. No further questions on that one. That was not difficult.

Madam CHAIR: Are there any further questions on Output 7.2? That concludes consideration of output 7.2.

Mr GILES: We just went through 7.2 and you did not ask about Flagstaff Partners or the opportunities around the port?

Ms LAWRIE: I thought I had to ask questions on the port during the port output. For clarification, do I ask those questions here or during the port?

Mr GILES: It has already gone. Let us go to 7.3.

Ms LAWRIE: Seriously!

Mr GILES: I told you how it worked.

Ms LAWRIE: You have been flicking me to the port on anything associated with the port. Now you say I should ask it here. Which is it, Chief Minister?

Mr GILES: If you want to ask me about Flagstaff Partners and major economic development, that is where you ask it. You have missed it. We are on to 7.3.

Ms LAWRIE: Come on, Chief Minister, you have spent all day ...

Mr GILES: I was trying to help you ...

Ms LAWRIE: ... saying I have to ask port questions during the port output.

Mr GILES: You do not want to listen, you want to be belligerent and be smart.

Madam CHAIR: Is the question about the port? It is not the port then goes to another ...

Ms LAWRIE: I have a series of port questions. I have the high level ...

Mr GILES: We will wait until the port area now.

Ms LAWRIE: I have high level investment in the port and second port proposal questions. Are they under this area or the port area?

Mr GILES: Maybe the member for Blain might like to ask about that at 7.2. He has an interest ...

Ms LAWRIE: It is simple clarification – which output area?

Mr GILES: You are very interested.

Madam CHAIR: Are we reopening 7.2, Chief Minister?

Mr GILES: I think we have not finished it for some people.

Madam CHAIR: We cannot revisit the output.

Ms LAWRIE: I am just ...

Mr GILES: I am happy to go to 7.3.

Ms LAWRIE: I am asking a clarification question.

Madam CHAIR: Yes.

Ms LAWRIE: I was told consistently in that last session, 'Ask these questions under the port'.

Madam CHAIR: It sounds to me port questions would go to port, Chief Minister.

Mr GILES: A port question will go to the port.

Ms LAWRIE: What about seeking investment in the port, the second port? Is that all under the port?

Mr GILES: I do not mean to speak over you, Madam Chair, but the MSB is owned by the port. The MSB is operated by a private operator. If you want to know about the economic strategy of the MSB, you ask the private operator. If you want to know about ownership of the port, you ask the port. If you want to know

about construction of the MSB, you ask the Department of Infrastructure. If you want the whole global aspect of what we are doing in sourcing investment to the port area, you ask me.

Ms LAWRIE: Right, can I ask you?

Mr GILES: You have missed it now.

Ms LAWRIE: You told me to ask port questions in the output on the port. Seriously, you said that today, Chief Minister.

Mr GILES: You should get a briefing.

Ms LAWRIE: Regarding investment you are seeking in the port, it would be reasonable to think you would refer me to the port given I had been referred to the port and the MSB.

Mr GILES: I am happy to answer questions about the port at the port output.

Madam CHAIR: Perhaps, Opposition Leader, under any non-output specific budget-related questions? If there were any leftovers, we can pick them up there.

Ms LAWRIE: Yes, sweet, thank you.

Output 7.3 – Northern Australia Development Office

Madam CHAIR: The committee will now consider Output 7.3 - Northern Australian Development Office. Are there any questions?

Ms LAWRIE: Chief Minister, prior to the current Northern Australia Development Office establishment and the promotion campaign around developing the north, you were focused on policy framework called Framing the Future. Has that been superseded by Developing the North?

Mr GILES: No.

Ms LAWRIE: It still exists?

Mr GILES: Yes.

Ms LAWRIE: Where would that exist within the structures of the Department of the Chief Minister?

Mr GILES: Framing the Future would come under 7.6 - Community Engagement and Support, but I am happy to talk to it now for fear of you complaining you did not understand how government works. Framing the Future ...

Ms LAWRIE: I will ask it under 7.6, Chief Minister. In the developing north Australia agenda, were you informed of the appointment of Shane Stone prior to yesterday?

Mr GILES: Yes.

Ms LAWRIE: When was that?

Mr GILES: A while ago. I do not have an exact date - Easter.

Ms LAWRIE: How will your working relationship be with him given the comments he has made about you?

Mr GILES: Fantastic. We are a broad church in the Country Liberal division. We do not all have to see eye to eye. It is not like communism in the Labor Party, where everyone has to do down the same path. We chat from time to time, express our views and it is fantastic. I look forward to working with Shane. I look forward to working with an additional person who has not been identified yet. It was to be Luke Bowen, but Luke has taken the role heading up the Northern Australia Development Office so has removed himself from that task force. We will be identifying an additional person to be on there.

Ms LAWRIE: Chief Minister, the Commonwealth government's green paper on northern development notes a priority of assisting Indigenous Australians to leverage off their economic, intellectual and cultural assets. What is your view on this and what are your priorities?

Mr GILES: Can you ask that question again?

Ms LAWRIE: Chief Minister, the Commonwealth government's green paper on northern development notes the priority of assisting Indigenous Australians to leverage off their economic, intellectual and cultural assets. What is your view on this and how can it be facilitated?

Mr GILES: I am not accustomed to giving opinions in estimates, but I think it is a good idea.

Ms LAWRIE: How does this sit with the removal of strategic Indigenous water reserves?

Mr GILES: You will have to ask the minister for water.

Ms LAWRIE: This is a priority under the green paper for northern development, where it identifies assisting Indigenous Australians to leverage off their economic, intellectual and cultural assets, yet you have removed strategic Indigenous water reserves. It seems to be at odds with the green paper.

Mr GILES: Let me clarify, there was never a strategic Indigenous reserve in the Northern Territory.

Ms LAWRIE: Yes, there was.

Mr GILES: No, there was not.

Ms LAWRIE: Chief Minister, the Commonwealth government's green paper on northern development notes the CSIRO ...

Mr GILES: Hang on a second, Madam Chair. There was a question and we have to clarify this. There has never been a strategic Indigenous reserve in the Northern Territory. There has been a request for some in the future. Government policy is we will not have those, but Labor never had a strategic Indigenous reserve.

Ms LAWRIE: Labor had the policy to do it.

Mr GILES: Had a policy to do it, but did not do it. There is no strategic Indigenous reserve nor has there been.

Ms LAWRIE: Recognised and enshrined strategic Indigenous reserves.

Madam CHAIR: I am not in a position to say ...

Mr GILES: I am answering the question.

Ms LAWRIE: No, you are making it up.

Mr GILES: No, no.

Ms LAWRIE: You are making it up.

Madam CHAIR: Opposition Leader.

Mr GILES: There has never been a strategic Indigenous reserve in the Northern Territory. In regard to the strategic Indigenous reserve, I ask you to put those questions to the Minister for Land Resource Management.

Ms LAWRIE: Of course you would.

Mr GILES: In regard to leveraging off in your question about assets, land and so forth, we encourage Aboriginal Territorians, like every Territorian, to apply for an application to utilise water to support economic growth and economic development. It is fantastic that every time an Indigenous person gets into business or a job it is a great outcome.

Ms LAWRIE: Chief Minister, could you provide me with the budget for the Northern Australia Development Office, the classification levels and the number of staff? I am happy for it to be on notice.

Mr GILES: I have to make one change. I am happy to table the Northern Australian Advisory Group members. Nick Paspaley has been confirmed on the advisory group. Nick took over the role Luke was taking.

Ms LAWRIE: It has been in all the comms I have seen.

Mr GILES: I have not read that, so I will not table it.

Ms LAWRIE: I ask for the budget for the Northern Australian Development Office and the breakdown into staffing and operational as well as classification levels.

Mr GILES: I will take it on notice.

Question on Notice No 4.8

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

Ms LAWRIE: Provide the budget for the Northern Australian Development Office, the breakdown between operational and staffing and the classification levels of staff.

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: That question will be number 4.8.

Ms LAWRIE: If it assists the committee, we are happy to move to Asian Relations, the next output.

Mr HIGGINS: Chief Minister, the Territory has a vast amount of untapped gas reserves which I have spoken about in parliament. Can you give us an update on how we are going in connecting our infrastructure with the east coast?

Mr VATSKALIS: Is that the minister for Mines?

Mr GILES: Thank you very much. No, is headed up by me, so you are lucky.

There is a strategic economic opportunity under the guise of north Australian development to link the Northern Territory up to the east coast. The pipelines in the Northern Territory - the Amadeus pipeline from Mereenie up to Darwin, the pipeline out to Borroloola from McArthur and the pipeline out to ENI - putting aside the offshore pipelines, that is the extent of pipelines to the Territory.

Western Australia has its own pipeline infrastructure. I do not have a map here, but the rest of the country is somewhat connected by pipelines. Queensland – up the north of Queensland, New South Wales, Victoria, Tasmania and South Australia. It is our desire to connect the Northern Territory to that mainland or interstate, eastern state pipeline infrastructure.

I have promoted it heavily, spoken at length with interstate leaders, mentioned it at COAG and mentioned it at CAF. For a lot of first ministers it was the first time they had heard about it and we are now trying to pursue it. It means we will have an opportunity to be a part of an integrated national network, albeit without Western Australia.

We have proposed this publicly, but we have directly engaged with two companies. There are three ideas of how to connect: one between Tennant Creek and Mt Isa, one between - for want of better geographical terms - Wauchope up to Longreach and the other from Alice Springs to Moomba, which is my preference. One company is now pursuing Tennant Creek to Mt Isa and Alice to Moomba, and the second company is pursuing Alice Springs to Moomba.

The reason we say Moomba, which is the northeast of South Australia, is because it is somewhat of a junction box for gas. It has been historically a junction area through the Cooper Basin, supporting that. The reason we want to connect is because we think it will help advance development of onshore gas production in the Northern Territory, which can be a game changer for regional and remote communities for jobs, construction, operation and the infrastructure that comes with that through roads, shops and all those social infrastructure pieces - social regarding its community expectations and economic regarding driving trade.

Potentially, that will be the number two priority project in the Northern Territory. INPEX is number one, but that can potentially be number two because it can make such a difference to the Territory. For a bit of background - I know this is not part of the question - but at Gladstone, where they are doing offshore gas at the moment, I think it is commonly known they need more gas in the trains being built.

New South Wales runs out of 90% of its gas in three years – for power generation it needs gas. If we reach a point where New South Wales starts importing gas it will be a travesty, although it needs to fuel its generators. If we get to the point where New South Wales goes back to coal that will be a lost opportunity for many gas fields and also the environmental movement - I support staying on gas not going to coal. We need to work out how to make that happen so we are working with energy providers, gas explorers and pipeline operators to realise that.

I have spoken with Mike Baird, the new New South Wales Premier, about it on several occasions. I have spoken to Jay Weatherill from South Australia at length about it, because I am more actively pursuing Alice to Moomba. That does not mean I am negating Tennant Creek to Mt Isa. Hopefully, in the next two to three weeks, I will be signing an agreement with Jay Weatherill to work cooperatively on development of that pipeline.

The person who sits in Gary Barnes' position in South Australia, Jim Hallion, is also involved with Infrastructure Australia. We are considering how we may get involved with IA, keeping in mind this is our drive - we are driving north Australia and the pipeline initiative because we think it will help us. If IA gets involved, the question is how does it get involved and how slowly does it move? Part of the issue will be the loss leading factors in regard to transportation costs, the economics of the pipeline and how that is feasible in the early years before the later years. I think the member for Casuarina understands those issues. We are working through that.

It is a major project, potentially the second-biggest project in the Territory. A lot of hard work is going into it and that is one of the things we do through the Chief Minister's office to make this stuff happen. It will be a huge game changer, not just for the Territory and our development, but for, potentially, creating a domestic gas market. There is no domestic gas market, in a wholesale environment, in Australia. I hope that answers your question.

I took the opportunity to throw a bit extra in there because I knew Kon would be interested in some of that stuff.

Mr HIGGINS: Northern Australia development is not just looking north, it is looking at domestic Australia as well ...

Mr GILES: Yes.

Mr HIGGINS: ... the whole of Australia?

Mr GILES: Yes, developing the north is fundamentally about creating jobs for future Territorians. In the 1980s and 1990s the previous CLP government developed the gas hub. This is the next part and it is developing northern Australia and what that means. Yes, we have very good interactivity between Queensland and Western Australia.

Obviously in Queensland there is a lot of development on the eastern seaboard - Cairns, Townsville, Mackay and Rockhampton are fundamentally more developed than we are in the Territory, and a lot more developed than Western Australia. They have universities. We have CDU, but there are different economic - other infrastructure we are still playing catch-up on. That is why we are trying to lead it so hard.

Northern Australia is about saying to the rest of the country, 'Invest your money here'. It is an opportunity to move here and take up some of the jobs, look at how we can open the country up, advocate loudly for more federal government funding to support us with building roads and bridges and having some tax incentives, some of which are identified as discussion points in the green paper released yesterday – strategic

economic zones – lowering corporate taxation and accelerated depreciation. They are some of the things we are working towards. That probably answers your northern Australia stuff. At the end of the day, you will hear me say it is about building jobs for kids in the future.

Mr HIGGINS: I know we could talk on this for hours, but I am sure the opposition has some good questions to ask?

Madam CHAIR: That concludes consideration of output 7.3.

Output 7.4 – Asian Engagement, Trade and Economic Development

Madam CHAIR: The committee will now proceed to output 7.4 Asian Engagement, Trade and Economic Development. Are there any questions?

Mr VATSKALIS: Chief Minister, you have the team for Asian Engagement, Trade and Investment. Can you provide a breakdown on the staffing structure and salaries for this team?

Mr GILES: No, I will take it on notice.

Mr VATSKALIS: Thank you.

Question on Notice No 4.9

Madam CHAIR: Could you please restate your question for the record?

Mr VATSKALIS: Can you provide a breakdown of the staffing structure by level and salary for Asian Engagement, Trade and Investment?

Mr GILES: I think the head of that division is currently being advertised. It is vacant right now.

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: The question asked by the member for Casuarina of the Chief Minister is number 4.9.

Mr VATSKALIS: Chief Minister, what is the itemised breakup of the estimated \$3.2m expenditure in 2013-14?

Mr GILES: Most of it has to do with staff salaries.

Mr VATSKALIS: Thank you.

Mr GILES: You will see when you get the itemised budget.

Mr VATSKALIS: We noticed an increased allocation of \$556 000 for 2014-15. What is the reason for the increased allocation?

Mr GILES: Part of it is for the role former Chief Minister, Terry Mills, is playing in Jakarta and part of it is for more activity. The work with the ASEAN component has a lot to do with that. It has had an expanded role. Without casting aspersions on the former Minister for Asian Engagement, you will note we have moved that to a broader level and are doing a lot more in that area.

Mr VATSKALIS: Since you have moved it to a broader level, can you tell us how many of your staff speak any Asian languages and what languages they are?

Mr GILES: I will take it on notice.

Mr VATSKALIS: Thank you.

Question on Notice No 4.10

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

Mr VATSKALIS: Can you please advise the committee how many of the staff in Asian Engagement, Trade and Investment speak an Asian language and which languages these are?

Mr GILES: There are at least two. Thai Tung speaks Vietnamese. I will not name them all.

Mr VATSKALIS: Okay.

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes, so long as it does not breach any racial boundaries in the answering of it.

Mr VATSKALIS: No. I only want to know if they speak an Asian language.

Mr GILES: I do not want it coming out there is a racial element.

Mr VATSKALIS: I do not want their names; I just want to know what they speak.

Madam CHAIR: That question is number 4.10.

Mr VATSKALIS: Chief Minister, you mentioned before ...

Mr GILES: Terry Mills speaks Indonesian too.

Mr VATSKALIS: Is he part of Asian Engagement, Trade and Investment?

Mr GILES: Yes.

Mr VATSKALIS: You mentioned Terry Mills being appointed to Jakarta. How long had establishment of the office in Jakarta been thought of - a month, two months or a year?

Mr GILES: That was in the May 2013-14 budget, to my recollection. It was in last year's budget. We just took a long time to get around to it.

Mr VATSKALIS: Okay.

Mr GILES: I am pretty sure it was in the budget. At the time of the May budget last year it was around. I am just not sure of the - no, the money was in the budget last year. Yes, it was in last year's budget. No one asked us about it.

Mr VATSKALIS: My understanding with the Indonesian government - but the appointment was - if we can have some clear indication. The reason I am asking ...

Mr GILES: Your question was when we came up with the idea. It was around May budget last year. I am pretty sure either \$250 000 or \$500 000 was set aside for engagement between Indonesia and Australia, and that money was to be used for that. I think it was \$250 000.

Mr VATSKALIS: My understanding is for an office to be accepted in Indonesia it needs to be accredited by the Indonesian government. This accreditation could take up to 12 months. Did you have discussions with the Indonesian government about establishment of an office of the Northern Territory in Jakarta and how long ago?

Mr GILES: How long ago? If you want a formal consulate in Jakarta you need a formal agreement, but that is not what we have. We have an office for the Northern Territory government, working in conjunction with other jurisdictions. I have just been reminded ours is a commissioner.

One of the fortunate things is our relationship with Indonesia is extremely positive. Our relationship with the Indonesian Consul in Darwin is extremely positive. My work with Marty Natalegawa and other Indonesian officials has always been quite positive and they are receptive to us being there. They see it as a

formidable investment, particularly with the interventions we are trying to make in the formation of a trilateral agreement between Indonesia, Timor, and the Northern Territory. They have welcomed it to the point we are being asked if we can have more commissioners in Indonesia, particularly eastern Indonesia, where the Indonesian government wants to see a broader range of investment. Timor wants us to have an office there. Vietnam wants us to have offices in Hai Phong and Ho Chi Minh City. We are in demand.

We are taking it one step at a time. Having a Northern Territory Commissioner in Indonesia and the ASEAN region presents an opportunity for us to learn how we are going at the moment. Terry Mills, in that position, went on his first trade delegation last Sunday. We will get a lot more information and learning from that. It presents an exciting opportunity.

Mr VATSKALIS: You mentioned he is also appointed as a commissioner for ASEAN countries. We know ...

Mr GILES: ASEAN.

Mr VATSKALIS: ASEAN. The Australian Ambassador in Jakarta is also an ambassador for ASEAN countries. Will this create confusion for the countries?

Mr GILES: No.

Mr VATSKALIS: What will the role of Mills be and what is the role of the ambassador?

Mr GILES: WA and Queensland also have that role in Indonesia. Different states and territories around the country have offices around the world, and throughout Asia in particular. It is not duplication; it is an opportunity to dovetail one into another and work together. Our relationship with the Australian government in Jakarta, through the embassy, is quite positive. Terry will work very well with those guys, and we will continue to work with them as well.

The political situation in Indonesia this year presents an opportunity to settle in while we identify who the next president will be and work out some of the processes so we can go on bigger and better. Since coming to government we have had a very good relationship with the Indonesian government. All those debilitating effects of Julia Gillard, Paul Henderson, Delia Lawrie and the former Labor government - Territory and federal - on the relationship with Indonesia did not affect us when we came to government.

The strength of the Country Liberals' relationship is what reignited the live cattle trade. I put a lot of that down to the hard work of Willem Westra van Holthe and Nigel Scullion. They did a stack of work over there. It went unreported, we did not promote it, but they did a stack of work and Willem and Nigel should be patted on the back for that.

Mr VATSKALIS: Thank you, Chief Minister. I know what good relations we have with Indonesia because I was the minister asked to go with the live cattle trade delegation by the minister who imposed the ban. I was the minister who met with the minister in Indonesia while the shadow minister and shadow Agriculture minister could not meet with anybody.

You remember ...

Mr GILES: You were not involved like Paul Henderson or Delia Lawrie.

Mr VATSKALIS: ... the ban was imposed because there was some very sad cases in Indonesia, and the same ban happened in other countries because of the cruel treatment of animals that not even our own cattlemen would accept.

Mr GILES: Labor killed an industry Kon, and we fixed it.

Mr VATSKALIS: You will remember Paul Henderson went to Canberra with our cattlemen and Luke Bowen and advocated to reopen the ...

Mr GILES: This is lost ...

Mr VATSKALIS: What are the terms of Mr Mills' appointment? What is his salary, what is his budget, what is his accommodation cost and does he have support staff?

Mr GILES: On 17 April 2014 I announced the appointment of the former member for Blain - for the benefit of identification, Terry Mills - as the Northern Territory Commissioner for Indonesia and the ASEAN region. The commissioner will provide in country assistance for the Northern Territory to conduct business and build closer ties across the region. The role will focus on strengthening the Territory's trade investment, education, social and cultural links with Indonesia and neighbouring countries.

The commissioner will live in Jakarta and travel to the Northern Territory as required. The Territory is very fortunate to have Mr Mills in this role, as he can leverage his existing wide political business and community links into the region, especially with Indonesia, which will be to the Northern Territory's benefit. He is ideally placed to help advance the northern Australia development agenda in this crucial role.

Mr Mills has spent more than a decade serving the Territory as a political leader and has a passion for developing the Territory's links with Asia.

In regard to the consultancy, Mr Mills has been engaged through Midian Pty Ltd to provide services. He is engaged as a consultant and will be provided additional expenses as approved by the Territory. The contract price comprises two elements: a base contract sum and additional elements. The base contract sum for the provision of services by the company is equivalent to an ECO3 officer. Additional expenses to cover include costs incurred by the company to carry out approved additional services such as travel here as and when required, provide approved engagement of additional expertise, provide office accommodation and other expenses in relation to office accommodation and in the general business of doing business.

Mr VATSKALIS: Personal accommodation too?

Mr GILES: Yes. The company has been contracted to represent the NT government in Indonesia and the ASEAN region through that arrangement.

Ms LAWRIE: What is the total value of that?

Mr GILES: We have not seen the first year of operation - what those expenses are. It will be interesting to get a costing from the trip he is doing right now. I am not sure what day he comes back.

Ms LAWRIE: Do you have an upper limit on the additional? You must have a budget for it.

Mr GILES: Reasonableness is what we sign off on. Obviously there will not be a massive cost blowout, but we ask Terry, through his company, to do a range of things. Every time we ask him to do additional it will cost more. We are very mindful of that because we do not want a cost blowout in our budget like you had in your Leader of the Opposition's budget.

Ms LAWRIE: There would be fixed costs. Office accommodation, personal accommodation, those fixed costs, what are they?

Mr GILES: They are still being negotiated as we speak.

Ms LAWRIE: When can we be provided with those?

Mr GILES: At the point in time when they are finalised, but they have not been finalised. It is still early days. Terry is not settled in Jakarta with his personal and professional accommodation requirements. One thing we tried to do ...

Ms LAWRIE: What is the salary level of an ECO3? There are incremental levels, so what ...

Mr GILES: I will get to that. One of the things we are working on in trying to reduce the cost of doing this is work with our northern Australia counterparts - Colin and Campbell - to seeing if we could facilitate a joint office. At the moment it is too early, but we want to work out ways to reduce costs. There are opportunities to do that in other countries as well, China in particular - Kon, you have an interest in China. We want to settle this first and see what we can do. There may be an opportunity where Queensland can come in with us and start sharing costs, but it is still early days and we have not finalised the costs of doing this at the moment. It will be interesting to see, from my point of view, how much it costs Terry to travel to Balikpapan and so forth. We will see how that goes.

Ms LAWRIE: What is the salary level he is paid at, because there are different increment levels in the ECO3?

Mr BARNES: It goes in a range.

Ms LAWRIE: Yes, so what is the actual salary?

Mr GILES: We do not have an actual salary for Terry, we have a contract.

Ms LAWRIE: You do.

Mr BARNES: It is a monthly instalment.

Ms LAWRIE: Okay, what is the monthly instalment?

Mr GILES: I will take that on notice because it is a contract not just a salary. There are a lot of other things in the contract. If we told you the contract amount it could be breaching commercial confidentiality. Also, there are other elements in it so we will take it on notice.

Madam CHAIR: Can you restate the question for the record?

Ms LAWRIE: What is the value of the consultancy Terry Mills has with the Northern Territory government? What is the breakdown within that? What is the monthly salary payment component? What are fixed costs?

Mr GILES: We cannot give you the salary component because we do not know.

Ms LAWRIE: You said it is an ECO3 and you are making monthly payments. Are you paying on invoice?

Mr GILES: The contractual basis is to the level of an ECO3 not just salary.

Ms LAWRIE: With the contractual basis to ECO3 level, what is the monthly invoice being paid at the moment to the known cost? You are getting monthly invoices?

Mr GILES: We have not had a monthly invoice as yet, so we cannot calculate that.

Ms LAWRIE: Yes, you had one.

Mr GILES: It was \$20 000 for one month.

Ms LAWRIE: The first month was \$20 000.

Mr GILES: That is all I can give you at this stage. That is not to say that 20 times 12 is the answer.

Mr VATSKALIS: No, it could be higher.

Mr GILES: You might find it will be lower.

Mr VATSKALIS: Or it could be lower.

Mr GILES: Because the first year has been expensive.

Answer to Question on Notice No 4.10

Mr GILES: I have an answer for question number 4.10. The current language skills of the Office of Asian Engagement, Trade and Investment: a fluent speaker in Mandarin and Cantonese; a Vietnamese speaker; Portuguese Tetum; two Indonesian speakers; Terry Mills; and a Japanese speaker is about to join the team.

Mr VATSKALIS: Chief Minister, who offered the position to Mr Mills and who approved the appointment, or did Mr Mills approach the government?

Mr GILES: Mr Gary Barnes gave the approval.

Mr VATSKALIS: Who made the offer?

Mr GILES: Gary Barnes.

Mr VATSKALIS: Was there any discussion between you, other ministers or advisors and Mr Mills regarding this appointment and when?

Mr GILES: There was discussion. During the time Gary Barnes was talking to Terry I was made aware of it and I spoke to Terry about what the role meant and how important it was for the growth of our Asian relationship in northern Australia. It was around the time the agreement was made. I cannot give you the date, it is not a diary entry, but I had a chat with Terry.

Mr VATSKALIS: Are there any KPIs adjusted to the contract and how often will you evaluate the success or not of his appointment?

Mr GILES: There are KPIs to it and they are every month. If you want a briefing on the exact information - I will table his consultancy. If you want more information we are happy to provide it in a briefing. It has a 30-day termination clause.

Mr VATSKALIS: Who does he report to?

Mr GILES: He reports to the Director of Asian Engagement, Trade and Investment.

Mr VATSKALIS: Who has not been employed yet?

Mr GILES: The Acting Director is Brian O'Gallagher.

Mr VATSKALIS: What is the estimated total expenditure on overseas travel for 2013-14 by the team at Asian Engagement? Can you provide a breakdown of this expenditure, if possible?

Mr GILES: We do not have the estimated travel budget, but we will take it on notice. I can give you the one for last year, if it helps.

Mr VATSKALIS: Yes, for 2013-14.

Mr GILES: Yes, I can give you estimated 2013-14.

Madam CHAIR: Does the 2013-14 part need to be on notice?

Mr VATSKALIS: Yes.

Madam CHAIR: Member for Casuarina, if you could restate ...

Mr GILES: If I could just answer this part ...

Ms LAWRIE: You would have the 2013-14 actual and up to 31 March for 2014-15.

Mr GILES: Actual is ...

Ms LAWRIE: That is standard. Yes, you have actual 2013-14 and to date to 31 March for 2013-14.

Mr GILES: We have already given you that answer.

Ms LAWRIE: Is it in the written questions?

Mr GILES: 161.18.

Mr VATSKALIS: 161.18, thank you.

What is the estimated total expenditure on hospitality by the Asian engagement team for 2013-14?

Mr GILES: Sorry, Kon, before you go on. You and I had a private chat the other day and I said we have an Asian Engagement, Trade and Investment Strategy.

Mr VATSKALIS: Yes.

Mr GILES: Here it is. It is a draft I have approved for release - a discussion draft. I have not announced it or released it yet. I will not give it to you now, but I am happy to have a private chat with you and give you a copy.

Mr VATSKALIS: That was my next question, so thank you very much for mentioning that.

Mr GILES: You and I can have a bit of a chat. I have not formally released it yet.

Mr VATSKALIS: Those are my questions.

Madam CHAIR: Are there any further questions on Output 7.4? That concludes consideration of output 7.4.

Output 7.5 – Regional Coordination and Economic Development

Madam CHAIR: We will now move on to Output 7.5 - Regional Coordination and Economic Development. I note while the Chief Minister is responsible for Regional Coordination and Economic Development as a whole, the Alice Springs Transformation Plan is a subset of Regional Coordination and Economic Development and questions relating to such will be answered by the Minister for Central Australia on Thursday 12 June 2014. Are there any questions?

Ms LAWRIE: The Alice Springs Transformation Plan is with minister Conlan?

Mr GILES: The Minister for Central Australia.

Ms LAWRIE: We both thought it was in this section - output 7.5. I asked these questions previously and was told they were in this output - the breakdown in budgets for the Cabinet Office, the Communications and Marketing Bureau, Central Australian region coordination, Barkly region coordination, the Big Rivers coordination and East Arnhem ...

Mr GILES: We took it on notice.

Ms LAWRIE: You took the marketing and ...

Mr GILES: No, we took all the regional offices on notice too.

Ms LAWRIE: I do not think so. I am happy to seek clarification on that. I think the region ones were referred to this output.

Madam CHAIR: The four regions?

Ms LAWRIE: Yes.

Mr GILES: We will take it on notice again.

Ms LAWRIE: Okay.

Question on Notice No 4.11

Madam CHAIR: Restate the question, member for Karama.

Ms LAWRIE: Chief Minister, what is the budget for the Central Australian region, Barkly region, Big Rivers region and east Arnhem region, how many staff are employed and at what level are they employed?

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: The question asked by the Leader of the Opposition is number 4.11.

Ms LAWRIE: Did you take a question on notice before on the Cabinet office? I know you did with the Marketing Bureau?

Mr GILES: Yes, we took that one earlier.

Ms LAWRIE: Chief Minister, in September 2013 you announced you struck a deal for a 99-year lease of 10 000 ha of land on the Tiwi Islands in exchange for \$1m in investment and a \$2.8m loan. Could you advise the status of that?

Mr GILES: That is not quite right and I refer you to written question and answer 149.09. The Northern Territory government is committed to economic development on the Tiwi Islands and the creation of jobs for Tiwi people, unlike Labor. The Tiwi people have a proud history of commerce and today own and operate a number of successful enterprises. The Tiwi people recognise that investment and development will create additional opportunities on the Tiwi Islands for Tiwi people.

In August 2013 the Land Development Corporation - and this is where you should be directing your questions - paid \$1m - I will answer it here because I am so nice and willing to be supportive - excluding GST up-front and in good faith to facilitate leasing 10 040 ha of land on the Tiwi Islands. This payment was made to Tiwi Resources, the entity nominated by the Tiwi Land Council. This payment demonstrates a commitment to working with the Tiwi to develop their lands for their economic future and is conditional upon consent as per the provisions of the *Aboriginal Land Rights (Northern Territory) Act 1976*. The purpose of this project is to progress commercial development on the Tiwi Islands in a manner that is supported by traditional owners for job creation and economic development benefitting Tiwi Island residents.

The Land Development Corporation is working with the Tiwi Land Council, traditional owners and affected Aboriginal Tiwi Islanders to identify lands suitable for leasing. Should appropriate lands be identified, the Land Development Corporation will lease those lands on the Tiwis for 99 years subject to traditional owner and ministerial consent and compliance with the *Aboriginal Land Rights (Northern Territory) Act 1976*. The Land Development Corporation anticipates it will sublease this land to businesses on a commercial basis. It is not our intent to make any money out of this, only to facilitate development on the Tiwi Islands to support the interests of the Tiwi Islanders as they support economic development and want jobs.

Ms LAWRIE: On that, \$1m occurred in facilitating a lease. Has a lease been struck?

Mr GILES: We are still in negotiations regarding the lease.

Ms LAWRIE: Is there a time frame?

Mr GILES: Initially we wanted six months, but we have spent a lot of time identifying the most appropriate land. It is comprised of 10 000 ha for partial agricultural purposes, 10 ha for rural residential or residential type purposes - mainly waterfront - available for any person to purchase a block of land and build a house on it, 20 ha for high-end tourism, industrial and agricultural purposes, including land near the new port and the ferry landing, and 10 ha of township land, including land around Wurrumiyanga.

In regard to the time frame - you should ask the Minister for Land Resource Management for more information on this - the Department of Land Resource Management is spending a lot of time over there identifying suitable areas for development of pastoral agricultural purposes, undertaking water hydrology studies, soil qualities and talking to traditional owners about what is suitable for them and what is not.

In regard to high-end tourism, we are working on a good site for hotel/motel type arrangements similar to what is on Groote Eylandt, how that can be best facilitated in its geographical location on Bathurst or Melville, and access points to and from the ferry. We are not hard and fast about the time frame. We were looking at six months but, for us, it is about getting it right and consulting as much as we can.

The Tiwi Islanders - I was over there recently - are excited about it and see the benefits and the opportunity. More than anywhere in the Territory, the Tiwi mob are demanding from me jobs and development all the time, and I am excited by it.

Ms LAWRIE: With facilitating the lease, obviously the six months has come and gone from the September announcement. Are you looking at conclusion by the end of this calendar year or ...

Mr GILES: I would be happy with a conclusion tomorrow but I will not rush negotiations. The most important thing in economic development in regional remote areas is to work with people, have people come along with you or you go along with people, not force things on them. If I set an unrealistic time frame

we might get the lease wrong, the model wrong, get it wrong for ourselves or wrong for the Tiwis. All pressure, all care, all resources provided - let us work together in a partnership.

Ms LAWRIE: No time frame at all? Not within a year or 18 months?

Mr GILES: As I said, as soon as possible.

Ms LAWRIE: You have paid \$1m to facilitate a lease, you do not have a lease, and you do not have a time frame?

Mr GILES: No, we have a time frame. We have to be fair and reasonable. We will not set ...

Ms LAWRIE: What is fair and reasonable, Chief Minister?

Mr GILES: Fair and reasonable is what is determined to be fair and reasonable at a point in time by the people making the decisions. I would have liked it completed by October last year but I will not push the Tiwi Islanders over a cliff.

Ms LAWRIE: It would be reasonable, given an expenditure of \$1m, to ask what a fair and reasonable time frame is for conclusion of these negotiations.

Mr GILES: It would have been fair and reasonable for a government in power for eleven-and-a-half years to conduct economic development on the Tiwi Islands, but you did not do it. We are doing it. I am taking it up with gusto. I am the chief person responsible for it. I have dedicated officers within the Chief Minister's department working on this. We are over there all the time, working in partnership with the Tiwi Islanders.

I am excited by it. This will be ground-breaking for the Territory. I am looking forward to it being concluded to a certain point of time with a lease. However, this will continue for a long time to reach successful outcomes.

Ms LAWRIE: No time frame despite expenditure. Chief Minister, in February this year it was reported Mitsui and Co had signed an MOU with the Tiwi Plantations Corporation.

Mr GILES: How exciting was that? I was thrilled to be there for it. That was fantastic. I worked so hard to make that happen. The visits to Japan, working with Mitsubishi, Mitsui, Japan Incorporated - Gary Barnes was there, the Office of Asian Engagement and Trade - we all worked very hard and that is a foundation step to get a multinational Japanese company undertaking development on Aboriginal land. While it is only an MOU today, the opportunity of \$200m being achieved through woodchip from the forestry project is fantastic.

Ms LAWRIE: How is that proceeding, Chief Minister? What is the status of that?

Mr GILES: It is proceeding quite well. They are moving towards a point when they have to get the harvesting done for the forestry project. The new port has been developed through Ezion. This is a commercial matter for them so you should ask the company, but I think they are at the point of buying equipment to do the wood chipping, so it is all working quite well.

I know Mitsui is extremely happy, the Tiwi Islanders are extremely happy, 13 members of the Legislative Assembly – maybe 14, I should not forget you, Gerry – are supportive of Tiwi Islanders. It is quite good.

Madam CHAIR: Sorry to interrupt you, Opposition Leader, it is 2.30 pm. We have been going for two hours. I might call a five-minute break so people can refresh themselves and we will come back in five minutes. Thank you.

The committee suspended.

Madam CHAIR: We are still on Output 7.5, Opposition Leader.

Ms LAWRIE: Chief Minister, regarding the announcement of Mitsui and the MOU with the Tiwi people, at the time you said it would generate 100 jobs for local people. Do you know how many Tiwi Islanders have been employed to date?

Mr GILES: You are best putting those questions to the company.

Ms LAWRIE: Do you get a monthly report update or a quarterly report update on this project?

Mr GILES: No, not in relation to how many people are employed by the forestry company. It is a private company so you had best ask them.

Ms LAWRIE: You are not assessing how it is going. Okay, that is fine.

Mr GILES: It is not a case of not assessing it ...

Ms LAWRIE: If you are not getting reports you are not assessing it.

What is the status of the Kenbi land claim? It was close to being resolved in August 2012, so where is it at today?

Mr GILES: In regard to the Kenbi land claim, you should have asked that in Output 7.1.

Ms LAWRIE: Has it nothing to do with Regional Coordination and Economic Development?

Mr GILES: It comes under Strategic and Federal Policy Coordination between us and the federal government. You should have asked earlier.

Mr WOOD: I was stuck in the lift. Could I ask a question on the Tiwi Islands?

Madam CHAIR: Are you all right?

Mr WOOD: I went to the library.

Mr GILES: We were still on the output area anyway.

Mr WOOD: I thought you may have switched.

Madam CHAIR: No, you are all right.

Ms LAWRIE: Do you want to ask a Tiwi question?

Mr WOOD: Yes, if I could. Minister, I have a great affiliation with the Tiwi Islands; I spent quite a bit of time there. Some of my family were born there, and I had the most dangerous job in the world umpiring football there. I have some questions about development. Why did you would pay \$1m up-front for an idea which would have to be studied first? I spoke to a horticulturalist when you announced 10 000 ha of land for cultural development. He nearly fell over, and I nearly fell over. Horticulture is my background, and 10 000 ha for pineapples or sweet potato is out of this world. That is an enormous amount of land for a horticultural crop.

You mentioned it might be agriculture. Water is an issue on the island. Would it not have been better to tell the Tiwis you would do a feasibility study first and an environmental impact study? 'We will come back to you with some valid concepts supported by the facts'. We also have the issue of markets. What will you grow there that will have a market? The cost of production to grow vegetables on the Tiwi Islands is much higher. Fertiliser would have to come over by barge and to send plants back to Darwin – all costly.

Would it not have been better to say, 'This is our idea and we would like to help you'? Why are we spending \$1m up-front before you have something solid to give them?

Mr GILES: In regard to research and development, they are some of the activities happening at the moment. In how we structured the lease payment, we decided to do it up-front because we thought that was the best way. Fundamentally, it was a commercial decision taken by Cabinet, but we believe it was the best approach to illustrating our support for the Tiwi Islanders and for economic development while sending a strong signal to the rest of Territory, particularly in regional remote areas. We are supportive of economic development and will not take the same approach as previous Labor governments where they just stymied investment in the bush. The decision was made.

Mr WOOD: You understand I have seen grand plans before. You only have to look at the forestry on ...

Mr GILES: The issue, Gerry, - cutting you off without being rude - is if we studied and researched – you never get to an end point.

Mr WOOD: No business person or company would invest in anything unless they did a feasibility study. Are the soils all right?

Mr GILES: Mitsui have agreed to do \$200m worth of work.

Mr WOOD: They are chipping, not growing. If you clear land you need to know the slopes. Soil types on Melville Island ...

Mr GILES: They have signed an agreement without having all the equipment there.

Mr WOOD: ... are highly erodible. All the water is ground water. You have the issue of distance from market, even from Darwin because you have to bring everything by barge. They are the basic things you could have studied before saying to the Tiwi Islanders, 'Here is your \$1m cheque and this is what we think we can do'. What happens if it is not feasible? Do the Tiwi Islanders keep the \$1m or, if it goes ahead and you find a company interested in leasing the land, will you get the \$1m back from that company?

Mr GILES: I would not say it is necessarily about us leasing land to a company. LDC is taking on the role of facilitator to provide supportive land tenure arrangements for investment. The way leasing works now – the former Labor government had leases all over the Territory at huge expense – they go through the Office of Township Leasing in Canberra, which is a model that prohibits speed and development in the Territory. It is my firm recommendation that the OTL should come to the Territory and I have requested that of minister Scullion. LDC is an opportune environment to do that. LDC is not about making money, it is there to facilitate advancement and provide security of access. The reason it was involved in the first place was under my guidance and direction because I believed they were best people to provide that solution.

Whether the study should have been done before or after is subject to conjecture. It says, from my point of view, the Giles government, the Country Liberals government, wants to drive economic advancement in the bush as it has never been done before. This is a firm signal to make that occur.

Mr WOOD: Remember what I said to you at the start? I am supportive of open for business as long as it is sustainable. I will give you an example. I worked on Bathurst Island and we had three gardens. We had problems with one of our gardens because it was on a slope. Before we developed a new garden the department assessed the land for suitability before we cleared any trees. We did the work and found water. I expect the government to do some preliminary work before it hands over \$1m.

I am supportive of open for business, but - you get this for and against - I support what you are trying to do for the Tiwi Islands, but I do not want to have 10 000 ha of land stuffed up and cleared for something that will not happen. The Northern Territory is littered with grand ideas which were not planned properly and that is what concerns me. It is not about not supporting the Tiwi people getting on with the job, it is making sure the decision-making at the beginning is sound and scientific. What I see is \$1m handed over before the work has been done, and that does not make sense to me.

Mr GILES: All the planning work is under way now. There was already knowledge of soil types and water quality and availability before we entered into the arrangement. That work is happening right now. If we took the alternate approach of sitting on our hands, studying and navel gazing, to a large degree we would be in the position we are now with many other communities.

You do not hear me talk about what is happening economically in any other community in the Territory, but I can tell you there is a range of communities where we are trying to do similar work but have not done the up-front advancement for economic development. The reason is there is not that high level of support, desire and growth.

The Tiwi people are pumped about economic development. I want other communities to be pumped about economic development. I will throw the kitchen sink at every other community, just like we are doing on the Tiwi Islands, to drive change.

I understand you have a different position on how to do it. This is how we have chosen to do it. We had conducted studies and analysis before. We believe the opportunity is there. We have provided that support

because we want to see the Tiwi forestry project continue, we want the port utilised and we want to see resources go in there.

I will give you an example of some of the research. Minister Willem Westra van Holthe is the best to answer this, but some of the analysis the Department of Land Resource Management has been doing over there - pretty much the whole department has been over there working to assist the Tiwi people. Without us having that focus on economic development it would not have happened.

There are other strategic areas of the Northern Territory we are working in right now which do not have as much emphasis or as much community support because we have not been as public or displayed our intention in that area. That has helped drive change.

Madam CHAIR: Sorry to interrupt. I would like to acknowledge Steve Hatton, former Chief Minister, who has joined us in the gallery this afternoon.

Mr WOOD: Without harping on it, the problem I have is you are enthusiastic and want change - I do too – but, surely any government worth its salt would make sure preparation is one of the most important – not sitting on your hands. Sitting on your hands is sitting on your hands. Preparation is a wise thing for government to do, especially if it has just handed over a cheque for \$1m. That, to me, makes common sense. I worry about the government being blinded by being open for business. 'Let's hand out as much water as we want, we are open for business. Let's cut up as much land in the rural area as we want, we are open for business. Let's cut up the Tiwi Islands - 10 000 ha.' Where did that figure come from? Did it come out of the sky? 10 000 ha is a lot of land. To clear it will cause environmental issues. You need to know about the soil type, slope, water facilities, roads, how you get to market and how you bring stuff there.

That is not sitting on your hands; that is good, sensible, wise government. Surely, that is what you need to do ...

Mr GILES: A lot of that analysis is already known.

Mr WOOD: Can we see the analysis? Has an analysis been done into the viability of this project?

Mr GILES: There has been analysis done on a whole range of things on the Tiwi. An analysis has been going on for a while. The final analysis will be ready for us to look at shortly.

Mr WOOD: I put on the record I am very concerned that we are spending \$1m of taxpayers' money without having good work done at the beginning of this project.

The other thing minister, you mentioned houses along the beachfront. The CLP is famous - has been around for a long time - for putting houses on beachfronts. I say allow the land on the beach and back to be public land. I would love to know if the Tiwi people expect you to sell beachfront blocks of land. Wagait Beach is a classic example of where it is difficult. Murrumujuk was originally to have blocks of land on the cliff face. Dundee Beach is another example. I hope there is proper planning, if you have beachfront development, that the beach and some of the area behind the beach is retained as public land, a bit like the Esplanade. Do you intend to have people on the beachfront owning that bit of land, or will you allow that land to remain as public land?

Mr GILES: Open for consultation.

Mr WOOD: I worry it will be ...

Mr GILES: I will take it on board.

Mr WOOD: Thank you, minister.

Madam CHAIR: Are there any further questions on Output 7.5?

Ms LAWRIE: Yes. Will you answer Kenbi regarding a status update here - where negotiations are at and when we can expect a sign off?

Mr GILES: No, you missed that output area, sorry.

Ms LAWRIE: It is not under the Regional Economic Development Unit.

Mr GILES: It is under Strategic and Federal Policy Coordination.

Ms LAWRIE: Blue Mud Bay. How are you going with your negotiations with land councils regarding permit free access to fishing?

Mr GILES: That is under Output 7.1 - Strategic and Federal Policy Coordination.

Ms LAWRIE: It is not federal.

Mr GILES: It is under Strategic and Federal Policy Coordination.

Ms LAWRIE: Why, it is regional not federal. I can understand Kenbi because it includes the Commonwealth government, but Blue Mud Bay does not.

Mr GILES: It is the output area.

Ms LAWRIE: You are making it up as you go along, Chief Minister?

Madam CHAIR: Are there any further questions on output ...

Ms LAWRIE: Seriously, you are saying Blue Mud Bay does not come under regional and economic development? Is that true, or you just do not want to answer it? If you do not want to answer it just say so.

Madam CHAIR: It does not fit with any other output, Chief?

Mr GILES: No, it is in the output Strategic and Federal Policy Coordination.

Ms LAWRIE: Okay, I will ask it at the end.

Mr GILES: If the Leader of the Opposition knew how things worked she would know that.

Ms LAWRIE: I will ask Kenbi and Blue Mud Bay at the end. That is good.

Madam CHAIR: That concludes consideration of ...

Mr BARRETT: I have one for Output 7.5. We talked about the Tiwi Islands, we have already talked about Nhulunbuy and the activities there, and I was wondering if you could talk us through what is happening in Tennant Creek – an update on the local regional development plans for that area. It seems to be piggy in the middle sometimes.

Mr GILES: It is good to get a question on Tennant Creek, member for Blain. Being a new member to parliament it is good to see Tennant Creek is mentioned.

When you talk about the Tiwi Islands, I take a lead role in that from a government point of view. I also try to take a lead role in Tennant Creek and how we can support Tennant. I had the unfortunate experience of hearing the member for Barkly ask a question yesterday during estimates. He was talking about how to get long-lasting development in Tennant Creek and about certain numbers. I thought how hypocritical he was asking how to get long-lasting legacies in Tennant Creek and the Barkly. More than \$36m was spent on SIHIP in Tennant Creek - \$36m and not a new house built, not a new bedroom built and no extra bedrooms in Tennant Creek or no-long lasting legacies.

If there was somewhere I feel for the most in the Northern Territory in regard to the economic paradigm it is Tennant Creek. Tennant had a Cabinet minister and there is no long lasting economic activity in Tennant Creek after that Cabinet minister.

The same at Borroloola - how do we support Borroloola going forward? I know there are challenges in many parts of the Territory and we spoke about Gove and Nhulunbuy today and about Aboriginal communities, but one of the Territory's major towns had a Cabinet minister and has no long-lasting economic activity or legacy. It is quite sad and we are doing our best there.

We have our new Regional Economic Development Committee there, one of the best performing economic development committees in the Northern Territory. It is looking to identify and pursue economic opportunities in the town.

I recently spoke to a proponent who is trying to get Battery Hill up and running in gold production, which is exciting. There is only 1000 ounces of gold, but it looks like that will get over the line with the support of government. There is no support from the local member, not one bit. We are driving it ourselves. Me, as Chief Minister in Darwin, and the local proponents, having to go around the local member because he wants to stop economic development, member for Blain.

I can advise you a couple of specifics. Earlier in 2014, the Regional Economic Development Fund granted \$16 720 to the Barkly Regional Council to undertake a feasibility study to determine the viability of building a business centre and commercial accommodation in Elliott. While you talk about Tennant Creek, it is part of the region and what we can do in Elliott.

I have spoken about what is happening with Battery Hill, but we have also provided \$235 000 for infrastructure repairs to cover the operational costs of the Battery Hill mine, which can support development and tourism. Battery Hill, as a tourist destination, was in need of much TLC to get it up and running.

We have also been providing a range of different investments in Tennant Creek. Our new Chief Minister's department will facilitate some of those economic opportunities, and Steve Edgington, who the member for Barkly personally attacked in parliament a couple of sittings ago, is providing good guidance and stewardship of the department. He has been at the forefront of coordinating the gold development in relation to ounces going through Battery Hill and what comes out of Warrego. It has been quite exciting. He has also been leading some of the discussions to ensure we have more money going towards school nutrition and home economic programs at Alekarenge School, the airstrip at Canteen Creek and getting \$4.8m for the remote health centre at Canteen Creek. A lot of stuff is happening in the area. They do not have an economic plan. People are working on it, the committee is working on it, I am working on it and we are a long way behind. There has been plenty of money suck into Tennant Creek, but no legacy. They are behind and we have to drive them forward. It is a challenge.

Thank you for your question. I think it is good Tennant gets a mention. It is a pity the member for Barkly is not here to ask questions.

Madam CHAIR: Does that finish Output 7.5?

Ms LAWRIE: Yes.

Madam CHAIR: That concludes consideration of Output 7.5.

Output 7.6 – Community Engagement and Support

Madam CHAIR: We will now consider Output 7.6 - Community Engagement and Support. I note that while the Chief Minister is responsible for Community Engagement and Support as a whole, Multicultural Affairs, Senior and Young Territorians are a subset of Community Engagement and Support and questions relating to such will be answered by minister Styles on Tuesday 7 June. Are there any questions?

Ms LAWRIE: Chief Minister, what is the budget for Social Policy Coordination, what are the staffing levels and how many are employed.

Mr GILES: I will take it on notice.

Question on Notice No 4.12

Madam CHAIR: Clearly restate the question please.

Ms LAWRIE: Chief Minister, what is the budget for the Social Policy Coordination area, what are the staffing levels and the classifications at which they are employed?

Madam CHAIR: Chief Minister, do you accept the question.

Mr GILES: Yes.

Madam CHAIR: That is question number 4.12.

Mr GILES: Keep in mind they also support minister Styles through Seniors, Multicultural Affairs and Youth Affairs.

Ms LAWRIE: I am sure you will identify that in your description of titles.

Mr GILES: They have a global approach.

Ms LAWRIE: Chief Minister, the non-government sector is crucial to delivering services across our communities. They have been hit with a double whammy with cuts from both the Territory and Commonwealth governments. Are you aware of the extent cuts occurred across the non-government sector?

Mr GILES: I am aware of many things. The Northern Territory government recognises the objectives it shares with the NGO sector and the important role the sector plays within the community. Several new initiatives have been introduced to build the working relationship between the NT government and the NGO sector.

One of your earlier questions was does Framing the Future still exist. I am not surprised you do not know that, but Framing the Future is the overarching documentation that drives the way the Northern Territory moves forward with its prosperous economy and our focus on culture and social and environmental aspects. They are the four pillars that will grow the Northern Territory. You can categorise it as growing the Territory in an economic sense, but across the pillars of social, cultural, environmental and economic.

Under that sits developing northern Australia and many other areas come under that, including Asian engagement and trade, economic development, rural and remote management and development and the list continues.

In regard to how we work with the Northern Territory organisational sector, there are biannual meetings between me and the NGO sector. Other ministers have meetings with the NGO sector and make sure we have good face-to-face feedback. We have put in place a new business support pilot program which has been trialled by the Department of Business, which can give you more information on that. That program will assist to strengthen the capacity of NGOs to function as independent financially viable businesses. It will also provide advice and assistance to NGOs looking to diversify or start up a new social enterprise, which will potentially provide the organisation with an alternative source of income or to trade for social good. We have designed that program specifically in regard to assisting communities to get off their reliance on government funding and generate own-source revenue, to a degree, while they deliver their programs and deliver an expanded level of programs and services they agree to.

We have an NT government/NGO sector partnership group. It was established and is co-chaired by government and the NT Council of Social Services. I pay respect to Wendy Morton, who does such a good job in NTCOSS. We also have senior representatives from Anglicare, APO NT – Aboriginal peak organisations – Tangentyere Council, Congress, and a range of other people from across the Northern Territory.

A whole-of-government funding policy for NGOs who are contracted to provide services on behalf of government has been developed in close consultation with representative groups from the sector and guided by that partnership group. We are looking for the policy to be implemented at the start of the 2015 financial year. One of the key things we are looking at is how we can advance the contractual arrangements and bring forward the time frames from when Labor used to provide contracts to NGOs to an earlier stage to give a greater level of certainty to those organisations, and a greater level of stability to employees within those organisations, who quite often face an uncertain future about their employment conditions.

Ms LAWRIE: Very uncertain under you, Chief Minister. You have slashed their budgets, and, in the case of environmental NGOs, removed funding for operations altogether.

Mr GILES: That was done by the EPA. I know many people are disappointed who could not do it themselves.

Ms LAWRIE: Chief Minister, your government did it and you brushed it aside in earlier questions. Will you move to triennial funding rather than annual funding, as the non-government sector has called for?

Mr GILES: I am not sure. We are developing a policy, as I said in my last answer.

Ms LAWRIE: Do you have a view on that as Chief Minister?

Mr GILES: I have many views on many things, Leader of the Opposition.

Ms LAWRIE: Do you want to express your view at estimates?

Mr GILES: No, I do not.

Ms LAWRIE: You do not want to express your view?

Mr GILES: I gave a detailed answer that a policy will be announced in early 2015. That is fair and reasonable.

Ms LAWRIE: You clearly do not want to express whether it will be triennial.

Mr GILES: I talked to the NGO sector ...

Ms LAWRIE: Chief Minister, you have spoken a lot about the importance of improving the safety of women and children. Obviously non-government sectors are at the forefront of delivering services such as supported accommodation. Is there any additional funding for services which support women and children in the non-government sector?

Mr GILES: You would be best to put those questions to minister Elferink as Attorney-General and Minister for Justice, or minister Conlan as Minister for Housing.

Ms LAWRIE: There was an \$8m slash to the Department of Children and Families. The non-government sector has had its funding slashed. You have been, as Chief Minister, front and centre of a campaign to improve the safety of women and children. Surely some initiatives will flow out of your social policy unit to improve services that support women.

Mr GILES: I will repeat my answer: you best put your question to the Attorney-General and Minister for Justice, to the Minister for Housing, or to minister Price in Women's Policy.

Ms LAWRIE: We know you do not care.

Madam CHAIR: Are there any further questions on Output 7.6? That concludes consideration of Output 7.6 and Output 7.0.

OUTPUT GROUP 8.0 – GOVERNMENT BUSINESS SUPPORT **Output 8.1 – Support to Ministers and Leader of the Opposition**

Madam CHAIR: The committee will now proceed to Output Group 8.0 - Government Business Support, Output 8.1 - Support to Ministers and Leader of the Opposition. Are there any questions?

Ms LAWRIE: Chief Minister, what is the expenditure for the office of the Chief Minister from the period 30 August 2012 to 30 June 2013? What is the actual expenditure? What are the staffing levels? What are the staffing classifications?

Mr GILES: It was provided to you this morning in the answers to written questions.

Ms LAWRIE: Can you refer to me which one?

Mr GILES: You ask the questions, we just answer them. We have provided it.

Ms LAWRIE: I do not know if you have done 30 August to 30 June - that time frame.

Mr GILES: It is not 30 June yet so it is hard to provide costs.

Ms LAWRIE: No, I am talking 2012-13. I am checking if you are clear about the time frame I am asking for.

Mr GILES: We have provided answers to the written questions. If you need us to help you read the answer we can. We will go through all of them if you like.

Ms LAWRIE: If you seek advice, Chief Minister, it might not be the time frame in the written questions.

Mr GILES: I do not need advice. What time frame did you seek in your written question?

Ms LAWRIE: Chief Minister, I am requesting the budget expenditure for the office of Chief Minister from 30 August 2012 to 30 June 2013. I am requesting classifications and numbers of staff.

Mr GILES: Now you want classifications and number of staff?

Ms LAWRIE: Yes.

Mr GILES: All right. You wanted expenses before.

Ms LAWRIE: If you want to refer me to the written answer, I will check the time frame and see if they are too far out from what I want. It is specifically the office of the Chief Minister which includes ministerial ...

Mr GILES: We will take it on notice if you want everyone's salary, everyone's name and their classification.

Ms LAWRIE: Not their name. It is the classification level and number of staff.

Mr GILES: Yes.

Ms LAWRIE: I am not asking for names.

Mr GILES: We know you like building hit lists.

Question on Notice No 4.13

Madam CHAIR: Opposition Leader, do you want to restate the question for the record?

Ms LAWRIE: Chief Minister, could you provide the budget expenditure for the office of Chief Minister which includes, obviously, not just your office but all the ministerial offices, the classification levels of staff and staff numbers. For example, you have two ECO2s. Total staff numbers and classification levels.

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: In what pay period?

Ms LAWRIE: The closet pay period 30 August 2012 to 30 June 2013.

Madam CHAIR: Will you accept that question?

Mr GILES: Yes.

Madam CHAIR: That question is number 4.13.

Ms LAWRIE: Chief Minister, what is the office of Chief Minister budget expenditure from 1 July 2013 to 31 March 2014?

Mr GILES: Are you talking about the whole office of Chief Minister, including all ministers?

Ms LAWRIE: Yes.

Mr GILES: \$11.127m.

Ms LAWRIE: What does that figure include?

Mr GILES: It includes lots of things.

Ms LAWRIE: What are the categories of breakdown?

Mr GILES: Employee or operational?

Ms LAWRIE: Both.

Mr GILES: \$8340 for employee and

Ms LAWRIE: Could you table that, Chief Minister?

Mr GILES: No, you already have it.

Ms LAWRIE: Can you refer me to it?

Mr GILES: 161.10.

Ms LAWRIE: Could we have, for the period 1 July 2013 to 31 March 2014, the number of employees and their classification levels?

Mr GILES: We will take it on notice.

Question on Notice No 4.14

Madam CHAIR: Please restate that.

Ms LAWRIE: For the office of Chief Minister, which includes the ministerial offices, for the period 1 July 2013 to 31 March 2014, the numbers of employees and their classification levels?

Madam CHAIR: Chief Minister, do you accept the question?

Mr GILES: Yes.

Madam CHAIR: The question asked by the Opposition Leader is question number 4.14.

Ms LAWRIE: Can you confirm, Chief Minister, if any ministerial staff have sat on selection committees for public servant positions?

Mr GILES: Not to my knowledge. We do not do that; that is a Labor initiative. We do not do that in our government.

Ms LAWRIE: Definitely have not? There are rumours going around they have so I thought I would ask the question.

Mr GILES: Only created by you; you like to trade in the gutter.

Ms LAWRIE: No, that is what I have heard.

Mr GILES: The way it operates under the Country Liberals is I appoint chief executives and the administration is run by the chief executives. I know Labor put its mates throughout the public service. That is not what we do ...

Ms LAWRIE: I think you are up to \$4.8m worth.

Mr GILES: We have a clear and transparent approach to how it works.

Mr WOOD: The DCA.

Mr GILES: What did you say, Gerry?

Mr WOOD: The DCA.

Madam CHAIR: Are there further questions?

Ms LAWRIE: Yes. I just have to look at the written answer to work out the next couple of questions.

Chief Minister, in the expenditure in written question 161.10 under consultants fees, could you please provide a list of consultants?

Mr GILES: That is already provided in the answers to written questions, Leader of the Opposition.

Ms LAWRIE: Which answer to written question is that?

Mr GILES: I will find that answer for you again. It is 161.13.

Ms LAWRIE: Thank you.

Mr GILES: Do you know you have asked some of these questions already?

Ms LAWRIE: Chief Minister, I was given these this morning and have been questioning you ever since. I have not had the opportunity to check them.

Mr GILES: Surely you knew what you asked for in writing?

Ms LAWRIE: That is why estimates happens. It is quite usual in estimates for the Chief Minister to refer the Leader of the Opposition, when asking questions, to where they have been provided in tabled documents. It is normal, so you can relax instead of getting aggressive.

Mr GILES: No, I am not aggressive. I think it is funny you have spent the last five minutes talking about questions you have already asked.

Ms LAWRIE: Can you provide advice as to whether any certificates of exemption have been signed off by the Department of the Chief Minister?

Mr GILES: Up to 31 March, no.

Ms LAWRIE: None? Okay.

Mr GILES: I think that is in the answers to written questions too, is it not?

Ms LAWRIE: Thank you.

Mr GILES: I can go through the written questions if it makes it easier and read the answers out?

Ms LAWRIE: No, that is okay, Chief Minister.

Mr GILES: We will just keep referring back to them.

Ms LAWRIE: Thanks for offering to be helpful though, I really appreciate that.

Mr GILES: No worries.

Ms LAWRIE: Chief Minister, that is the end of Output 8.1. I have a small one on Output 8.2, if that helps the committee.

Madam CHAIR: Are there any further questions on Output 8.1?

Mr GILES: I would like to make a few statements in regard to 8.1 - Support to Ministers and Leader of the Opposition.

Ms LAWRIE: That is not within the process of estimates. We are asking questions ...

Mr GILES: Is it not fair everyone knows you are over budget?

Ms LAWRIE: You can make statements outside.

Mr GILES: Any questions?

Ms LAWRIE: It is outside standing orders.

Madam CHAIR: Chief Minister, it is the practice you have to be asked a question before ...

Mr HIGGINS: I will ask. Can you give me an update on that please, Chief Minister?

Mr GILES: The Leader of the Opposition's office? I am happy to give you an update on the Leader of the Opposition's office. Thank you, member for Daly.

I will flick through my notes in regard to the Opposition Leader's office. I made a slight reference to it earlier today, member for Daly. Here is something I prepared earlier. The 2013-14 projected expenditure for the office of the Leader of the Opposition is \$1.626m - an overspend of 44.53%.

Ms LAWRIE: I am under the \$1.8m Terry Mills had and under the \$1.7m I signed up to.

Mr GILES: It is interesting to think this is the former Treasurer, someone who proposes to be a Chief Minister one day ...

Ms LAWRIE: It was 2007 the last time the opposition budget was \$1.7m.

Madam CHAIR: Opposition Leader, please cease interjecting.

Ms LAWRIE: It was 2007.

Mr GILES: ... yet has the inability to manage ...

Ms LAWRIE: I will not be nobbled by you, Chief Minister.

Madam CHAIR: Opposition Leader!

Mr GILES: ... her own budget. Yes, she has gone through two Chiefs of Staff as well as the current Chief of Staff. The two former Chiefs of Staff, and the current Chief of Staff, have been advised of the projected overspend in budget meetings held on 23 January 2014, 5 March 2014, 14 March 2014 and 16 May 2014 ...

Ms LAWRIE: We are working to \$1.7m.

Mr GILES: The then Chief of Staff was made aware of a salary overpayment to a previous staffer in March 2014. The Department of the Chief Minister ...

Ms LAWRIE: A mistake made by the Department of the Chief Minister.

Madam CHAIR: Opposition Leader, please cease interjecting.

Mr GILES: Madam Chair, can I have some silence to give the answer.

Madam CHAIR: The Chief Minister is answering the question.

Mr GILES: It is a very important question asked by the member for Daly.

Ms LAWRIE: Misleading.

Mr GILES: You can make a substantive motion.

Ms LAWRIE: You can keep misleading; you have been doing it most of the day.

Mr GILES: The Department of the Chief Minister's staff were subsequently requested in May 2014 to commence the recovery process. The Leader of the Opposition's hospitality expenditure is over budget with year to date costs running at 148% over budget. That is plenty of beer, wine and spirits in the Leader of the Opposition's office, member for Daly. Hospitality is a discretionary expense and over expenditure can be managed on a month-to-month basis. Department of the Chief Minister officers have met with staff of the Opposition Leader to discuss the overspend and provide guidance on areas of overspend.

When asked to explain the overspend, the Leader of the Opposition's office staff indicated that budget adherence is not a priority. Are we surprised with that? This is the same way the previous Treasurer ran the budget, when they were enormously in deficit and put the Territory enormously in debt, taking away our children's future ...

Ms LAWRIE: Getting a bit desperate.

Mr GILES: The Department of the Chief Minister's office was requested to seek a Treasurer's Advance to obtain additional budget allocation. This is how Labor does its budget - it gets an advance. That is, they borrow money and create more debt because they cannot live within their means.

Like all taxpayer-funded entities, the Leader of the Opposition's office has a responsibility to live within its means. It is improper for taxpayers' funds to be used in an unexplained or unmanaged way. As the leader of an alternative government, the Leader of the Opposition has a responsibility to demonstrate prudent financial management and should be accountable for her officers' expenditure. However, she is now brushing that off her shoulders in the same way she brushed off \$5.5bn worth of debt.

Ms LAWRIE: I will come in under \$1.7m, which is the 2007 ...

Madam CHAIR: Opposition Leader, you cannot continue interrupting the Chief Minister in his response.

Ms LAWRIE: He is making allegations about me.

Madam CHAIR: He is answering.

Mr GILES: This is factual information.

Ms LAWRIE: No it is not, you are making it up.

Mr GILES: I am happy to table the factual information.

Ms LAWRIE: You are making it up.

Mr GILES: Government may need to consider its available options to address the budget overspend ...

Ms LAWRIE: Because you are desperate to nobble opposition.

Mr GILES: ... if there is no improvement, which may include Department of the Chief Minister staff approving all payments and all staff appointments.

Ms LAWRIE: Never happened in history and the last time an opposition budget was \$1.7m was 2007.

Mr GILES: Madam Chair, this is repetitive.

Madam CHAIR: Opposition Leader!

Mr GILES: Madam Chair, if the Leader of the Opposition wants to be petulant in this committee hearing process can she be quiet or asked to leave.

I think I provided a fair oversight of what is happening in the Leader of the Opposition's office. I might keep this in case I have to refer to it later.

Madam CHAIR: Thank you. Is that all for Output 8.1?

Ms LAWRIE: No. Chief Minister, could you provide the hospitality amount for the office of Chief Minister?

Mr GILES: I think you will find that is provided in the answers to written questions as well.

Ms LAWRIE: I am asking you, what is the total?

Mr GILES: It is in 161.10.

Ms LAWRIE: Yes, but what is the total? It says under the description 'entertainment/hospitality' year-to-date \$111 000.

Mr GILES: I will add this up because you cannot read the one in front of you.

Ms LAWRIE: Is it correct to say, under 161.10, year-to-date ...

Mr GILES: It is also in 161.16. If you read that you will see ...

Ms LAWRIE: Entertainment hospitality for ...

Mr GILES: Hang on, I am giving you the answer. Do you want the answer? I will give it to you and, Madam Chair, I reflect on my previous comment about interjections. If it continues I will be asking the member be removed so I can go through this.

Ms LAWRIE: Remove the Opposition Leader from estimates, that is a novel one.

Mr GILES: In 2011 - I will get my calculator to make it easier.

Ms LAWRIE: That was not the question. I am asking year-to-date, from 1 July 2013 to 31 March 2014, the office of Chief Minister ...

Mr GILES: If you keep going I will not answer it.

Ms LAWRIE: ... is it clear hospitality is \$111 000?

Madam CHAIR: Chief Minister, you can answer the question.

Mr GILES: In 2010-11 ...

Ms LAWRIE: Chief Minister, I am asking you to date ...

Madam CHAIR: Opposition Leader, he has not started answering the question.

Ms LAWRIE: He is not answering this question.

Madam CHAIR: I am sure he will answer this question.

Mr GILES: In 2010-11, the cost for ministerial hospitality was \$1.004m. For 2011-12, the cost was \$710 000. For the year 2012-13, the cost was \$786 000. In our year of government, 2012-13 - we have not had another full year yet - we were \$786 000. In your last full year, you were just over \$1m. There is the answer.

Ms LAWRIE: Year-to-date under the CLP, you have spent \$786 000 on hospitality.

Mr GILES: No, that is not what I said. I said in the full year 2013 it was \$786 000.

Ms LAWRIE: Year-to-date what is it?

Mr GILES: Year-to-date it is \$427 000.

Ms LAWRIE: The CLP has spent \$427 000 on hospitality?

Mr GILES: Yes, which is much less than Labor spent. Well done. What a reduction. We should pat ourselves ...

Ms LAWRIE: That is much more than Labor's spending?

Mr GILES: It is much less.

Ms LAWRIE: It is much more.

Mr GILES: It was \$427 000 and ...

Ms LAWRIE: Yes, \$427 000.

Mr GILES: We are nine months through the year with a quarter to go. That is nowhere near the \$1m you spent. It will reach \$550 000 or \$600 000.

Ms LAWRIE: The hospitality budget is racking it up, is it not? That is \$33m in the Department of the Chief Minister to run around after you.

Madam CHAIR: That concludes consideration of Output 8.1.

Mr GILES: Well done, ministers, for reducing the cost of hospitality to lower than Labor levels.

Ms LAWRIE: Well done, Chief Minister, \$33m in the department.

Mr GILES: Clearly you cannot get off the bottle in the Leader of the Opposition's office. That is why you have had a 148% increase in hospitality expenses in the office.

Ms LAWRIE: That is highly offensive and I ask he withdraws it.

Madam CHAIR: Chief Minister, the Opposition Leader is offended by your comment.

Mr GILES: I will rephrase it.

Ms LAWRIE: Of course I host functions.

Mr GILES: Clearly you cannot stop the consumption of alcohol and entertainment in the Leader of the Opposition's office because you are 148% over budget.

Ms LAWRIE: It is highly offensive. We are under budget – \$1.7m ...

Mr GILES: 148%

Ms LAWRIE: ... which was the budget in 2007, Chief Minister.

Mr GILES: Would you like me to read the answer again?

Ms LAWRIE: Opposition in the Northern Territory will not be nobbled by you.

Mr GILES: Let us move on to the next question. We do not want to be argumentative.

Madam CHAIR: I have closed Output 8.1.

Output 8.2 – Legislation Production

Madam CHAIR: The committee will now consider Output 8.2 – Legislation Production. Are there any questions?

Ms LAWRIE: No.

Madam CHAIR: That concludes consideration of Output 8.2.

Output 8.3 – Government Services and Support to the Administrator

Madam CHAIR: The committee will now consider Output 8.3 - Government Services and Support to the Administrator. Are there any questions?

Ms LAWRIE: No, just note there is a reduction.

Madam CHAIR: That concludes consideration of Output 8.3 and Output Group 8.0.

OUTPUT GROUP 9.0 – CORPORATE AND GOVERNANCE

Output 9.1 – Corporate and Governance

Madam CHAIR: The committee will now proceed to Output Group 9.0 - Corporate and Governance, Output 9.1 - Corporate and Governance. Are there any questions?

Ms LAWRIE: No.

Madam CHAIR: That concludes consideration of Output 9.1.

Output 9.2 – Shared Services Provided

Madam CHAIR: The committee will now consider Output 9.2 - Shared Services Provided. Are there any questions?

That concludes consideration of Output 9.2 and Output Group 9.0.

Non Output-Specific Budget-Related Questions

Madam CHAIR: Are there any non-output specific budget-related questions?

Ms LAWRIE: What is the status of the Kenbi land claim?

Mr GILES: That is a question best put to the minister for Primary Industries.

Ms LAWRIE: Chief Minister, in your previous answer you said I should have asked it under Output 7.1, so it is applicable to you.

Mr GILES: My advice is it is best to go toward – the negotiation of the Blue Mud Bay claims are to go towards – sorry, did you say Kenbi or Blue Mud Bay?

Ms LAWRIE: I said Kenbi.

Mr GILES: They should have been asked under Output 1.1.

Ms LAWRIE: Output 7.1, and I can now ask them.

Mr GILES: So you get a second bite of the cherry, is that right?

Madam CHAIR: No, they are non-output specific budget-related questions.

Mr GILES: This is an output specific question under Output 7.1. Output 7.1 is Strategic and Federal Policy Coordination. That is where it should have been asked.

Madam CHAIR: When you asked me about the port questions I said there may be an opportunity if it does not fit.

Mr GILES: It is in Output 7.1.

Ms LAWRIE: I am asking about Kenbi. I asked for your guidance on Kenbi and you said I could ask it ...

Madam CHAIR: No, you said you would ask it there. I cannot decide where a question goes.

Ms LAWRIE: You do not want to answer. That is fine, we will move on. Running and hiding again.

Madam CHAIR: This now concludes consideration of all output groups relating to the Department of the Chief Minister. On behalf of the committee I thank officers from the Department of the Chief Minister for attending today.

I note Output Groups 10 and 11 regarding the Department of the Legislative Assembly sit with the Chief Minister; however, as Madam Speaker is responsible for parliamentary services and corporate governance, those questions were asked of her and answered yesterday.

Mr GILES: Madam Chair, before we continue can I say a particular thank you to Gary Barnes, Chief Executive of the Department of the Chief Minister; Michael Tennant, Deputy Chief Executive, and David Ryan, Executive Director Corporate Services, for their work today on the panel. I also pay particular thanks to all those who work within the Department of the Chief Minister for assisting to coordinate the advice and efforts towards the estimates process. The support they provide me and the government in the process and delivery of good governance for the Northern Territory is outstanding. I have not worked with a more professional bunch of staff within a government agency as whole. From a departmental point of view, the Northern Territory is well served by these fine officials, so thank you.

Madam CHAIR: Thank you. We can have a three-minute changeover break.

The committee suspended.

DARWIN PORT CORPORATION

Madam CHAIR: Thank you, Chief Minister. I note the Minister for Economic Development and Major Projects is responsible for the *Darwin Port Corporation Act* except for Part 2 Division 4 regarding the Darwin port harbour master. Questions relating to the latter will be answered by the Minister for Transport on Tuesday 17 June.

I invite the Chief Minister, as Minister for Economic Development and Major Projects, to introduce the officials accompanying you, and if you wish, to make an opening statement regarding the Business Line Darwin Port Corporation.

Mr GILES: Thank you very much, Madam Chair. I am pleased to answer questions about economic development and major projects, particularly the port in this instance. I am joined to my right by Melissa Reiter and to my left by Anne Coulter. I welcome you both and look forward to providing answers.

Talking about the Darwin Port Corporation and its performance is something I regularly do in regard to its contribution to the Territory's economy and the integral role the port plays in not only facilitating trade in the Territory, but opening up new trade opportunities and providing innovative commercial direction in developing northern Australia.

Over the last two years we have seen the port punching significantly above its weight in performance and profit. Last year we saw record trade, record shipping, record cattle exports and the opening of new markets into Vietnam. A record profit last year just shy of \$11m has been followed up with another record forecast profit of \$14m, exceptional performance indeed.

The boost from the project sector in Darwin Harbour for the Marine Supply Base and INPEX construction has played a role in this, along with operational belt-tightening. I congratulate Melissa, Anne and the staff of the port for facilitating a more streamlined operation.

In 2014-15, the corporation has forecast a \$16m profit, and its performance this year and the last is a strong indication it is easily on track to realise that target to date. During the period the corporation reviewed its port tariff and implemented some increases in line with commercial expectations. It was, however, able to deliver a significant 55% rate reduction in its containerised cargo wharfage charge, bringing East Arm into a very competitive position in relation to counterpart ports in South Australia and the western and eastern seaboard and, more importantly, delivering considerable savings to its freight container customers.

The tariff improvements have seen better than expected revenue receipts of \$39.5m compared with the \$36.5m budgeted. In 2013-14, the port increased its operating revenue by \$3m with new customers, commencement of the operation of the Marine Supply Base and an increase in marine pilotage in line with the INPEX project.

The Giles government continues to work with prospective new export customers and logistics operators to expand the port's business. We welcome the introduction of privatised crane operations by both Qube and Patrick stevedores, more than quadrupling of the container loading and unloading rate at East Arm, not to mention the employment of around eight additional port workers.

We have seen the culmination of significant project milestones for the port in June this year, with not only the completion of the Marine Supply Base coming on board but also the completion of a significant capital

investment in dredging the entrance to the port at Charles Point Patches. At a cost of around \$4m, this milestone project has removed significant tidal restrictions for bulk carriers and LNG ships delivering greater tidal access for these important industry sectors, which has the knock-on effect of a reduction in cost to industry whilst at the same time providing efficiencies to the loading operations at East Arm wharf. This is helping to reduce the cost of living for services and goods in the Northern Territory.

The commencement of operations at Darwin Marine Supply Base and the private investment into crane operations at East Arm sees the realisation of privatisation opportunities which will bring improvements in infrastructure, employment and efficiencies that drive down operating costs. These new business models have been welcomed by the port and are expected to increase utilisation and attract new business to East Arm. It is on the back of this performance that planning was commenced for a future port to build opportunities for new business and to give surety to our port stakeholders that their needs will continue to be met well into the future.

As well as a solid financial performance, Darwin Port Corporation has successfully implemented a \$10m vessel traffic management system, the only fully integrated traffic vessel management system in the world. It was delivered on time and on budget, which is a great achievement for such a ground-breaking IT system and infrastructure investment.

This investment will see the realisation of safety and business efficiency improvements, including planning berth utilisation and cost recovery, giving Darwin Harbour control a complete visual of the entire port of Darwin waterway from the state-of-the-art control system in its room at East Arm administration building.

Pilotage services have, for the second year, operated at a profit of \$3.1m in the current financial year and \$2.5m in the previous financial year, despite enormous investment in pilot training and recruitment required to meet the forecast growth in additional shipping.

Investment in additional marine pilots is a significant undertaking, with training to reach fully qualified LNG endorsement taking around four years to deliver. I continue to regularly attend the operations at East Arm which are rapidly changing with land reclamation and construction projects nearing completion to accommodate new trade in boxed export meat which is expected in around September of this year with the commencement of operations of the AACo abattoir at Livingstone.

The commencement of operations at the Marine Supply Base is a welcome sight with rock loading activities readying for the INPEX gas export pipeline poised to get going. The port has implemented a new system for program maintenance engaging pre-eminent maritime engineering company Austal to develop a full maintenance program aimed at better management manning and resourcing and realising efficiencies in maintenance of the key plant and equipment of the port. This will also assist with determining future infrastructure investment opportunities and their requirements that are not only cost effective but meet the needs of the customer.

Total trade for 2013-14 is at four million tonnes which is consistent with the previous year. Commercial shipping vessel calls increased to 4547 during the reporting period. This compares with 2766 calls in the previous year. I congratulate the port and its hard-working people on their performance and thank them for their continuing efforts.

Madam Chair, in conclusion I look forward to any questions from the committee in regard to the port and the Darwin Port Corporation's financial performance in regard to budget estimates and the budget for this coming year.

Madam CHAIR: Thank you, Chief Minister. Are there any questions on this statement?

Ms LAWRIE: A point of clarification. Is the port where we ask Marine Supply Base questions?

Mr GILES: Yes, about the infrastructure.

Mr WOOD: What is the difference between what we can and what we cannot ask?

Mr GILES: The Department of Infrastructure was the project manager for its construction so anything to do with construction put to DoI. In regard to ownership, put that to the DPC. If you want to talk about marine infrastructure put it to the Land Development Corporation, and if you want to talk about the changes we want to make in regard to private sector investment in the port put that to the Department of the Chief Minister.

Mr WOOD: That makes it simple.

Mr GILES: I have just explained it.

Mr WOOD: I thought you got rid of red tape; you have just increased it. You made it a very difficult area to question.

Madam CHAIR: Member for Nelson, if in doubt ask.

Ms LAWRIE: That is his intention.

Mr WOOD: Put it this way, we will ask questions and you tick yes or no.

OUTPUT GROUP 12.0 - DARWIN PORT CORPORATION BUSINESS LINE

Madam CHAIR: The committee will now proceed to consider questions regarding the Darwin Port Corporation Business Line. Are there any questions?

Ms LAWRIE: Yes, my colleague, the shadow for infrastructure and port, will ask port specific questions. My question goes to how you are travelling with your efforts to seek investment in the port?

Mr GILES: That question should be put to the Chief Minister's department, as I just said.

Ms LAWRIE: You do not want to, as Chief Minister, answer a question that goes to your responsibility?

Mr GILES: I would have been really keen to answer that in the Chief Minister's department output. It is something I am driving, along with the support of government. I would have been keen to answer it but this is more about the work the Darwin Port Corporation is doing. I would be wasting both Melissa's and Anne's time by answering questions in someone else's portfolio.

Ms LAWRIE: The port does not have an operating container crane. How will you attract investment in the port given you do not have something as basic as an operating container crane?

Mr GILES: Fantastic. If you had listened to my written statement you would know the outcomes we are achieving without a container crane. The container crane - I am sure Melissa will jump in if I get this wrong - the container crane was bought second-hand, operated for about 30 years, its maintenance schedule was up to date, but there was nearly an accident at the port because of its maintenance scheduling, how that operated and the age of the equipment to a point it was deemed use of the container crane was no longer feasible. To replace it would have cost between \$11m and \$25m. We decided not to replace it because utilisation of the container crane, at that cost, was not beneficial. We have moved to a model where we have both Qube and Patrick operating what we would call mobile cranes. The container crane operated at a rate of around eight containers an hour.

If I can add a little that, one of the significant costs of living in the Territory is the cost of getting goods and services delivered over the port. Eight containers an hour is a huge cost of getting containers into the port. We can now load more than 20 containers an hour with the mobile system doing two-and-a-half times what the large crane could. We are moving to a point of close to 30 containers an hour, which is nearly four times as much as we were doing with the big red crane. That is an outstanding achievement.

Without wanting to speak in any other portfolio areas or output groups that might fall within my guise as Chief Minister, for any investment that may come to the port in the future there may be a realisation of a future portainer crane. At the moment, the mobile cranes are achieving better than we have ever achieved at the port.

Mr WOOD: The annual report says that has created a 30% reduction in the price of container operations for port customers. Is that reduction in price passed on? You said this was reducing the cost of living in Darwin. Are we now seeing goods come over the wharf at a cheaper price?

Mr GILES: You will continue to see that change with – I mentioned in my opening statement and will refer to the exact figure without referring to the brief itself. Member for Nelson, I have it here. There was a 55% rate reduction for containerised cargo wharfage. A 55% reduction is huge. When you look at the cost of containers when the big red crane – if we can call a containerised crane that – it was more expensive to bring goods over the wharf. If you have microwaves, lounges or whatever in containers coming over the

wharf - the cost of getting them here was more because of the container cost. We have reduced that by 55%.

That is the reason we see things like the Mercer Report I referred to earlier today - a massive reduction in the cost of living in the Northern Territory delivered by a Country Liberals Giles government.

Mr WOOD: Yes, but if I asked you to prove it could you show me an item that was delivered to Darwin under the old crane system and now with the cost saving? Can I see the equivalent piece of ...

Mr GILES: You can see the cost equivalent of a container coming over the wharf at a lower price. What comes out ...

Mr WOOD: Will that be absorbed by the company that is importing? Is there proof the company importing goods over the wharf, with a 50% reduction in costs, will pass that on to consumers?

Mr GILES: Anecdotal evidence is costs are being passed on substantially. We will see more and more shipping companies looking to deliver more goods over the port in Darwin than through the port of Brisbane and trucking them here. That will drive change in the future. A lot of overseas companies are investigating redirecting containers. The 55% reduction will drive long-term reform and change.

Mr VATSKALIS: What other port do you compare Darwin to?

Mr GILES: There is a range of different ports it is ...

Mr VATSKALIS: You cannot do it with Sydney. Which other ones?

Mr GILES: We operate on a regional basis. I will get advice from Melissa, but my understanding is we look at Townsville, Broome and Cairns from a regional capacity point of view, particularly within the realms of northern Australia. A lot of our goods and services come from interstate. I am aware of particular goods and services that come to the Territory, particularly the Top End, through Brisbane port. Our change in cost structure will allow shipping companies to talk to us about possible redirection.

Mr VATSKALIS: I know Broome well and know how it differs from our port. Townsville is more likely. What is the cost of unloading a container in Townsville and what is the cost of unloading the same container in Darwin?

Mr GILES: We do not have the exact cost of delivering a container here. I will see what I can ...

Mr VATSKALIS: I am happy to take it on notice.

Mr GILES: Yes, we will take it on notice. I want to see if I can find something that might get you closer to that. No, we will take it on notice - the cost structure.

Mr VATSKALIS: Thank you.

Mr GILES: It has seen significant change.

Mr VATSKALIS: Yes. How many thousand containers do we get through the Port of Darwin every year?

Mr GILES: We will take it on notice.

Mr VATSKALIS: Take it on notice, thank you.

Madam CHAIR: Sorry, was that two separate questions?

Mr VATSKALIS: Yes.

Question on Notice No 4.15

Madam CHAIR: Can you restate your questions one at a time?

Mr VATSKALIS: What is the unloading cost to deliver a container in Darwin and to deliver in Townsville?

Mr GILES: As long as we can do a comparison in Townsville.

Madam CHAIR: Two separate questions and, Chief Minister, are you happy to accept both?

Mr VATSKALIS: Yes, and how many thousand containers in Darwin is the second question.

Mr GILES: The answer to your second question is 8000.

Mr VATSKALIS: It is 8000 containers.

Madam CHAIR: There is one question on notice, the first one, and it will be number 4.15.

Mr VATSKALIS: What do the majority of containers deliver to Darwin? Is it whitegoods, vehicles, equipment, timber or is it furniture?

Mr GILES: Member for Casuarina, we do not open the containers; we take delivery of them over the wharf. It is managed by the stevedoring companies then sent off to the people in receipt of the goods in those containers. We are not ...

Mr VATSKALIS: If we do not know what is in the containers how can you tell we are reducing the cost of living in Darwin because ...

Mr GILES: We can ask importers what they are importing, but we do not go through the containers.

Mr VATSKALIS: The port has a good idea of what comes through it because it has to refer it to Quarantine - in respect of what the stevedores are doing.

Mr GILES: AQIS has an operational procedure which it follows but the port is there to facilitate berth utilisation, get boats in to get the containers off, get the stevedoring companies moving, and get the containers on trucks to whoever is in receipt of the container.

Mr VATSKALIS: I accept the argument, but how do we know the cost of microwaves in Darwin is cheaper because the container cost delivered in Darwin is cheaper?

Mr GILES: Because we talk to suppliers and identify the pass-through costs going on in regard to the 55% reduction in containers costs coming across the wharf.

Mr VATSKALIS: Do we really know if Harvey Norman delivers all its microwaves and whitegoods through Darwin or to Brisbane and brings them over?

Mr GILES: You will have to ask Harvey Norman.

Mr VATSKALIS: It is difficult to understand a reduction in the cost of living in Darwin because you have reduced costs by 55%. That is my argument.

Mr GILES: I am not Gerry Harvey. If you have a question for Gerry Harvey, put it to Gerry Harvey.

Mr VATSKALIS: How easy is it to export out of Darwin port and import? I have heard many complaints about not bringing containers here because of problems with Quarantine and AQIS. Is this problem still persisting?

Mr GILES: How easy is it? We have a well-functioning Darwin Port Corporation. Everything is easy. If your question is about Quarantine, Quarantine is a challenge we face in Darwin. I can only give you anecdotal evidence. I will give you an honest answer. Quarantine inspection services in the big ports like Sydney and Melbourne inspect roughly 2% of containers across the wharf. In Darwin, it is a lot higher because we have less trade of cargo numbers but still have Quarantine facilities. They manage to go through a lot, which is one of the reasons containers are held up a lot longer at Darwin Port than in other parts of the country, because they have a heavier inspection regime.

It is the cost of doing business. We do not want to reduce the quality of the Quarantine inspection, but we are not on a level playing field with the rest of the country in containers across the wharf when it comes to

speed of transition. Having goods held up for four to six weeks because of Quarantine adds to the cost of doing business.

Mr VATSKALIS: You said previously, and have issued media releases saying you want to reduce the cost of living in Darwin. The best way to do that is to reduce the cost of delivering goods to Darwin. To do that, you have to invest in the port and are looking for private investment. Have you had any bites?

Mr GILES: That is a question you need to put in an output group in the Chief Minister's department, Leader of the Opposition. I thought that question was handed over.

Mr VATSKALIS: Well ...

Ms LAWRIE: The question came from the shadow minister. Will you answer it because he is asking it?

Mr VATSKALIS: This is investment in the ...

Mr GILES: They have been good questions. No, it is a question you will have to put to the Chief Minister under the output area within the Chief Minister's portfolio.

Mr VATSKALIS: This goes directly to port investment. What can we ask? We cannot ask about the Marine Supply Base despite the fact it belongs to the port.

Mr GILES: You can ask me questions on the MSB, but not how it was constructed.

Mr VATSKALIS: When will it be finished?

Mr GILES: It should finish, as I said in my opening statement, in June.

Mr VATSKALIS: June 2014?

Mr GILES: June 2014, but I will give you a more up-to-date answer. Practical completion of the RLOF, the rock loader facility, and the rest of the MSB has not been achieved in accordance with the requirements of the construction contract. The Department of Infrastructure - I am speaking on its behalf and should not, minister Styles will be upset about this - the Department of Infrastructure and the independent engineer are yet to receive all necessary certifications from the builder and its designers. Once these are provided to the satisfaction of the independent engineer it will be in a position to determine, in accordance with the contracts, that practical completion has been achieved.

The Department of Infrastructure is managing the construction contract with the builder, Macmahon Contractors Pty Ltd, and working with the builder to finalise the outstanding requirements for practical completion. Practical completion was originally scheduled for 30 September 2013, and Macmahon has advised of numerous program slippages and rescheduled completion dates. The most recent indication from the Department of Infrastructure is practical completion is expected to be achieved during the week of 16 June 2014 - next week. The key areas of delay have been in construction of the wharf structure, pavements and dredging. The contractor has failed to effectively expedite the works to recover program slippages.

Physical construction activity is virtually complete except for minor omissions and defects rectification. ASCO is ready to begin operations of the MSB as soon as practical completion is determined. All necessary operational plans have been approved and ASCO has been participating in final inspections and infrastructure familiarisation. The Department of Infrastructure has advised that, as at 6 May, capital expenditure for the project was \$114m. It was supposed to be \$110m. Did you want me to provide you with more information on the MSB I have? I will quickly flick through a bit.

Not everybody knows what the MSB is so I will explain ...

Mr VATSKALIS: That is okay, we know. I want to know more about the completion date. The practical completion date will be next week, but when will it start operating? Do you have a date in mind? Will it be a month, two months or the end of the year?

Mr GILES: Let me go through some of that. The concessional agreement - the construction contract and related contractual documentation is very complicated and it will be in the interests of all parties to simplify

the CA as soon as possible. The majority of the risk in relation to revenue returns from infrastructure lies with the Territory. That is, we carry the bag not the operator.

It should be noted the Territory explicitly sought this outcome under the previous Labor government as it believed the proposals from the private sector underestimated the likely returns and therefore denied the Territory share of upside to all revenue projections. It is a 15-year agreement in regard to this concessional agreement. The Territory is entitled to restructure or terminate the concessional agreement but there are significant costs if we decide to do so. The operator would be entitled to compensation of all future profits and capital return that might be foregone. A PriceWaterhouseCoopers report advised the cost is equal to four times the previous year's risk in margin component of the operator fee and four times the previous year's revenue incentive, if any.

PriceWaterhouseCoopers advised this was consistent with the approaches commonly used in valuing operating businesses for the purposes of compensation. With the MSB, the concessional agreement for the operation of the Darwin Marine Supply Base requires the operator to contribute \$5m towards the capital cost of the project. That is \$5m out of a total of \$110m. The member for Blain would be interested in this. It is a \$110m project, member for Blain and has done \$114m. Of that, the operator has to put in \$5m and the Northern Territory government puts in the rest. The \$5m the operator puts in the Northern Territory government has to repay over 15 years. That means the NT government has paid the whole lot.

It is interesting to note the Northern Territory government is in negotiations to get that \$5m back as soon as possible because, under the agreement signed by Labor, the \$5m contributed by the operator to the NT government for the \$114m project we have to pay back over 15 years. We have to pay 14% interest a year to pay back something we built they operate and get a return on. I find that quite interesting.

In regard to when we can start operating the MSB, once we get the practical completion and the Department of Infrastructure gives it the all clear we may be able to hand it over to the operator.

Mr VATSKALIS: Do we know when it will be operating?

Mr GILES: Well, 14 June is when we are looking at practical completion.

Mr VATSKALIS: Thank you.

Mr WOOD: Can I ask a question on dredging?

Mr GILES: Yes, which part?

Mr WOOD: Charles Point Patches. Will that allow Panamax ships to enter the harbour?

Mr GILES: Yes, Charles Point Patches is a project that - I will get a brief to give you more information - it is a project that provides all tides access where previously we did not have all tides access. We aim to increase the channel depth from 10.9 m to 14 m below chart datum through the main shipping approach through Darwin Harbour. That will allow virtual all tide access 98% of the time for 12 m draught vessels and will subsequently improve access for dry bulk petroleum, liquid bulk LNG carriers and cruise ships.

It removed approximately 105 000 m³ of sand and sediment from a 455 m wide and approximately 2 km long section of the channel. It will provide access to Panamax and Capesize vessels - all tide access I should say. It was estimated to cost \$3.5m and ended up costing \$3.9m.

Mr WOOD: Will this have to be maintained? Will the sand fill?

Mr GILES: It is not a question you can answer easily. The port and harbour master undertake, as part of their responsibilities, continued monitoring and evaluation of the port and the harbour to identify any changes that may occur, and that is done on a regular basis. If there was an extreme climatic event such as a cyclone there would be immediate inspection. We know with cyclones there is a lot of movement of underwater sand and you have to get out there quickly to determine depth allowances for vessels. It is a regular monitoring process - management of guides, navigational aids, subsea surface levels and so forth.

Mr WOOD: Where was the dredging material dispersed to?

Mr GILES: The dredging material was taken 200 m out.

Mr WOOD: It will not come back? You did some dredging for tug pens?

Mr GILES: No, we have not done the tug pen dredging. That is something we want to do. We have the dredgers in the harbour. We would like to do that but the cost is substantial and, as you know, we are lumbered with a \$5.5bn debt legacy from Labor and identifying free flowing cash to do some of the fundamental things at the port is quite challenging. Yes, we need a better serviced tug pen environment secure from cyclonic events but, at this stage, because of Labor's debt and deficit we do not have the money to do it.

Mr WOOD: Is this meant to move the tugs from Stokes Hill or Fort Hill?

Mr GILES: There are several options to move them out towards East Arm and any potential investment - if you had asked me this question in the Chief Minister's portfolio I may have been able to answer it in more depth, but there is an opportunity to put that out and a financial investor may be able to facilitate that.

Mr WOOD: I was getting a little confused as to where to direct questions. They seem to change a little depending on where you are sitting with the question.

Mr GILES: Let me help you out, it is only because of Labor. If someone comes along with money we might be able to do it.

Mr WOOD: Could I ask a question of the port people?

Mr GILES: No, direct all your questions through me thanks, Gerry.

Mr WOOD: Is there a control tower?

Mr GILES: In regard to what?

Mr WOOD: The harbour and where is it situated?

Mr GILES: That is located in the port operations centre at Berrimah.

Mr WOOD: At Berrimah, so it does not overlook ...

Mr GILES: No, and if you would like an inspection I am happy to coordinate that.

Mr WOOD: This is a minor thing, but perhaps something just ...

Mr GILES: It looks at the whole harbour through computer screens not a window.

Mr WOOD: I was at a major port in the north east of Germany, Cuxhaven. People visit the port; people watch ships go past and someone from the control tower tells people what the ship is when it comes in, what is has on it and where it is going. It added something, because people visit our wharf and enjoy the waterfront. It adds to what is happening in the harbour. We have ships stationed in the harbour, going back and forth with various goods and that might add a bit to our harbour so people know what is happening.

Mr GILES: We are always looking for economic opportunities. I gave an answer before about the opportunities the NGO sector has to diversifying its income stream. Perhaps tourism for the port would be beneficial. I also recommend you get an application on your phone called Marine Traffic and you can watch the boats coming in and out of Darwin Harbour on a regular basis, identify what they are, who they are and all those exciting things if you are a boating enthusiast.

Mr WOOD: It is a smartphone, but it is too smart for me sometimes. They are all the questions I have.

Mr BARRETT: Could you update the committee on current patterns in traffic, especially cattle, the numbers going the port, how many boats and where they are going?

Mr GILES: Yes, I will find that. Managing the volume of traffic over East Arm Wharf is critical to the push for development of northern Australia. The Territory is positioned for another year of live export trade, with increased Indonesian import permits pushing record number of cattle through the port. Under the Country Liberals and the federal Coalition, the Territory's live cattle ban is going from strength to strength and

recovering from the Labor mess, which completely obliterated the industry. I am pleased to see it back on its feet after Labor's disastrous export ban.

The industry is crucial to our Asian trade agenda and in meeting Asia's food security needs. Last year, I say in an excited fashion, the port facilitated the export of around 375 000 head of live cattle. This was a significant improvement on the previous year. There was a surge in exports through the port in March, with more than 53 000 head of cattle crossing the wharf, up 36 000 compared to March last year.

There was also a record 70 000 cattle exported in a single month in December 2013, with 60% of these being sourced from the Territory. It is estimated the cattle sector will provide around \$1.8m in income to the port this financial year. The port works to facilitate this sector by offering significantly lower costs per head than ports such as Broome, which carries at \$2.51 per head compared to Darwin with charges of just \$1.91 per head. This approach often sees the port providing facilities to cattle exporters at less than cost. I recognise the importance of the livestock industry to the Northern Territory, and these actions are taken to support an industry which has struggled as a result of Labor's live export ban.

The Country Liberals government is also working hard to diversify the Territory's live export trade into promising new markets. Shipments of buffalo have begun to Vietnam under a new agreement brokered by the Territory government, particularly minister Willem Westra van Holthe and me and I congratulate the minister in that regard.

All this export activity underscores the importance of developing Darwin port as a transport gateway between Asia and Australia. The member for Blain is truly excited by the port and its future developments, the port is a great place to be and is under good guidance by the people at the Darwin Port Corporation and it is going from strength to strength.

Mr BARRETT: Yes, I remember that December. I think I loaded most of those cows myself.

Mr GILES: You did not let any go on the port?

Mr BARRETT: No, someone else did that.

Mr GILES: You got them all on the ship? Good job.

Mr BARRETT: What is the Darwin Port Corporation doing to improve navigation safety? I am always interested in improving the productivity of berth utilisation for the people using it there, and also so Mark Kershaw does not have a conniption day. I am wondering about the safety for navigation coming in and productivity on the berths.

Mr GILES: Thanks, member for Blain. That is about the vessel management/traffic control system. We are in the final testing phase of the harbour traffic management system. It has been installed at the Darwin port administration building the member for Nelson mentioned could be a tourist attraction. I think it would be a tourist attraction.

I toured that \$10m facility with Prime Minister Tony Abbott on its second day of operation. To paint a picture - the member for Nelson asked about it being a control tower – it is like a control tower. In a control tower you will have - obviously the flight controllers climb the stairs and look out the windows but using the computers at the same time. Here, it is in a back office at the DPC, but it is all computerised and you can tell exactly what is going on at any point in time anywhere under the operation of the Darwin Port Authority.

It is the same system recently installed in Rotterdam, one of the biggest ports in the world, although ours is truly world leading. We are the second port in the world to receive that radar and camera system. That is the way all ports will move towards in the future. We have a seven-year lease arrangement for the equipment with a total cost of \$7m over seven years, investing over \$10m into the construction of the new control centre and its port control software structure.

It is a really good facility and something you should look at, as should the parliamentary secretary for northern Australia development. You would be really impressed with what is there. As I said, the port continues to go from strength to strength. Ensuring we have a well maintained and facilitated vessel traffic management system is a key to making that work effectively and safely.

Mr WOOD: How far are we to filling up our bulk handling area? Are we at a point where we now have to consider setting up a new port or is there still plenty of capacity?

Mr GILES: Are you talking about utilisation on the quay line or the facility itself?

Mr WOOD: Where the ilmenite and iron ore from Frances Creek come in. Are we getting close to capacity?

Mr GILES: No. For 2013-14 to the end of March, two million tonnes of bulk materials were exported. These included 615 000 tonnes of manganese from OM Holdings Bootu Creek mine, 1.2 million tonnes from Frances Creek mine and 131 000 tonnes of iron ore from Sherwin Iron as part of their trial shipment component. It included 15 vessels for manganese and 19 vessels for iron ore.

Mr WOOD: Is the land set aside for ...

Mr GILES: The current utilisation rate for the bulk mineral loading facility is at 24%.

Mr WOOD: There is plenty of room.

Mr GILES: There is plenty of room and we have been working hard to build more hard-stand area by reclamation works and filling those ponds. We are also doing a lot of work - for your information - around the installation of reefer points to ensure we can appropriately handle and facilitate the transfer of refrigerator containers for AACo. That work is continuing.

Mr WOOD: Thanks, Chief Minister.

Madam CHAIR: That concludes consideration of this business line. On behalf of the committee, I thank the officers who provided advice to the Chief Minister today. The committee will now consider the Land Development Corporation.

Mr GILES: I thank Melissa and Anne very much for attending today. Please pass on my thanks to all officers at DPC. It is a pleasure working with DPC.

LAND DEVELOPMENT CORPORATION

Madam CHAIR: Again, welcome, Chief Minister, this time as Minister for Economic Development and Major Projects, to introduce official accompanying you and, if you wish, to make an opening statement regarding the Land Development Corporation.

Mr GILES: Thank you very much, Madam Chair. I would like to welcome John Coleman, Chief Executive of the Land Development Corporation and also Chief Executive of the Department of Lands, Planning and the Environment. Of course I will not be taking question on Lands, Planning and the Environment. The portfolio minister for that does a very good job, is quite competent and is looking forward to answering questions in his output area. I would also like to welcome Andrew Kirkman, General Manager of the Land Development Corporation. Many on the panel would know Andrew from other portfolio roles, but he has recently taken on the role of General Manager of the Land Development Corporation. Congratulations Andrew and welcome to the committee.

As the Northern Territory leads the national push for northern Australia development, available commercial and industrial land will be essential if we are to take advantage of increased investment. The role of the LDC, the Land Development Corporation, is to develop industrial and residential land in support of the Northern Territory government's trade investment, land release and economic objectives.

The vision of the corporation is to: provide development solutions by ensuring sufficient strategic land is available to stimulate economic growth and create opportunities to meet market demand; set industry standards for quality developments which protect and manage natural systems, land form and biodiversity; provide strategic advice to government on land release to support government policy; reduce risks through due diligence and the timely release of convenient, well-planned and serviced land to meet industry and residential needs; investigate and develop innovative approaches to land development; continue forward planning to make industrial land available in the East Arm logistics precinct, the Berrimah Wishart precinct, the Defence Support Hub and Middle Arm in collaboration with the Northern Territory Planning Commission and the Economic Development Committee; develop other areas of industrial land suitable for use by industries associated with oil and gas, including fabrication and offshore supply facilities, marine and Defence support and industries which support Darwin port and the Australasia Railway; foster and promote partnerships of strategic alliances with private industry, government and stakeholders; and continue to develop the corporation as a well-governed capable, influential and collaborative organisation.

In short, the corporation works to meet the Northern Territory government's strategic industrial land needs and respond to industry's short and long-term requirements. Through the Land Development Corporation, this government has provided \$25.4m for release of industrial land in 2014-15 including: \$6m at Darwin Business Park to service further subdivisions; \$7.1m for construction of 7 ha of land to create industrial lots by extending Muramats Road, East Arm; \$5.9m to continue works on Wishart Road, Berrimah; \$5.1m for additional industrial lots at Darwin Business Park north; \$0.8m to support agriculture, aquaculture, industrial and tourism industries on the Tiwi Islands; \$0.5m at Middle Arm for development of commercial and industrial land for downstream gas processing, extractive industries and commercial support industries.

The corporation has developed, managed and sold industrial land within the East Arm logistics precinct Darwin Business Park, with only four lots remaining to be allocated and/or sold in the Darwin Business Park. The corporation is finalising the design of Darwin Business Park north in preparation to commence construction of a further 14 lots in the park. When required, the corporation also assists in the delivery of affordable and strategic residential and commercial developments.

The Land Development Corporation is working with the Tiwi Land Council to consult with traditional owners and affected Aboriginal Territorians on the islands to identify land which may be suitable for leasing.

The purpose of this project is to progress commercial development on the Tiwi Islands in a manner supported by traditional owners for job creation and economic development benefiting Tiwi Island residents.

The Land Development Corporation is undertaking the first stage of Alice Springs newest suburb, Kilgariff. This is government's commitment to providing affordable housing options in Alice Springs and will eventually deliver up to 4000 homes, meeting Alice Springs housing needs for the next 20 years.

This development is steaming ahead with strong local interest in the purchase of blocks as the new subdivision takes place. Land development and subdivision works for 35 lots in stage 1A and prices between \$160 000 and \$180 000 are a great deal for any homebuyer. I encourage anybody listening to the estimates process in Alice Springs to buy your block of land. Blocks will be available for housing commencement by the end of 2014. House and land packages will also be available with local builders. Gerry, you mentioned everyone in your electorate is listening to estimates?

Mr WOOD: I do not believe so because you cannot get the computer to sit in your car anymore.

Mr GILES: The corporation delivered Zuccoli stage one in partnership with Urbex Pty Ltd and developed the first 96 ha of the new suburb. The corporation will continue to develop Zuccoli in partnership with Urbex with 143 single dwelling lots in phase one being released to the market and sold. Planning for the emerging needs of the Territory, ensuring there is adequate space and support for existing major projects and continued sustainable economic growth for the future are essential tasks of a strong Northern Territory government and that is what the LDC is all about.

Madam Chair, I look forward to any questions the committee may have in regard to the LDC for this year.

Madam CHAIR: Thank you, Chief Minister. Are there any questions on the Chief Minister's statement?

Ms LAWRIE: Not on the statement.

OUTPUT GROUP 13.0 - LAND DEVELOPMENT CORPORATION

Madam CHAIR: Any questions on the Land Development Corporation?

Ms LAWRIE: Yes there are.

Mr GILES: There should be, it is one of the biggest centrepieces of our budget.

Ms LAWRIE: Chief Minister, when was Mr Graeme Lewis appointed to the position of Chair of the Land Development Corporation?

Mr GILES: Graeme Lewis was appointed Chair by the previous Chief Minister on 13 February 2013. Jennifer Prince was appointed Chair on 13 February 2012.

Ms LAWRIE: I do not think we had two chairs?

Mr GILES: Sorry, as a member on 13 February 2012. Marek Petrovs was appointed on 8 January 2004, and John Coleman, who is a member as the chief executive, was appointed on 2 April 2013.

Ms LAWRIE: Thank you. Was the position of Chair of the Land Development Corporation advertised?

Mr GILES: No, it was not.

Ms LAWRIE: Who recommended the appointment of Mr Lewis as chair of the LDC?

Mr GILES: That was a Cabinet decision. All decisions to boards in the Northern Territory are Cabinet decisions.

Ms LAWRIE: Based on a recommendation from whom?

Mr GILES: It is a Cabinet decision.

Ms LAWRIE: When was responsibility for the Land Development Corporation transferred to you as Chief Minister?

Mr GILES: I do not have the exact date, but it was around September last year when the administrative changes were made.

Ms LAWRIE: When Mr Lewis was appointed Chair of the Land Development Corporation was it known he was also a director of Foundation 51?

Mr GILES: That would probably be a question for - I am trying to think who would be responsible for that area. I do not think Cabinet was made aware of any issues in regard to what interests Graeme Lewis may have had at the time.

Ms LAWRIE: When Mr Lewis was appointed Chair of the Land Development Corporation was it known he was also a member of the CLP Management Committee?

Mr GILES: No, that does not come into consideration in Cabinet.

Ms LAWRIE: It would have been known.

Mr GILES: That does not come into consideration.

Ms LAWRIE: It would be fair to say it was known.

Mr GILES: Well you ...

Ms LAWRIE: None of you would have been unaware he was a member of the CLP Management Committee?

Mr GILES: There is every chance people were unaware of it, but it does not come under consideration in Cabinet.

Ms LAWRIE: We heard previously the Land Development Corporation provided \$1m to the Tiwi Islands. Has any additional financial or support in kind being provided to Tiwi Plantations or any other organisation involved with the Melville Island plantation project?

Mr GILES: You would have heard in my opening statement the LDC is doing a lot of work on the Tiwi Islands, particularly through provision of resources by way of staff and working with the community to facilitate a future lease. They are also looking at what development opportunities there are by working in close consultation with other agencies, particularly Land Resource Management and Primary Industry and Fisheries.

Ms LAWRIE: What resources is the Land Development Corporation currently employing for the Tiwi Island project?

Mr GILES: In my opening statement I mentioned \$800 000 to support aquaculture, agriculture, industrial and tourism industries on the Tiwi Islands,

Ms LAWRIE: Is that the full amount of resources or is there in kind as well?

Mr GILES: That is the full amount.

Ms LAWRIE: That \$800 000 consists of – is that the staff element plus operational?

Mr GILES: Mainly staff.

Ms LAWRIE: When you say mainly staff, is there a breakdown of the \$800 000?

Mr GILES: Staff and studies undertaken.

Ms LAWRIE: Staff and studies. What studies are being undertaken?

Mr GILES: A lot of studies are being undertaken.

Ms LAWRIE: Could you provide advice to the committee of the studies on the Tiwi Islands the Land Development Corporation is funding?

Mr GILES: Are you the shadow minister for LDC?

Ms LAWRIE: Yes, I am.

Mr GILES: It would probably be good to get a brief on some of those things and we could run through them.

Ms LAWRIE: Yes, although the point of estimates is we get to ask these questions, Chief Minister. In regard to the \$800 000 additional contribution on top of the \$1m paid for a lease that does not exist, what studies are being undertaken by the LDC?

Mr GILES: It is internal work not private work. It is looking at land resourcing, looking at bore studies, the potential water opportunities, the normal studies and investigative analysis you would expect LDC to do when seeking to conduct a lease for the purposes of economic development and driving growth and job opportunities for the Tiwi Islands.

Ms LAWRIE: Would it be fair to say some of these studies will be ongoing and straddle financial years? Do you have an estimation of the expenditure on these studies across financial years?

Mr GILES: An estimation of the studies? There is one consultancy being undertaken. We could give you a cost analysis on that, but everything else is being done as part of government getting on with business and providing support services on the Tiwi Islands.

Ms LAWRIE: Could we have a cost and description of that consultancy?

Mr GILES: You asked that in the written questions and, as a whole-of-government approach, you would have it there.

Ms LAWRIE: It is part of the tabled answers to written questions?

Mr GILES: Part of the global component.

Ms LAWRIE: It is contained within the global?

Mr GILES: The global answers.

Ms LAWRIE: How many staff and what are their classifications?

Mr GILES: One staff member at SP3, and a lot of the Chief Executive's time.

Ms LAWRIE: Thank you. No further questions.

Mr WOOD: You said before, as did your Treasurer, development of residential land will be undertaken by private developers because you do not have enough money to do it yourself.

Mr GILES: That is not quite right, but I will get to that.

Mr WOOD: When it comes to industrial land, you have \$6m for Darwin Business Park, \$5.1m for Darwin Business Park north, \$3.3m for Kilgariff stage 1A, Muramats Road – five industrial lots at \$6.3m and Wishart Road development at \$5.9m. Can I assume you have money for infrastructure on industrial land but not for development of residential land?

Mr GILES: No.

Mr WOOD: What is wrong with my statement?

Mr GILES: If you want me to elaborate I am happy to.

Mr WOOD: I hope you will elaborate.

Mr GILES: There was market failure in Kilgariff, which is why the LDC took a role in that. It was a challenge in Alice Springs so the LDC took a role – it is developing the land. One of the changes in the budget this year - this is why it is such a fantastic budget - is the traditional land approach has been – like Labor, borrow money, get into debt and develop the land yourself. I, and Cabinet, have a different approach, particularly from a residential point of view, but also industrial and commercial, that we provide the resources to get headworks to the block in a rough way then the private sector undertakes the work from there. That is the philosophical approach we have taken with this budget. That is why, even though it is a massive amount of \$135m for development of land, \$50m of which is commercial and \$85m residential, we get a significant amount of leverage from that.

A few commitments have already been made to other commercial areas which we have continued on with, but into the future our investment will be towards facilitation of land to be developed by the private sector, and we will just help open it up. That is a massive change to the way the budget was constructed.

Mr WOOD: Can I have clarification on this? Previously you sold the land. All the land in Farrar was sold to Delfin. The government put it out for tender and someone bought it. They put all that cost back into the cost of the land when it was developed. Are you selling Crown land to a developer?

Mr GILES: We will take the interest, where we identify strategic pieces of land we want to develop, such as Berrimah Farm - we could have invested money into the internal infrastructure, racked up debt and deficit like Labor did, or we could get the services to the land then go to tender and the private developer does it.

Mr WOOD: I need to get this clear. There are two lots of infrastructure - the headworks and the internal infrastructure.

Mr GILES: Yes.

Mr WOOD: Are you still paying for the headworks?

Mr GILES: The philosophical approach we have taken is to move out of any internal works. Any further questions on that component should be answered by the Lands and Planning minister.

Mr WOOD: You told me I was wrong when I tried to compare the money you are putting into industrial development plus Kilgariff. The impression I got from the Treasurer is we are not going down the old path, we are getting a developer to do all that work ...

Mr GILES: That is where we are moving to.

Mr WOOD: It is important because I am getting back to affordable housing, which comes from affordable land. I want to know if there is fat in the development which does not need to be there. You pay for the headworks and they come to the edge of the development I understand. You pay for that. If a big pipe needs to come from the tank to the edge of Berrimah Farm is that the government's job?

Mr GILES: Those questions should go to the minister for Lands and Planning. They are Lands and Planning questions. We have a few discrete developments with LDC. Fundamentally, those questions are about development of residential land ...

Mr WOOD: Does LDC have anything to do with what you call Palmerston north and I call Holtze?

Mr GILES: No.

Mr WOOD: You want me to ask that question ...

Mr GILES: Peter Chandler.

Mr WOOD: All right. Can I ask it of Kilgariff, which has \$3.3m? What is that money for?

Mr GILES: Internal subdivision works. Remember I said there was market failure? We went to market, tried to get a tender for someone to do the work but the cost price component was too high. That was when it was under Lands and Planning. Minister Chandler can tell you what happened when we tried to do through Lands and Planning. At that point – it was around the same time LDC moved over to my portfolio. We wanted to accelerate the time frame. Labor had it not ready until 2016-17 or something. We wanted it done quickly and why we escalated land release. That is why the Country Liberals are driving down cost of living pressures with our plan to develop the Northern Territory. We brought it over to LDC, I took LDC, we put the money in and have done it ourselves.

Mr BARRETT: Minister ...

Mr GILES: I do not know if I have finished Gerry's questions.

Mr WOOD: I will ask the other minister. I would like to get this clear because I am concerned about the cost and the process. I am not necessarily concerned in a bad way, but I want to understand what you are doing.

Mr GILES: I do not understand your concern, particularly when you reference Kilgariff.

Mr WOOD: I have seen land sold by governments and, to me, that is the big cost in turning off a block. You mentioned \$160 000 for a block of land in Kilgariff ...

Mr GILES: \$160 000 to \$180 000.

Mr WOOD: Your chief executive will know because he has been involved in Zuccoli, what is the price of a block of land in Bakewell or Johnston now?

Mr GILES: You best ask the minister for Lands and Planning.

Mr WOOD: I know. There is a vast difference and I want to know why.

Mr GILES: Part of it is Labor bureaucracy brought in at the federal and Territory level we are trying to remove. However, you had best ask the minister for Lands and Planning.

Mr WOOD: I will ask the minister for Lands and Planning.

Ms LAWRIE: We have half an hour for police.

Mr WOOD: I know you had half-an-hour for police, but we have spent a lot of time on other things too.

The industrial land you mentioned - Defence Support Hub at Middle Arm - is that what you said in your opening statement?

Mr GILES: Perhaps I linked several things together.

Mr WOOD: That is industrial land? What is the future of that? Is that the bit on Thorngate Road? Correct. A second person has bought land there who has nothing to do with Defence. Is the government saying that land will not be industrial land for Defence?

Mr GILES: I will ask John Coleman to add a little more information, the Chief Executive of LDC, Madam Chair.

Mr COLEMAN: Member for Nelson, the second parcel released is to a welding company. They are associated with RGM across the road, and they undertake work on Defence vehicles from time to time. It is not 100% Defence.

Mr WOOD: Yes, they rang me and I got the impression they do a bit, but it is not there specifically for Defence.

Mr COLEMAN: We have not been able to find a company that is 100% Defence. They do not exist. They have to be supported by providing work to other businesses in the community.

Mr WOOD: I know, John you will make sure we have plenty of landscaping there, not like on the other side of the road.

Mr BARRETT: What is the Territory government doing to improve home affordability in regard to residential land? Could you outline how we are moving towards making this sustainable?

Mr WOOD: That would be another portfolio – Lands, Planning and the Environment and minister Chandler.

Mr GILES: As the Northern Territory leads the national push to develop northern Australia, available commercial and industrial land will be essential if we are to take off with that increased investment. We need to think strategically and plan for the future so we can expand our industry base and get people off welfare to work. Fundamentally, that is what we have to do - we have to grow the economy. To grow the economy we have to release more industrial land for the Territory's oil and gas, mining, transport and logistics sectors closely located to transport in the Northern Territory.

Ms LAWRIE: The question was residential land.

Mr GILES: Concentrating industrial development in these strategic zones frees up more prime land for residential development we can move forward with. That is why we put \$51.9m towards the release of industrial land in 2014, which includes, as I mentioned briefly earlier: \$6m for Darwin Business Park to service further subdivision; \$6.3m for the construction of 7 ha of land to create industrial lots by extending Muramats Road, East Arm; \$5.9m to continue works on Wishart Road, Berrimah; \$5.1m for additional industrial lots at Darwin Business Park north; \$800 000 to support agriculture, aquaculture, industrial and tourism industries on the Tiwi Islands; and \$500 000 for Middle Arm for the development of commercial industrial land for downstream gas processing, extractive industries and commercial support. We are planning for the emerging needs of the Territory ...

Members interjecting.

Madam CHAIR: Can I have some order please.

Mr GILES: In relation to that question, we understand land release is the most important and effective contributor to driving down the cost of living in the Northern Territory. It is something Labor failed to do and something we are keen on doing, member for Blain, and I know you are interested, particularly in your electorate, and we have an opportunity to talk a lot about Zuccoli during the by-election campaign.

We are now fast-tracking projects wherever we can to overcome the land release deficit we inherited from Labor, who fell asleep wheel and are the architects of our current situation. In 2014, the government has delivered a significant increase to DLP's budget and land release program. Minister Chandler will talk a lot more about that, particularly the record \$84.4m component allocated to accelerate the residential land program to promote housing affordability. That includes \$36.9m to continue the staged development of land at Zuccoli, \$4m to facilitate release of land at Berrimah Farm for residential and commercial development, and \$4m to facilitate release of land for residential and commercial development in Palmerston north, or should we say ...

Mr WOOD: No, that has nothing to do with this section.

Mr GILES: ... Holtze, that will also support and complement development of Palmerston hospital.

Members interjecting.

Madam CHAIR: A bit of order.

Mr WOOD: A point of order, Madam Chair. The minister told us Palmerston north ...

Madam CHAIR: What is your standing order number?

Mr WOOD: The standing order number is irrelevance and also precedent. The Chief Minister said I cannot ask a question on this, therefore he should not give an answer on it either. I would like a ruling on the relevance of the answer.

Mr GILES: The question was about housing affordability. It is important we keep going ...

Ms LAWRIE: It is okay, Gerry, he is confused.

Madam CHAIR: Opposition Leader.

Mr GILES: The budget also includes \$39.5m towards land release projects across the Territory because we understand it is not just about Darwin, it is about the whole of the Territory. There is \$15.7m for projects in Katherine East, Kalkarindji, Pine Creek, Mataranka and Timber Creek; \$7.3m for infrastructure in Alice Springs and land development to support the new suburbs of Kilgariff and Larapinta Valley; in the Darwin rural area there is \$4.5m for projects in the Howard Springs and Humpty Doo area, and in the southern region \$4m for projects in Ti Tree and Peko Road in Tennant Creek.

Member for Blain, that is a very good question; we are addressing housing affordability. The Country Liberals are driving down cost of living pressures, something we have maintained a strong focus on. We are doing it commercially and residentially. The LDC is part of that mix of driving reform in that area.

It is very disappointing the opposition has not been able to manage its question time in estimates.

Mr WOOD: The member mentioned Humpty Doo? Are you providing the infrastructure for a private development on the corner of Freds Pass Road and Beaumont Road in Humpty Doo?

Mr GILES: That is a question for the Minister of Lands and Planning.

Mr WOOD: No, you mentioned it. If it is a question for the minister why was it in your answer?

Mr GILES: I talk about many parts of the Northern Territory which are not always in my portfolio. I can talk about Ali Curung, Kaltukatjara, anywhere in the Territory and it does not always fit my portfolio but I can name the township.

Mr WOOD: You should sell vacuum cleaners!

Mr GILES: Madam Chair, I thank Andrew Kirkman and John Coleman very much for coming along today for the LDC.

Madam CHAIR: Thank you. That concludes consideration of the Land Development Corporation Business Line. On behalf of the committee I thank the minister for attending and all the officials who assisted the Chief Minister today.

DEPARTMENT OF POLICE, FIRE AND EMERGENCY SERVICES

Madam CHAIR: The committee will now consider outputs associated with the Northern Territory Police, Fire and Emergency Services. Again, welcome Chief Minister, this time as Minister for Police, Fire and Emergency Services and we invite you to introduce the officials accompanying you.

Mr GILES: I would like to introduce Police Commissioner John McRoberts, Audrey Ko to my left and Rose Hallett to my extreme left. It is fantastic to be joined by the leadership from the police force, and I congratulate Commissioner McRoberts on his five-year appointment. You did a good job under the previous government. Unfortunately you were constrained by bad administration, but in the last 18 months we have driven down crime to the point the police force has been outstanding and it is a good news story. I am surprised Labor only left 15 minutes to talk about police. Crime keeps going down, down, down. Like the Coles advertisement, crime is down.

Madam CHAIR: Chief Minister, would you like to make an opening statement?

Mr GILES: Thank you very much, Madam Chair. As I mentioned, I welcome members of the police force here with me today.

One of the government's key commitments to the community is tackling the elements of rising crime left by the Labor administration. The Northern Territory Police Force is committed to crime reduction and keeping people safe.

We have seen an improvement in crime statistics now the government's policies have had sufficient time to take effect. For the 2013-14 financial year to date, as at the end of May 2014 total victim based crime was 9.7% less than the same period in 2012-13. Total offences against property for the current financial year to date are below the previous year level and exceeding a 10% reduction target, currently 12% as at end of May 2014.

The reduction of the previous year level is replicated across all three police commands, but most notably in Darwin metropolitan command, down by 12.5% and southern command by 19%. Congratulations. At a divisional level, Alice Springs and Tennant Creek show the largest reductions across the Territory, with 21.8% and 27.2% less offences against property in these areas compared to the same time last year.

Patterns in offences against the person from the 2013-14 financial year to date have significantly changed over the past five months. For the past two months, the current year to date figures remain below the same period last year. Both northern and southern command figures remain lower than the previous year to date. Darwin metropolitan command is currently 2.8% on last year but has continued to trend downwards over recent months.

At a divisional level, several areas are well below last year's figures, most notably, Katherine down 11%, Central Desert down 10.2%, Palmerston down 5.8% and Alice Springs down 5%. As I said, this is like a Coles commercial.

The agency should be congratulated on becoming very innovative and I am quite excited about this. The Northern Territory Police Force, Fire and Emergency Services is leading the rest of Australia in the exploitation of mobile data to achieve substantial workplace efficiencies. A significant number of initiatives have already been introduced or will be shortly and I will mention a few.

Last year, police on the beat were able to interrogate databases directly via iPads to check on vehicles and people. The system now averages 6000 inquiries a week and has seen one of three radio inquiries channels removed and staff redeployed.

The agency is currently midway through rolling out 51 specially equipped vehicles to remote communities. These vehicles provide a range of communication options including satellite GPS to enable vehicle locations to be tracked and computers with access to corporate databases. Police will also be able to dispatch jobs directly to vehicles. Four of the vehicles are also equipped with automatic number plate recognition AMPR capability, and one vehicle has in-car video recording capability. I hope we reach the point where we can answer some questions about AMPR.

Every frontline police officer is about to be provided with a personal issue iPad. This mobile office allows access to corporate IT systems such as e-mail and other databases, and will reduce the amount of time officers spend in police stations processing paperwork. In effect, they will be able to spend more time out on the street where the government and the community wants them.

This is what the Country Liberals are doing, Madam Chair. We are assisting police to get out from behind the desk, with no need for as much local based police stations or Police Beats. Citizens want police on the beat and we are giving them the tools to be on the beat.

The new iPad infrastructure will also enable processes to be updated and more efficiencies introduced. For example, an electronic infringement application will be trialled shortly. The aim is to replace a complex, inefficient paper-based system with a fast, modern system which will enable infringements to be processed quicker, with more reliability and with less manual intervention.

Madam Chair, all agencies have been required to make savings measures to help bring the budget back to surplus and overcome Labor's debt. Police, Fire and Emergency Services is no exception. The agency has identified a number of areas where savings can sensibly be made without impacting on operational frontline response.

In light of the recent opening statement, technological advancements outlined above and the anticipated efficiency gains, the Police Commissioner is taking advantage of the opportunity to maximise his existing

resources in a fiscally responsible manner while also achieving saving targets across the agency - something the Leader of the Opposition cannot do in her own office.

I have taken advice from the commissioner to defer the full recruitment of the additional 120 police due to the anticipated efficiency gains and the uncertainty around the memorandum of understanding between the Department of Immigration and Border Protection and the Northern Territory police service, and the potential need to provide for the drawdown of 94 officer positions into the future. Recruitment and attrition will still be carefully managed with this in mind.

Let me make it clear, we are getting 94 additional police resources through the MOU with Immigration and Border Protection. Because illegal boat arrivals are declining, the anticipated future closure of any immigration Defence facilities means we will have 94 police on hand - currently used now in participation with Darwin metropolitan command – and we have to be ready for that drawdown. Vacancies will still be filled, as will all recruitment and attrition.

On 20 December 2013, the *Alcohol Protection Orders Act 2013* came into effect with much fanfare. The act empowers police to issue APOs prohibiting individuals arrested, summonsed, or served with a notice to appear in respect to a qualifying offence from possessing or consuming alcohol or being in licensed premises. APOs are a key component of the NT government's Pillars of Justice and will contribute to the achievement of the crime reduction target.

The capacity to issue an APO complements existing police powers to reduce or prevent alcohol-related offending, and fits into the existing hierarchy of tools available to deal with individuals who, due to their normal alcohol consumption, present a risk to the community by their criminal behaviour, including offences of violence. As at 3 June 2014, there are currently 1413 APOs in force.

A comprehensive program of change and transformation involving significant reforms to the operating processes, staffing and infrastructure of the JESCC has resulted in continual improvement to service levels. Let me make this clear on the increase to service levels: they were low. We are now seeing 90% of 000 calls answered within 10 seconds, and 80% of 131444 calls answered within 20 seconds. That is the service levels, and we are above and beyond the service levels.

It is a pity the Leader of the Opposition sought not to give the member for Fannie Bay or the member for Wanguri any time or exposure to promote themselves, just keeping herself here. We could have gone into some of this information in the police portfolio and talked about how far crime is going down and some of the operational excellence coming out of the police force.

Alice Springs will see the existing police station move to the Greatorrex Building for use as new headquarters and operations centre at a cost of \$9m. The new building will contain a modern police station built to help meet the needs of the community as well as the challenges of contemporary law enforcement. To support policing in remote areas, police stations are being built in Yuendumu, Alpara and Milikapiti. I was at Milikapiti recently and inspected the new facility. Refurbishment projects for police stations at Pirlangimpi and Oenpelli are also under way. In addition, four more remote stations will be built after locations are finalised with the Commonwealth.

The Northern Territory closed circuit television system is an efficient and effective detection and investigative tool that continues to identify and prevent crime and assists in solving antisocial behaviour. In January 2014 the Northern Territory CCTV system expanded into the town of Katherine with 12 cameras. This brought the total number of cameras monitored by police in the Northern Territory to 175. They are not all Territory-owned CCTVs. If we had time, and Delia did not keep you out of the limelight Michael, I could go into that.

The 2014-15 budget highlights the requirement to expand the NT CCTV system to cover the area of Elizabeth River boat ramp as part of the NT government's initiative to address potential crime at that boat ramp. I congratulate the member for Blain for his initiative in driving this forward, particularly through a by-election process. I know he was firmly committed to it.

An amount of \$466 000 was provided to the Northern Territory Police Force for a dedicated water police program. The aim is to provide on-the-ground training for marine rangers to improve their skills and experience to a level to allow enforcement powers to be authorised as per commitments and outcomes of the Blue Mud Bay agreement. To aid water police, funding has been provided for an 11.3 m vessel and eight 6.59 m coastal vessels which are expected to be put into service in the near future. These will be stationed at Alyangula, Borroloola, Galiwinku, Ngukurr, Nhulunbuy, Maningrida, Pirlangimpi and Wadeye.

They will enhance the search and rescue capability as well as the commercial and recreational fishing enforcement. It is a fantastic initiative.

Madam Chair, moving to NT Fire and Rescue Services, I am pleased to advise that a 1400 L tank and rescue appliance has been delivered to Mataranka this financial year. Alice Springs received a Type 2 medium composite pumper and the Berrimah Bronto is due to come online shortly, providing aerial support for Territorians. There will also be a specialist incident control vehicle located at Berrimah to support major emergency incidents.

In addition, the Fire and Rescue Service replace four 4 x 4 grass fire units at Palmerston, Yirrkala, Tennant Creek, Yulara and commissioned a dual cab grass fire unit at Borrooloola. There are plans to provide two 4 x 4 tankers for Yulara and Jabiru, upgrading their existing appliances. A new medium composite pumper appliance will also be commissioned in Darwin, and a composite pumper will be provided to Adelaide River.

An additional 4 x 4 grass fire unit will be replaced and the Palmerston rescue unit is to be re-designed. A two-year program will see 90 breathing apparatus sets replaced across the Territory ensuring operational readiness should it be required.

An amount of \$3.4m has been provided to upgrade the NTFast alarm monitoring system to digital. This will ensure the NTFRS continues to have state-of-the-art alarm monitoring equipment across the Territory and we are able to respond in times of crisis or times of need.

As we all know, Madam Chair, volunteers are an integral part of our community. They provide an invaluable contribution through a range of operational, administrative and functional support roles. It is pleasing to note the Northern Territory Emergency Services will commence the 2014-15 year with an overall increase in volunteer numbers of approximately 15% from the same time last year. That is another fantastic outcome.

NTES and its volunteers combine to provide an emergency response capability from 32 locations, many of which are remote communities across the NT. NTES will continue to build on the work done over the previous years, with volunteer units to receive another three vehicles which are to be located in Kintore, Galiwinku, and Pirlangimpi providing emergency management independence to the communities.

NTES will also replace four emergency rescue trailers in Harts Range, Daly River, Kulgera and Cox Peninsula with new purpose-built trailers providing a stronger and safer response capability. During the period, NTES will acquire two purpose-built float boats and assist in times of need throughout the Katherine, Daly River and Adelaide River regions. I know the member for Daly is very happy about that. They will make significant contributions which will help develop and build resilience across NT communities.

NTES has also been involved in the national emergency warning system upgrade that will see the Territory partner the remaining states in the continued development of an emergency alert and its contribution to public safety. NTES is currently working to develop a further two communities, Maningrida and Waruwi, into becoming stand-alone units.

Madam Chair, I was recently on the Tiwi Islands at Wurrumiyanga with the Police Commissioner where we launched Neighbourhood Watch. It was fantastic to see Neighbourhood Watch up and running on the Tiwi Islands. It shows communities are willing to take control of their own destiny, drive reforms, particularly in this area, and act in the interests of community safety.

This also saves part of the federal budget as it impacts on police. There was provision for funding of six new police stations in the Northern Territory for communities with a population of 300 or more. We are in negotiation with the federal government, through a national partnership agreement or a bilateral agreement, to allow operational support to continue because, fundamentally, providing police safety to communities with a population of 300 or more is financially concerning. One only has to look at a comparable population base around the country – Bendigo or Cairns - and the number of police stations in those two locations compared to the number of police stations in the Northern Territory, being 240 000 - we have police stations all over the Northern Territory. It is a significant challenge for us and the federal government needs to re-think its position on how the divide of police stations should occur and its operational funding requirements for police stations.

In summary, the Northern Territory Police, Fire and Emergency Services has demonstrated its commitment to enhancing community safety with the provision of innovative and resilient support. I am pleased to take questions from the committee on behalf of this agency. I acknowledge the time frame and think it is very

sad the Leader of the Opposition did all she could to prevent Michael Gunner from asking questions but we are prepared to take two-and-a-half minutes of questions.

Mr GUNNER: In your opening statement you mention crime statistics and cuts to the police budget. According to your official crime statistics 2013 was the most violent year in Territory history, and your response in Budget 2014-15 has been to cut the police budget and break your election promise to have 120 extra police. How do you expect police to do the same job they did last year with less resources and less police?

Mr GILES: Police are quite innovative; you should have listened to all my opening statement.

Mr GUNNER: I listened to the statement intently, Chief Minister.

Mr GILES: You asked a question and I am going to answer it. You should have listened to the entire opening statement and you would have heard about the innovation that is occurring. I expected the member for Nightcliff to have steam coming out of her hair talking about closing the Police Beat in Nightcliff. I looked long and hard at it and also looked long and hard at Casuarina, but the operational efficiencies being achieved through placement of modern technology into the police force - the same way it is through other portfolios like when we put WiFi on buses in the Transport portfolio, even the iPads going to police now, the interactivity between databases and the ability for police to police on the streets rather than in an office drives down crime. That is where you get operational efficiencies. You do not need people to be sitting behind a desk all the time. Look at ...

Mr GUNNER: Where are the 120 police you promised?

Mr GILES: Nearly 60 police have been provided out of that 120, but we do not want to be left with 94 police through Immigration. We have to manage transition of those people because those officers require certainty and that is what we are doing. Look at some of the complaints raised about operational changes put in place by the Police Commissioner when it comes to management of the JESCC. Management of the JESCC has changed from uniformed officers to auxiliaries and some non-auxiliaries - citizens working there.

That is a massive change in the way – yes, in the cost structure of operating the JESCC, but performance of the JESCC is through the roof. It has never performed this good in the - to see what is changing in the JESCC, I mentioned in my opening statement 000 calls are being answered in 10 seconds 90% of the time. It is actually much better than that. I will give you something to describe that. The average time to answer a 000 call in the Northern Territory - across the Territory not just Darwin - is five seconds. The percentage of calls answered within 10 seconds is 94.9%. The service level is 90%. We were in the low 70s some time ago and have brought that up to 94.9%.

If you look at what that means for 131444 numbers, the average time to answer a 131444 call, roughly 12 months ago, was one minute 13 seconds. That is under the old model which you wanted to keep. Under the new model, which the Police Commissioner and the force have brought forward, the average time is nine seconds. He brought it from one minute 13 seconds to nine seconds at 86.5% of the time. It is an outstanding achievement and I know that ...

Mr GUNNER: By breaking your election promise there are less police to respond to those calls. You have broken your election promise of 120 extra police.

Mr GILES: There are more police than when we took over and we have had a different operational management system. Crime has gone down, service levels have gone up and satisfaction with police has gone through the roof ...

Mr GUNNER: Crime is up since your government took over.

Mr GILES: In regard to the police satisfaction levels ...

Mr GUNNER: More people are satisfied because more people need the police.

Mr GILES: ... they are higher than the national average, currently sitting at 75.21%, and the percentage satisfied with the service from police has increased to 83.86%. There is good news everywhere. I know we have run out of time, Madam Chair. We have not done the police portfolio ...

Mr GUNNER: Chief, can you table ...

Mr GILES: Madam Chair, I am still answering a question.

Madam CHAIR: We have run out of time.

Mr GUNNER: Madam Chair, I ask if we can table the answers to written questions?

Mr GILES: If we have run out of time we have run out of time. I would like to say in my closing statement, in relation to what has happened today ...

Mr GUNNER: It is reasonable to table the answers to written questions.

Madam CHAIR: Chief Minister, in response to the member for Fannie Bay, will you be tabling the answers?

Mr GILES: I will be happy – which ones?

Mr GUNNER: The answers to written questions, including written question 148.

Mr GILES: Which one? Which was the global question?

Mr GUNNER: 148.

Mr GILES: I am happy to table the global questions.

Mr GUNNER: Also 148, Chief Minister?

Mr GILES: No, I am not happy to table that.

Mr GUNNER: Chief Minister, it is pretty reasonable. We gave you notice ...

Mr GILES: Put it on the Written Question Paper, member for Fannie Bay. It is 5 pm ...

Mr GUNNER: You can table it right now. It is a tabling of an answer to a written question.

Madam CHAIR: Sorry, member for Fannie Bay.

Mr GILES: I would like to thank the staff here for their – they have been running around all day. It is very unfortunate the Leader of the Opposition decided to play games and keep Michael Gunner out of this process. That happened on your side of the Chamber, you have to manage ...

Mr GUNNER: If you are happy to have a crack, Chief Minister, table the answer to written question 148. You have it right there.

Mr GILES: You are supposed to ask in the output areas. Get to your output areas.

Madam CHAIR: This concludes consideration of all output groups relating to the Northern Territory Police, Fire and Emergency Services. On behalf of the committee I would like to thank officers from the Northern Territory Police, Fire and Emergency Services who provided advice to the Chief Minister today. I also thank the Chief Minister for his attendance today.

I will call a 10-minute break and we will resume at 5.10 pm with the Minister for Health.

The committee suspended.

DEPARTMENT OF HEALTH

Madam CHAIR: For the benefit of Hansard we have the Minister for Health; Nathan Barrett, member for Blain; Gary Higgins, member for Daly; me, member for Drysdale; Nicole Manison, member for Wanguri; Gerry McCarthy, member for Barkly; and Alison Anderson, member for Namatjira.

Because it is a new composition of the committee, I remind members the shadow has the priority line of questioning, followed by other members of the Estimates Committee, followed by other members of parliament.

I welcome you minister as Minister for Health, Minister for Alcohol Rehabilitation and Minister for Disability Services, and invite you to introduce the officials accompanying you this evening.

Mrs LAMBLEY: Thank you, Madam Chair. It is a delight to be here this afternoon. We have been waiting in great anticipation for our turn to talk about health, alcohol rehabilitation and disability services.

I introduce the Department of Health officials. I have with me today Dr Len Notaras, our Chief Executive who has worked for many years in the NT Department of Health. Michael Kalimnios, our Chief Financial Officer, has been with us for several years too. I will be introducing relevant output group executive directors as appropriate.

Madam CHAIR: Thank you, minister. Minister, I invite you to make an opening statement of no more than five minutes and you may also choose to table answers to written questions. 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 then invite the shadow minister to ask questions first, followed by committee members. Finally, other participating members may ask questions.

The committee has agreed other members may join in on a line of questioning pursued by a shadow rather than waiting for the end of the shadow's questioning on the output. Minister, would you like to make an opening statement about the Department of Health?

Mrs LAMBLEY: Yes, I would, thank you. With the committee's indulgence, I would like to go through the changes in the financial position and structure that have occurred in the Department of Health between Budget 2013-14 and 2014-15 so as to better equip the committee in interpreting information before them as outlined in the 2014 budget papers.

Following the passage of the *Health Services Act* a few weeks ago, the Department of Health will continue to transform the health system into two separate services: the Top End Health Service and the Central Australia Health Service. This will allow the Department of Health to focus on its role as system manager, which includes governance, strategic policy development and regulatory functions.

It is a major reform and will revolutionise the way health services are delivered in the Northern Territory. It means the management of health services will no longer be centralised with major decision-making driven solely from Darwin. The *Health Services Act* establishes two boards of management that will have operational management of regionally based healthcare services from 1 July 2014. This is designed to deliver greater local control of healthcare decisions, improve flexibility, responsiveness and innovation capacity of the public health system and provide more effective and efficient public hospital and health services.

In a nutshell, it means local people are making decisions about their healthcare to provide better outcomes for their community. It also means we have learnt from past regional structures and ensures centralised support services such as finance, procurement and planning are in place to both support the health services and ensure efficiencies in this area.

This has created a significant change in the output group structure compared to previous budget papers. The major change relates to the transfer of the majority of non-hospital service delivery, such as primary healthcare, from the Department of Health entity to health services entities and resulting business lines.

Some funds previously presented in the Department of Health primary healthcare output group have been retained in the department as a single service such as oral health and screening services. This is due to their specialised nature and the small, highly specialised workforce. However, the majority of primary healthcare services have moved to the Top End and Central Australia Health Services.

Alcohol and Other Drugs Services has been retained as an NT-wide program line in the Department of Health to facilitate the continuation of reform in this area, including the second phase of implementation of alcohol mandatory treatment.

The Community and Extended Care output group has been split across the three entities. The Mental Health output has also been split across the three entities to reflect the system manager, responsibilities of policy and planning and the health services role in delivery of services.

Consistent with development of the new disability portfolio, a new disability output group has been created for 2014-15. As a consequence of this change, a separate aged care business line has been created in each of the health services.

The office of disability has been retained as one NT-wide program to support preparation for the National Disability Insurance Scheme and in recognition of the particular service needs of people with a disability.

The Country Liberals government continues to show its commitment to improving health services across the Territory in a tough budget climate. We are faced with significant Commonwealth funding reductions. Overall, the Northern Territory government investment in Health has increased by \$36.8m. This means the 2014-15 Health budget represents the biggest Northern Territory government investment in Health. It delivers on this government's promise to expand health services, improve infrastructure and includes the next phase in the Country Liberals' plan to tackle chronic alcohol abuse.

We have delivered a responsible Health budget which targets areas of greatest need and delivers on the government's key election initiatives. The budget is designed to enhance sustainability in the face of population growth and ageing, escalating cost of health services and rising consumer expectations.

This significant investment is spread across a range of areas within both the Health and Disability portfolios. Highlights include: \$2.3m, including an additional \$0.8m to assist the non-government sector meet award wage increases for social and community services workers; \$0.73m additional funding for mobile breast screening across remote communities; \$28.3m continued funding to operate alcohol mandatory treatment centres across the Territory; \$0.94m continued funding to relocate and expand the BushMob youth residential rehabilitation service in Alice Springs; \$27.9m to support pensioners, seniors, carers and veterans through concessions offered under the NT Pensioner and Concession Scheme; \$1.32m additional funding for primary health services at the Darwin Correctional Precinct; and \$1.2m continued funding to increase the operating hours of the police watch house nursing service in Darwin, Alice Springs and Katherine.

Along with the extra funding provided, we have achieved significant efficiencies and reduction in expenditure without impacting on frontline services. These strategies include a continued focus on streamlining work practice to reduce unnecessary overtime, more effective use of permanent staff to replace locum and agency staff and general efficiencies in administration and overhead costs. These efficiencies are expected to provide a cost benefit of \$13.5m in 2014-15. In addition, our own source revenue is projected to increase by approximately \$10m in 2014-15 as a result of a focused effort to increase private billing for services, to identify and bill compensable patients and ineligible patients and better identification of interstate patients using NT health services.

These strategies, and a general focus on effective and efficient use of resources, mean we currently estimate our overall growth in expenditure, including expenditure on new services, will be below 6%, which is consistent with the 2013-14 growth. Historically, expenditure growth in health costs over the last 10 years has been around 10% to 11% annually. Our health system is performing well and we continue to improve each year.

Our emergency departments are extremely busy with over 121 879 patients treated in the financial year to the end of April. We also have the highest ratio of emergency surgery to total surgery in the nation - 40% emergency to total surgery compared to 13% nationally.

The Northern Territory public hospital system has benefitted from our election commitment to increase the number of elective operations by at least 400 per year. From July 2013 to April 2014, our hospitals have performed 6273 elective surgeries and are performing well against their peers with regard to waiting times and access targets.

As I stated previously, the \$1.352bn budget for the Department of Health in 2014-15 is the largest of any NT government agency. As occurs each year, the department is negotiating with the Australian government across a range of agreements that will affect the funding provided in 2014-15. We expect agreement to be reached shortly, after which time these variations will be incorporated into the department's 2014-15 budget and reported in the mid-year review.

The federal budget 2014-15 was a bit of a shock to the Country Liberal government, particularly in the area of ongoing funding for Health. The Territory government expected to receive more than \$150m in Commonwealth funding for Health in 2014-15. The Territory stands to lose about \$33m in Health funding this financial year. This could have real and immediate impacts on services and programs for Territorians. The drop in funding is due to a number of specific Health programs ceasing, as well as changes to the previously agreed National Health Reform Agreement which provided certainty around ongoing funding for hospital services. If, for example, we were to take this \$33m out of the Alice Springs Hospital, it would mean a potential loss of 33 beds at Alice Springs Hospital out of a total of 172 currently funded beds. I am not suggesting Alice Springs would have to shoulder the entire burden, but it illustrates the scale of the federal cuts and the real impact.

I will continue to work with my Commonwealth counterpart to ensure any changes are minimised and to advocate the need for ongoing commitment to health services in the Territory, particularly if we are to continue to address the gap in health status between Indigenous and non-Indigenous Australians.

Now some highlights in each of the health services. For the Top End Health Service, funding includes a continued \$4.55m for enhanced cardiac outreach and rehabilitation services and low risk angioplasty services, again an election commitment. This election commitment provided for low risk angioplasty surgery to be undertaken in the Northern Territory for the first time ever. There is \$2.88m to provide an additional 258 elective surgery procedures per annum, and \$5.02m funding to implement review recommendations to improve the Patient Assistance Travel Scheme.

For the Central Australia Health Service funding includes: \$5.7m for increased ongoing funding for operational expenses of Alice Springs Hospital emergency department; \$1.95m continued funding for enhanced cardiac outreach and rehabilitation services; \$1.59m to continue providing an additional 142 elective surgery procedures per annum; and \$2.48m continued funding to implement review recommendations to improve the Patient Assistance Travel Scheme. The budget for Central Australia includes more than \$8m Commonwealth funding for new remote clinics at Titjikala and Robinson River. This is part of the \$50m program to provide bigger, better and more culturally appropriate health services with dedicated spaces for a range of health services at Papunya, Canteen Creek, Elliott, Ntaria, Ngukurr, Numbulwar and Galiwinku.

The primary care output includes provision of medical, nursing, Aboriginal health, allied health, nutrition, breast and cervical cancer screening services by government and non-government providers in community care centres, remote health centres, clinic schools and in the home. An amount of \$5.02m has been provided to meet the costs associated with increased levels of demand for health services in these areas, with a further \$1.2m allocated for increased nursing and administrative staff to support health screening in police watch houses in Darwin, Alice Springs and Katherine.

Budget 2014-15 also includes \$2.25m Northern Territory government funds for the National Disability Insurance Scheme, or the NDIS, trial in the Barkly regional, representing 60% of the projected cost of this trial. This will provide services for an estimated 103 people with a disability in the Barkly, significantly more than those currently receiving services today. The NDIS Barkly trial will provide key learning to the rest of Australia on how the NDIS will work in remote locations. I am pleased to advise that work is progressing well ahead of the 1 July 2014 commencement of the trial.

We are continuing our commitment to major capital works projects across the Territory. Without doubt Palmerston regional hospital is the biggest infrastructure project on the horizon for the Northern Territory. It represents the progress we are making to build our health system and encourage development in Northern Australia. Budget 2014-15 has committed \$10m to early works at the site this year and the Department of Health has a dedicated team working to progress this project. Environment approval preparations, topography work and a survey of the road intersections began last month, while the tender for the design of the intersection will be released this month. The government is close to finalising the procurement process and expressions of interest will be released in July this year. We are working with experts from across Australia to obtain the best advice to build an excellent hospital to support growth in the north. It is a rigorous process to select the best procurement option to ensure best value for money for the people of Palmerston and Litchfield and deliver a bigger and better hospital. This planning will also consider how to take pressure off Royal Darwin Hospital into the future.

In addition, Royal Darwin Hospital will receive \$22.8m in new upgrades, including the first stage of the \$11.9m Commonwealth funded refurbishment of the hospital's paediatric ward, and \$6.7m for the upgrade of negative pressure rooms. Katherine Hospital will receive almost \$2m to upgrade its air conditioning system.

Katherine and Tennant Creek are also part of the Country Liberals' plan to expand Alcohol Mandatory Treatment as part of this government's plan to tackle alcohol abuse across the Northern Territory. We have allocated \$28.3m to fund operation of Alcohol Mandatory Treatment this financial year, which will be extended to add a 12-bed treatment facility in Tennant Creek and a 20-bed facility in Katherine. In addition, an additional 16 beds will be developed at CAAAPU in Alice Springs.

I must point out to members of the committee that in relation to Alcohol Mandatory Treatment we have had some challenges introducing this new and important program. The target of 800 clients in 2013-14 will not be met due to a lower than expected bed capacity in Darwin. This will be resolved with the move to the low security unit at Berrimah.

I thank staff of the Department of Health, the Top End Health Service and the Central Australia Health Service who passionately care about the patients and clients they help every day. Our health system is performing well through the dedicated efforts of our staff, and also our volunteers such as the Drivers at Alice Springs Hospital. The ongoing efforts of the two health service boards, chaired by Mr Damien Ryan and Mrs Annette Burke, show the positive impact of greater community involvement in our health system.

The budget delivers on the government's promise to bolster health services for all Territorians. Thank you Madam Chair, and committee members, for your indulgence. I would like the committee to note I have received written questions from members of the opposition and Independent members. I am more than happy to orally respond to your written questions during these proceedings, but I will not be responding in writing to your written questions. I will be happy to take questions on notice from the committee now.

Madam CHAIR: Thank you, minister. Are there any questions relating to this statement?

Ms MANISON: To clarify, minister, you will not be tabling those answers to written questions?

Mrs LAMBLEY: No, but I am happy to give the answers orally to you.

Ms MANISON: We had other sessions where ministers tabled the answers to written questions.

Mrs LAMBLEY: There was no agreement within government as to how it would be managed. We just decided to respond orally to your written questions.

Ms MANISON: That is a shame, but we will move on. We have a lot to get through today. To clarify, Madam Chair, will we be having whole-of-agency output to start with?

Madam CHAIR: Yes, we are on questions on the statement. If you have none we can move straight on to ...

Ms MANISON: Could I ask, because it is a bit complex with the Department of Health, the two health services, boards and whatnot, to go through a few areas so I can check off the appropriate output group. To start with mandatory alcohol rehabilitation, would 4.1 be the correct output?

Mrs LAMBLEY: Yes, that is correct.

Ms MANISON: Alcohol-related admissions to the emergency department – 7.0?

Mrs LAMBLEY: Yes, 7.1, that is correct.

Ms MANISON: Grants and service contracts from the Department of Health and the health services – is that something I could ask in whole-of-agency?

Mrs LAMBLEY: That would be right, yes.

Ms MANISON: Staffing figures in relation to the Department of Health and the health services – would 5.0 be appropriate?

Mrs LAMBLEY: Yes.

Ms MANISON: Human resource issues and complaints – 5.0? Palmerston hospital - 5.0 or 8.0?

Mrs LAMBLEY: Depending on the question, but 8.0.

Ms MANISON: Capital works, repairs and maintenance - 5.0. Patient travel - 5.0

Mr KALIMNIOS: Outputs 8 and 9 would be best.

Ms MANISON: Output 8 and 9?

Mr KALIMNIOS: Yes.

Ms MANISON: That does not sit within the overarching Department of Health? That has gone exclusively to both the health services?

Mr KALIMNIOS: Essentially it has been distributed to health services, yes.

Ms MANISON: That tidies it up for me. I do not have any questions in relation to the opening statement.

Mr HIGGINS: Minister, in the opening statement you mentioned the new breast screening announced at the last sittings. Do you have any indication on how successful that has been or how it is going?

Mrs LAMBLEY: Early reports are very encouraging. More than 300 women have used the service since it opened in April 2014, and we have had clients visiting from as far as Daly River and as close as 500 m away in Palmerston. It is attracting a lot of attention because it is a great new service based in Palmerston. The Territory government has committed \$725 000 in 2014-15 in ongoing funding to run this Palmerston based service. The Commonwealth government has provided \$1.2m in start-up funding.

Before the service was set up people who lived in Palmerston, the rural area and remote communities had to travel to the clinic in Casuarina for a breast screen or had to wait for the visiting service.

The permanent clinic will see 92 days of screening in Palmerston from 2014-15 onwards, an increase of 77 days on the visiting service. The feedback we are getting from women from the Palmerston and rural area has been fabulous, with clients saying it is a friendly, warm and welcoming atmosphere and they are getting a great service.

In addition, our new four-wheel drive breast screen bus will hit the road shortly. It will service 15 remote communities across the Northern Territory including the townships of Katherine, Tennant Creek and Nhulunbuy. These townships will be visited every two years which aligns with the two yearly screening requirement for women. It is fantastic news for women living in the Palmerston, rural and remote areas of the Top End. The bus means Indigenous women who have difficulty getting into town to access breast screen services will now simply have to wait for the bus to come to them. Years ago women were not being diagnosed with breast cancer early, and Indigenous women particularly were unnecessarily dying from breast cancer. This will turn those figures around and literally change the lives of women, particularly within the 50 to 69-year age group. It is a free service. One in nine Australian women will be diagnosed with breast cancer in their lifetime, so it is essential women are screened.

Thank you for your question member for Daly. It is good news for the government and the Northern Territory.

Ms ANDERSON: Minister, you said in your opening statement there is a loss from the Commonwealth of \$33m. What impact will that have on services in the Northern Territory?

Mrs LAMBLEY: The potential impact will be profound. I am quite happy to answer that now. As I said in my opening statement, the Territory government expected to receive more than \$150m in Commonwealth funding for Health in 2014-15 and we are looking to lose \$33m. We are yet to work out where the cuts will come from, but as I said in my opening statement one hospital bed is equivalent to \$1m in annual funding. If you take 33 beds away from Alice Springs Hospital you are really cutting into hospital services.

The drop in funding is due to a number of specific health programs ceasing as well as changes to the previously agreed National Health Reform Agreement - funding directly to hospital services. To be more specific, the cuts include the loss of at least \$24m this year under that National Health Reform Agreement and we will be trying to minimise the impact on hospitals. These funds come directly out of hospital services across the Territory as a part of the base operating funding. If we are not getting that \$33m we have to look at changing how we go about our business. How we do that has not yet been determined.

The Commonwealth budget came down the same day as our Northern Territory budget, which was 14 May 2014, so we are yet to specifically determine how those cuts will impact.

A further loss of \$7.1m may mean the Territory cannot meet its elective surgery targets of the extra 400 elective surgeries this year, which I mentioned in my opening statement. Of those, 142 were due to be carried out in Central Australia so that is another blow to us. Whether or not we can meet those elective surgery targets remains under question.

This loss may also affect our sub-acute beds outside Alice Springs Hospital, including the six mental health sub-acute beds in Alice Springs which would be a great loss. This is a fantastic new service I opened last year. It has certainly taken the pressure off psychiatric beds within Alice Springs Hospital and has provided an alternative to that acute setting. I know the Alice Springs community would be devastated to lose those sub-acute beds.

In the past four years these funds have also been used to upgrade hospital infrastructure, for example, modifications to Royal Darwin Hospital theatres. Without these funds modifications to hospital infrastructure will need to be found by the Northern Territory so the emphasis on us to be scrupulous and manage our funds particularly well is more important now than ever. This budget has been tight, although it is the biggest spend on health the Northern Territory has ever made.

We had to do some belt-tightening and my colleague, Michael Kalimnios is responsible for a lot of the savings initiatives and restricting our spending. When these unpredicted events come along - the Commonwealth stripping us of potentially \$33m this year alone - it serves to reinforce the need to be very responsible in our management of the health budget.

We are also losing \$617 000 per year preventative health funding which may mean programs that promote the health of children cannot continue. This is a real blow because, as you know member for Namatjira with your interest in remote communities, prevention is better than cure. Getting to kids and teaching them about healthy living and healthy lifestyle and supporting advice around nutrition and exercise is essential, and these programs were delivered in the schools and at the local maternal and child health clinics.

It will impact schools in Palmerston and Darwin. It is not good news and we are digesting how it will impact on the ground. The loss of \$1.4m for pensioner concessions means funding available to support our Pensioner and Carer Concession Scheme will be reduced. We did not see this coming. This is an area of significant growth within health and why we implemented some changes to the Pensioner and Carer Concession Scheme in this budget. The growth was unsustainable as it was so we made changes to make sure the most needy pensioners and carers were eligible for concessions, with high income earners being excluded into the future. However, with this further cut of \$1.4m, for the Pensioner Carer and Concession Scheme it may mean further reductions or we will have to find savings from within to sustain the program we currently have.

It will also mean additional pressure on the scheme across the board because costs only increase. All the concessions we provide – it still remains the most generous pensioner concession scheme in the country. This scheme will continue to become more costly as the power and water rebates and registration become more costly over time. The \$1.4m is a significant hit to that scheme.

We know funding for remote primary healthcare as part of the Stronger Futures agreement will continue; however, exact funding amounts are to be confirmed. This means we expect the majority of our services such as the oral health service, community based clinics and remote area midwives will continue in remote areas. Funding for midwives has been secured for 2014-15.

A number of agreements were one-off infrastructure grants such as the mobile dental van and the public dental waiting list agreement - they will cease. We did not expect these to be ongoing.

There is also \$4.7m for some other health service agreements which fund services including organ and tissue donation and supported accommodation services. We have not received any advice on whether that funding will continue. In the future it is estimated we stand to lose several hundred million dollars in health funding, the equivalent of losing more than 60 hospital beds every year.

Ms MANISON: Could I clarify something, minister? As the Chief Minister said before, you are talking about \$33m this year gone you were not anticipating? There is \$652m coming out in future - in the Chief Minister's media release - health funding from the Territory as a result of the Abbott government's cuts. You said there were national partnership agreements expiring this year which mostly impacted the

Territory's health system and I understand the total value was around \$41m. We know there are additional cuts to come to national partnership agreements set to expire in the next financial year - about seven - which also have a potential to impact the Territory's health system. You are painting a very bleak picture here.

Mrs LAMBLEY: It is not good.

Ms MANISON: A lot has been driven, as you said, by cuts you were not anticipating from the federal government. What are you doing to fight the federal government for those funds? As Health minister, what conversations have you had with Senator Nigel Scullion and the member for Solomon, Natasha Griggs? What work have you been doing to advocate the absolute need for investment in health in the Northern Territory, knowing we have the greatest deficits in Australia? We need federal funding. You said you have put in more Territory funding than ever before, but a big chunk of that money is into alcohol treatment. When you add that up it is only about \$8m extra, which does not even cover indexation. What work is the agency doing, and you as minister, to fight for that funding we need so desperately in the Territory?

Mrs LAMBLEY: We are not alone. Obviously every other jurisdiction in Australia is completely outraged and I have been communicating with my colleagues across the country. Natasha Griggs is not a minister but is certainly a member of the Coalition government. She is also aware of the pressure this will put on Territorians, as is Nigel Scullion. There is a Standing Council on Health meeting tomorrow, which I am not able to attend but my colleagues will be attending on my behalf. It is a three-hour meeting and I can assure you sparks will be flying.

Ironically, the Northern Territory is slightly less impacted than New South Wales and Victoria, but in the scheme of things it does not matter. We will all suffer and it looks as though some of our plans and commitments to reform the health system under different partnership agreements have dissolved and are being disbanded by the federal government.

We are going into bat, of course. Because we are a conservative Northern Territory government does not mean we will not fiercely represent our constituents in the Northern Territory. That is all I can say on that.

Ms MANISON: I am glad to hear it. I am glad you are having those discussions with the member for Solomon and Senator Nigel Scullion because they need to occur. They need to fight as hard as they can to get every single dollar ...

Mrs LAMBLEY: Absolutely.

Ms MANISON: ... into the Territory health system. Basically, there are big cuts. You say you will have to make cuts to services within the Territory's health system and it is something you are presently looking at. When do you anticipate you can give Territorians a clear understanding of where the sacrifices will have to be made, where the cuts will be made - whether it is staff or services? How long will it take to work through the true impact of these cuts?

Mrs LAMBLEY: Specific information around these cuts is not yet available. I imagine after the Standing Council on Health meeting tomorrow there will be more clarity around what the cuts mean and whether the Commonwealth government will reverse some of the decisions. There is still a lot of hope that will happen. We have not done specific planning around how we manage these cuts.

In the Northern Territory budget handed down on the same day as the federal budget we made some savings. We made an effort to plan for a rainy day. Little did we know the rainy day would happen on the same day our budget was handed down.

The general intent of our government to be fiscally responsible will aid the Northern Territory to get through this. We are good at managing money, unlike your government. Labor did, as you said previously to my surprise - you acknowledged the very high deficit we have been left with in the Northern Territory and the debt ...

Ms MANISON: I was talking about the health issues we have.

Mrs LAMBLEY: I thought you were referring to the debt legacy you left our government.

Ms MANISON: I was not talking about the dollars; I was talking about the health of Territorians, minister.

Mrs LAMBLEY: However, ...

Ms MANISON: I wish I was not.

Mrs LAMBLEY: You are talking to a government that takes these matters extremely seriously. We know we cannot continue to go into more debt and more fiscal difficulty in order to respond to these cuts. We will manage with great responsibility and try to maintain the same level of health services we ...

Ms MANISON: I just ...

Mrs LAMBLEY: I will hand over to Mr Kalimnios to add some more light on the subject.

Mr KALIMNIOS: I am the Chief Finance Officer. I wanted to add to what the minister said about the \$20m-odd for the activity funding or national health reform agreement to put some context around that. The figures both the minister and the Chief Minister have quoted are correct in both the impact on the budget this year and the longer term impact. However, at a departmental level we are working with the Commonwealth around the basis of what those cuts mean and how they were calculated.

One of the challenges we have with the new funding system is it is activity-based funding. That means, effectively, we are paid for what we do. Some of the cuts in the federal budget are based on data we do not necessarily agree with in how they calculated our activities. The federal budget removed the funding guarantee for ongoing funding in activity-based funding. Given they used potentially wrong data they built into their budget a decrease in activity for the Territory. We are working with them to correct that ...

Ms MANISON: I would hope so.

Mr KALIMNIOS: ... and are hopeful we can show our activity has increased and, therefore, the funding guarantee drop out will no longer apply to us and we will maintain a substantial portion of that funding.

Ms MANISON: Looking at Budget Paper No 2, where we look at administration, efficiencies, program efficiencies and rationalisation of the Department of Health – this is in addition to the fact you have had \$33m this year, \$652m going forward - we have a range of national partnership agreements expiring and we know there are more to come. The budget book notes you still managed to find \$13.54m of efficiencies. What were the efficiencies you found, what has been cut, what has been taken away and how are you driving those efficiencies?

The scary thing to note is this is in addition to the bad news we heard about cuts made under the Abbott government with NPAs wrapping up, and within this budget you found \$13.54m of extra efficiencies. Where did you find those efficiencies in the system?

Mrs LAMBLEY: The efficiencies we have identified add up to \$13.5m. In the *NT News* it was reported as \$14m, which was not entirely correct; they rounded it up. The efficiencies are comprised of a number of back of house efficiencies mainly in administration, and small reductions in service delivery where there was a duplicated service or a more efficient way of operating the service.

As part of the new service framework, 20 FTEs have been cut from the system, being middle management positions, including some positions currently vacant. This is common knowledge within the ...

Ms MANISON: You spoke about this with the legislation – the health services framework.

Mrs LAMBLEY: There will be no forced redundancies from these cuts, with staff able to apply through a merit based recruitment process for redesigned positions ...

Ms MANISON: Are you looking at natural attrition?

Mrs LAMBLEY: Yes. No one will be left without a job – these 20 FTEs. The 20 positions equates to how much?

Mr KALIMNIOS: The 20 positions would be of the \$13.5m.

Mrs LAMBLEY: I do not have that figure, but it is part of the \$13.5m.

Ms MANISON: If we are looking at natural attrition we will see a reduction of workforce numbers within the Department of Health and health services going forward to meet these cuts.

Mrs LAMBLEY: The 20 positions, yes.

Ms MANISON: On top of that, if we are looking at natural attrition going forward as a way to meet efficiencies people will be asked to do what they can within existing resources, putting more pressure on them.

Mrs LAMBLEY: You are talking about a totally different structure. You are talking about - \$2.5m those 20 positions equate to. You are talking about a restructure of the Health department with these 20 positions deemed no longer necessary in the new structure as at 1 July.

Ms MANISON: Going forward, minister, as part of the efficiencies you have to find we are talking about natural attrition. In other words, somebody leaves and their position will not be filled and the remaining staff will have to carry the load – do more with less people.

Mrs LAMBLEY: The positions will change. Would you like to comment, Dr Notaras?

Dr NOTARAS: Certainly. Len Notaras, Madam Chair. Member for Wanguri, thank you. The efficiencies coming in as a result of the new service framework are not designed in the sense of cutting and slashing and putting more pressure on individuals, but rather making paid to duplication replication and so on and driving service deliberately to the coalface, in other words, where it is needed. For too long we had a rather centralised cumbersome model which took everything back to a place down the end of this street and a couple of other offices, where excellent people were working very hard, instead of pushing them out to particular regions and areas where we need support.

Some positions are currently vacant, do not have somebody sitting in them and have been vacant for some time. The number of those positions I can take on notice, and I am sure Mr Kalimnios, through the minister, can provide them. They are ones we would be looking at and it is about patient and client care and getting services to the coalface.

Ms MANISON: Thank you, Mr Notaras. To reflect on the true impact of these cuts it would be very constructive if the minister and the department could provide a here and now picture of what the Health department and the Top End and Central Australian Health Service Boards look like in number of staff by designation and location. Could that be provided?

Mrs LAMBLEY: We can provide that information. All affected positions and people sitting in those positions were made aware well in advance that the positions will no longer exist as at 1 July 2014.

Ms MANISON: I appreciate that, but going forward we are about to go into a very rough patch around funding and you are looking at efficiencies and cuts to health services in the Northern Territory. It would be constructive to analyse the true impact of these cuts when we are here next year - to have a now time picture about how many staff members are in the Department of Health, the Top End Health Service and the Central Australia Health Service by designation and location - to have a true picture of where they are and how these cuts will impact our health workforce.

If you do not have the information I am keen to put it as a question on notice. I would also be keen to see how many of those positions are vacant, as we just discussed.

Mrs LAMBLEY: I am happy to take that on notice. We have some information but it is not presented in the way you specifically asked, member for Wanguri.

Question on Notice No 5.1

Madam CHAIR: Member for Wanguri, can you please restate the question for the record?

Ms MANISON: As at the nearest pay cycle, please provide the number of staff in the Department of Health and the Top End and the Central Australia Health Services by designation and location, by full-time equivalent status, part-time or casual status and also the number of vacancies. I would also be particularly keen to see, as part of that, an outline of the number of Indigenous Health Practitioners across the NT by location and the number of vacancies as well.

Madam CHAIR: Minister, do you accept the question?

Mrs LAMBLEY: I would be happy to talk about Aboriginal Health Workers further into output discussions. Can we have that as a separate question because I can give you some information around that?

Ms MANISON: I would be keen to get the numbers now of what the workforce is looking like in numbers, location and by vacancies. We have previously spoken about vacant positions so clearly they are a very important part of the workforce and it would be good to get the numbers here and now - what we are looking at.

Mrs LAMBLEY: Okay, the ...

Madam CHAIR: Minister, before you go on I need the direct question. Are you happy to accept that question in its current format?

Mrs LAMBLEY: Can we deal with Aboriginal Health Practitioners when we get to that output group?

Madam CHAIR: Can we remove that from the question, member for Wanguri?

Ms MANISON: Can we talk about it in 5.0?

Mr KALIMNIOS: We can provide the data you are asking for and include Aboriginal Health Practitioners as a stream so that data would be provided in that question.

Ms MANISON: As a designation?

Mr KALIMNIOS: That would be part of a standard split of positions.

Mrs LAMBLEY: Wonderful.

Ms MANISON: All good.

Madam CHAIR: Is that okay, minister?

Mrs LAMBLEY: Sure.

Madam CHAIR: The question asked by the member for Wanguri to the Minister for Health is number 5.1.

Ms ANDERSON: Madam Chair, I will finish asking the first question. What is the difference between the savings you have made in the Northern Territory budget and the \$33m you now will not receive from the federal government? Minister, you said its impact on the Northern Territory will be great. That impact will be on the most vulnerable Territorians, pensioners and Indigenous people.

Have any strategies been put together by this government as to what services will go? Has this government thought about putting off Palmerston hospital in order to save some of the existing services so the vulnerable do not lose services?

Mrs LAMBLEY: To be honest, we have not delved into where these cuts will hit because we do not have enough information on what they will look like. After the Standing Council on Health meeting tomorrow we will have a lot more clarity and feel more confident about how we move forward. I will not speculate about where the cuts will come from at this point because that will create fear and insecurity within the health system which, at this point, will not be particularly helpful.

The savings we identified as part of our budget, for the most part, have been managed already and are around efficiencies and identifying duplication of services. Although they will impact to some extent, the impacts will not be profound. When you take \$33m, potentially, out of the budget those cuts will be more profound than \$13.5m. We are in for a rocky road.

The Chief Minister said earlier today health has been affected the most by the federal budget. We are vulnerable; however, this new health services framework will be a much more robust and responsive system in responding to local needs and making decisions which are in the best interest of local

communities. We are hoping, to some extent, that cushions the impact of what could be a difficult time in health.

Ms MANISON: We recently heard from the Territory's head of the AMA, Rob Parker, on a 7.30 story, his grave concerns about the cuts and what they will mean. One area he highlighted - I think he called it a bit gold-plated – not entirely sure what the term he used was - was mandatory alcohol rehabilitation. You will have to make some tough decisions, minister, and I appreciate how forthcoming you are being about this because there will be serious cuts to health services across the Territory. Do you think you have your priorities right, given the amount of money you are putting in to mandatory alcohol rehabilitation versus some of the significant cuts we will see to health services as a result of funding changes?

Has this changed the state of play in the Territory and what you give priority to because this financial year alone you are putting about \$30m in to alcohol mandatory rehabilitation? Will you have to re-examine this? Your goals have changed.

Mrs LAMBLEY: We will have to look at everything. We will have to reappraise all our expenditure within health and look at ways to generate more revenue. That is what you do when you are facing a potential financial crisis within your department. You look under every rock, which is what we did when we first came to government. We were trying to find inefficiencies, savings and trying to generate more revenue.

Alcohol Mandatory Treatment is an area we are committed to. We went to the August 2012 election with this as one of our key policies. People of the Northern Territory expect us to roll this out. It is come in well under budget because we have used existing facilities rather than having to build new facilities to carry out our Alcohol Mandatory Treatment. We have saved an enormous amount of money ...

Ms MANISON: For example, you have \$10m allocated in your capital works budget this year.

Mrs LAMBLEY: That \$10m will expand ...

Ms MANISON: The rehab beds, yes.

Mrs LAMBLEY: ... Alice Springs, modify an existing facility in Tennant Creek and build a new purpose-built facility in Katherine.

We started this program thinking we would have to build new purpose-built buildings throughout the Northern Territory. We did not foresee we could use the medi-hotel temporarily and then move into the low security unit in Berrimah. We have been quite frugal and quite clever in how we used existing facilities. We started off with a \$35m budget for Alcohol Mandatory Treatment and quickly realised we would not require \$35m. Last financial year we took \$10m out of it. Even this year we will come in well under budget. We took another \$6.5m out of this year's budget. We only spent \$13m in the first nine months of the operation of Alcohol Mandatory Treatment in the Territory and, therefore, have \$14m up our sleeve to last another three months.

We are spending a whole lot less than we forecast. However, you are right, we are all ...

Ms MANISON: There are some new challenges.

Mrs LAMBLEY: There are new challenges right across the board and there will be pain right across the board. When we first came to government we were faced with this across government. The fact health is being targeted by the Commonwealth government and putting pressure on us to find more efficiencies and more savings is more of the same for this government. We are committed to responsible fiscal management.

I do not know how we will find \$33m worth of savings - and more - through the forward estimates, but if that is what we are faced with, that is what we will do. Our utmost priority will be trying to minimise the impact at the coalface in service delivery. We never want to compromise our service delivery, but, in small ways, we will have to consider doing so. However, that is the last resort.

Our first priority is to minimise administration cost, look at efficiencies within administration - which we have done a lot of over the 12 months I have been Health minister. We have already cut a lot of – what do you call it? - back door or behind ...

Mr KALIMNIOS: Back office.

Mrs LAMBLEY: Back office positions, but we will have to do a whole lot more.

Ms MANISON: I appreciate you being up-front, minister. Clearly, taking away backroom resources puts pressure on the people in the backroom. It ultimately puts pressure on people on the front line as well, because they have fewer people to support them doing their job. Health is probably one of the most delicate of all departments to see that happen in. It looks like we have some pretty rocky, rough times ahead.

Given you have the Health ministers' meeting tomorrow and you highlighted you are currently looking at numbers, you should have a good idea in the next few weeks about the cuts you will have to make. How will you communicate that to Territorians and staff within the Health department because they will be concerned about what will stay, what will go and what areas have to find further efficiencies?

Mrs LAMBLEY: My preferred way of operating is to be frank and open. However, when you are dealing with people's lives in regard to employment, you do not want to be too frank and open to the point where you scare them off. We have problems with recruitment and retention of health professional staff in particular in the Northern Territory so we need to deal with this sensitively. However, the final cuts we experience from the federal government will be made public; there is no way around it. That works in our favour politically because it is not our fault. The responsibility and fault needs to rest with the federal government if that is the decision it decides to make.

Dr NOTARAS: Thank you, Madam Chair and members for Wanguri and Namatjira. The vulnerable are people we consider first in any of these strategies. The other piece of good news is this change in structure enacted only a few weeks ago gives us an opportunity to put some constructive strategies in place rather than the cut and burn holistically. By that I mean our most precious asset is our patients, our clients, well supported by our staff. Staff at all levels, from administration to the coalface and back to administration, are important. The new structure will see administration at the coalface rather than - that was my comment in regard to a decentralised rather than a centralised model - it is designed really to support the people who need to be supported in doing what they do on a daily basis rather than replicating. I hope that makes some sense.

Ms MANISON: I appreciate that, Dr Notaras. Going forward we know you will have to make some tough decisions and cuts. We all know when you can invest more money into an area in Health you are ultimately hoping to drive better health outcomes. When you take money away from different sections there will be flow-on effects. When you are looking at the different areas across the Health department and the Health Services Boards, what type of modelling will you do around the areas you are looking at to make efficiencies to ensure you fully consider the potential impact of cutting certain areas over others?

Mr KALIMNIOS: To give an example of the kind of analysis you are talking about, the minister mentioned some of the reductions in mental health sub-acute beds in Central Australia as a result of one of the NPAs not progressing. Obviously, part of the process we are going through now is looking at the impact on inpatient cost and activity if we did not continue to fund those beds. The flow-on effect of keeping people out of hospital by using those beds may be greater than not continuing to fund those beds. We need to go through quite a complex process. We are working with the Central Australia board and COO to work that process up as part of the service delivery negotiation process and budget build process we are going through now to make sure the impact of whatever decisions we make do not end up being multiplied.

We are doing this with the various issues as they come to light to make sure whatever we do does not create unforeseen consequences for us.

Mrs LAMBLEY: That is not just within Health, but across government. For example, you talked about how we might look at Alcohol Mandatory Treatment as a target for cuts. We know Alcohol Mandatory Treatment is contributing to a reduction in crime levels in certain part of the Northern Territory. Alcohol Mandatory Treatment, with alcohol protection orders and various other strategies, is reducing crime. Also, the flow-on effect is it is probably more than likely, although it has not been strictly measured, reducing the demand on health services because of the reduced consumption of alcohol.

There is a flow-on effect and, in answer to the question you asked before about Alcohol Mandatory Treatment, we will not be trimming that back because we think it is an important part of a cross-agency strategy to address our biggest problem in the Northern Territory: the use, misuse and abuse of alcohol. We are committed to our Alcohol Mandatory Treatment as a part of a broader strategy to deal with that.

Dr Notaras just highlighted we have to look at other efficient ways of doing business within Health, and Telehealth and e-Health are not used to near their potential throughout the Northern Territory.

Ms MANISON: Would outsourcing of services be something you are looking at or privatisation of health assets?

Mrs LAMBLEY: It is a big question and something we have not considered in the short- to medium-term for most of our health services in the Northern Territory. Perhaps the new Palmerston hospital might end up being a privately run, privately operated, built and designed hospital, a full PPP, but that is yet to be determined and those decisions take a long time to take effect.

Ms MANISON: That is something on the table now you are looking at given the current ...

Mrs LAMBLEY: Long term we have to look at ...

Ms MANISON: The current situation you have been presented with?

Mrs LAMBLEY: Particularly in regard to expanding existing health services and infrastructure it would be a consideration.

Dr NOTARAS: Madam Chair, Telehealth has seen a remarkable cure and treatment rate of otitis media in the vulnerable population without specialists having to travel to the bush. In other words, having this done by audiologists and technicians and sent back to the office. It saves a considerable amount of money and that is only one example. I will be exploring a number of those areas so we are not cutting but rather building, and building more efficiently.

Mr McCARTHY: Minister, these are tough times there is no doubt about it, and in regard to a cost benefit analysis - it is terrible trying to apply that to the health of Territorians - when you talk of a budget appropriation of \$30m in Alcohol Mandatory Treatment where we could be talking about hundreds of patients yet you, as minister, are faced with possible cuts to services to thousands of children or thousands of families - we can talk about foetal alcohol spectrum disorder - it is a serious decision the government needs to make. I am not denying alcohol rehabilitation, but under these circumstances it is critical you look at all areas. In the brutal game of delivering efficiencies within government, this area will be front and centre, or should be in my opinion, and we are all in this together. Territorians would support those types of decisions in these very difficult times of continuing to deliver services. We have heard the analogy of the ambulance at the bottom of the cliff, and that is where the cost benefit analysis will have to be looked at.

Mrs LAMBLEY: I agree. You have been a minister and know you are faced with decisions all the time about how you prioritise funding - the economic cost of putting the money here as opposed to here. That is a reality of being a minister. We will be looking at Alcohol Mandatory Treatment; there is no doubt about it. If you are asking will we reduce it significantly, I cannot answer that at the moment. It is a priority of this government that we roll it out and we are yet to do that. We are still working on phase two of the roll-out of Alcohol Mandatory Treatment.

What I will guarantee you and the people of the Northern Territory is we will keep those costs as low as we possibly can, and they are quite low. We have been doing some research in preparation for estimates and the cost of a 12-week residential rehabilitation program within our Alcohol Mandatory Treatment system is cheaper than being in hospital for a hip replacement or most conditions you need to be treated for. It is a cheap way of helping the most disadvantaged at the lowest point in their lives. Twelve weeks of Alcohol Mandatory Treatment can save their life, but also save the community a vast amount of money if these people can pick themselves up out of the hole they have fallen into.

When you talk about economic cost and cost benefit analysis, we need to look at that too. Residential alcohol treatment has been an accepted part of health service delivery in the Northern Territory for decades, has it not? The former government funded Banyan House, CAAAPU, CAAPS and various other alcohol residential rehabilitation programs.

This is creating a stir because it is mandatory, but it is really no different from existing programs. The outcomes of our program will be the same, if not better, than the ones funded under Labor. People get a bit stuck because it is new, different, unprecedented, and the inference from both of you is it is somehow disposable because of that. It is not disposable; this will be a part of the health system for as long as we are around and hopefully beyond because it is showing results. It is making a difference to people's lives, as have alcohol residential rehabilitation programs over the last 10 to 20 years in the Northern Territory.

They all have their place, but when you have the alcohol problem we do in the Northern Territory, the extent to which people have lost their way in droves – extreme situations need extreme measures and you have to fund these things. That is where we are at, but we will leave no stone unturned. If we can make savings in Alcohol Mandatory Treatment in order to sustain higher priority services within health, absolutely.

Ms MANISON: I have finished with the opening statement.

Ms ANDERSON: Minister, with the \$33m not forthcoming from the federal government and leaving no stone unturned, does that mean community clinics promised at Borrooloola and Titjikala might not go ahead?

Mrs LAMBLEY: No, that is committed funding. It is on the program and will not be touched.

Ms MANISON: That was Commonwealth, was it not, minister?

Mrs LAMBLEY: It is all Commonwealth funding and we are committed to that \$50m worth of infrastructure spent in the communities.

Ms ANDERSON: Thank you, minister.

Mrs LAMBLEY: We cannot let those things slide. We have travelled to communities and seen clinics in desperate need of refurbishment. Those buildings are an important part of the community and if it is drab and run down it is not good for lots of reasons. I would be committed to the current infrastructure commitments we have at least.

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

Madam CHAIR: The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014–15 as they relate to the Department of Health. Are there any agency related whole-of-government questions on budget and fiscal strategies?

Ms MANISON: Staying with the impacts of the federal government's decision around health, we have already spoken about some of the budget cuts and where the government has lined up its priorities nationally. One of the very topical issues - this is something the federal government has announced and is causing a stir locally - is the potential introduction of a GP co-payment. Has any work been done around? I am alarmed to hear concerns raised this will mean more presentations, potentially, to emergency departments. Also, some of the Indigenous health organisations have deep concerns about the impact on the people they work with around a GP co-payment. Some are talking about absorbing the cost themselves which will, ultimately, take away some of the critical programs they deliver to their clients around the Territory.

Have you looked at the potential flow-on affects? Have you voiced a position on the Territory government's behalf to the federal government about the impacts a GP co-payment would have on the Territory health system?

Mrs LAMBLEY: Certainly, I have had a discussion with the federal Minister for Health, Peter Dutton, and expressed my concerns about how this might impact, particularly on our most disadvantaged people in the Northern Territory. It is not being rolled out until 1 July 2015. We have not received any detail on how it will be implemented, managed and who it will affect.

My greatest fear is people attending primary health clinics in communities will be required to pay \$7 up-front. We have major problems, as you know, getting people to use health services in remote communities. Accessing health services has been a major challenge for the last 20, 30 or 40 years. We are just seeing the light of day in cancer treatment for Indigenous folk, and changing health outcomes through closing the gap. That is all very encouraging and, principally, is about people accessing health and understanding the health system.

I am speaking to the converted. If you start charging people \$7 to visit the doctor it will be a major problem.

Ms MANISON: It is a worry in the Territory. Will you be writing to your federal counterparts explaining the Territory is different? Talking about the deficits in the health of Territorians, we have some big issues. We need to encourage people to seek healthcare and treatment to keep them out of hospital and get them on a healthy life path. Will you communicate that strongly to minister Dutton and the Prime Minister?

Mrs LAMBLEY: I have already expressed my concerns on the limited amount of information available. This has to pass through the Upper House of the federal government before it is legislated. In the first instance, I have expressed my concern. My other concern is people have to pay \$7 the pressure would be on us to absorb that cost. Where do you find the money for that in lieu of the cuts to health services from the federal government? The future is looking rather bleak when it comes to the \$7 co-payment.

Ms MANISON: Thank you, minister. With regard to the whole-of-agency, would it be possible to provide a breakdown of all grants and service contracts with non-government organisations for the provision of health services, including health promotion and disease prevention, mental health support, disability support and community care across the Territory, including details of service providers, services being provided, the term and costs of grants and contracts, and the location of services being provided. That was one of the written questions we asked. If you have the information now it would be great. Could you table that or otherwise take it as a question on notice.

Mrs LAMBLEY: I am reluctant ...

Ms MANISON: It is fairly detailed.

Mrs LAMBLEY: ... to table the document I have because it includes the names of specific clients or customers accessing some of the services.

Ms MANISON: I understand you would not want to have individuals identified, but certainly non-government organisations that provide services. We know the Health department contracts and engages quite a lot of these providers to support the delivery of health services in the Territory.

Mrs LAMBLEY: Yes, the Department of Health released grant payments associated with the provision of services of \$137.5m in 2012-13 and \$143m in 2013-14. Each year the department's annual report provides details of all grants over \$10 000. The 2012-13 are published in the annual report. The grants for 2013-14 will be published in due course. Is there anything in particular you are interested in or just the whole picture?

Ms MANISON: A big part of estimates is gathering data and making sure we can see a true reflection of where the health system is today, where it was a few years ago, and where it is will be a few years down the track. We need to monitor performance. Part of my job of scrutinising the budget is to see how things are going in the agency, minister, and that is why I am keen to get that on the record. We know NGOs do it tough at the best of times, but they provide critical services. It is important we have that information on the record today given we know we will go through some rocky times.

Mrs LAMBLEY: I have the 2013-14 grant payments associated with the provision of services. This is not publicly available yet. I can provide you with an amended copy with the names of ...

Ms MANISON: With the names of individuals taken out?

Mrs LAMBLEY: With the names of individuals taken out.

Ms MANISON: I am fine with that. I understand the need to do that.

Mrs LAMBLEY: We will get that to you before the end of estimates.

Ms MANISON: Thank you, minister.

Question on Notice No 5.2

Madam CHAIR: Member for Wanguri, could you please restate the question.

Ms MANISON: Please provide a breakdown for both 2012-13 and 2013-14 of all grants and service contracts with non-government organisations for the provision of health services, including health promotion and disease prevention, mental health support, disability support and community care across the Territory, including the details of service providers, services being provided, the term and cost of grants and contracts and the location of service being provided?

Madam CHAIR: Do you accept the question, minister?

Mrs LAMBLEY: Yes. I could read through them all if you want them now.

Ms MANISON: For the sake of efficiency, I would prefer to have that as a question on notice.

Madam CHAIR: That will be question number 5.2.

Ms MANISON: Minister, we have the grants management system in place in the Health department. My understanding is in the past triennial agreements were provided to a lot of external organisations for their funding arrangements. Have they all moved to annual agreements as they come off their triennial funding arrangements? Are they moving towards annual agreements now?

Mr KALIMNIOS: No, with the new grants management system we intend to complete implementation by 30 June 2015, but as we bring NGOs across to the new system the term of the contract will depend on the nature of the grant. We will still have multi-year grants, yearly grants and time periods in between. We are not altering the length of the grant; it depends on the service they deliver.

Ms MANISON: Thank you, Mr Kalimnios. The feedback I have received from some NGOs is, as we all know, the cost of living in the Territory is extremely high and staff retention is a real challenge for these organisations. Generally, people working within these sectors are not paid a huge amount of money, so it makes a huge difference to them to have longer term agreements in place for their funding. I think they would like more government commitment for longer term funding arrangements where possible. Is that something you are willing to look at, minister?

Mrs LAMBLEY: It is interesting you raise this with the National Disability Insurance Scheme being launched - the funding arrangements with non-government providers are completely different. This is a system whereby people determine what services they will purchase on an individual basis. The concept of block funding for services that provide disability services, which will also include mental health services because it includes people with mental illness, will change as a result of that. Obviously the trial starts in the Barkly as of 1 July 2015, but it will be rolled out fully across Australia by 2019 so the long term picture for non-government organisations is a dramatic change in how they are funded. Long-term funding arrangements for a lot of non-government organisations will not exist. That is the new world we are stepping into.

Ms MANISON: Something the NGOs want to see is longer term funding arrangements and more certainty.

Mrs LAMBLEY: They are very anxious about this. I have spoken to people interstate and overseas who are implementing this self-determination model. I forget the terminology they use, but where clients purchase their own services. One of the main concerns NGOs have is they cannot plan; they just have to change the way they do their business completely because there is no security. They have to sell themselves and they have to appeal to their clients. It is a full business purchaser provider model which will put a lot of pressure on NGOs. As much as I hear what you are saying, and it is preferable NGOs at the moment have block funding, that is not the way the world is going. In the UK they have this client purchasing model for most health services - aged care, mental health as well as disability. Most aspects of health are purchased by clients in this way and it is a big adjustment.

Ms MANISON: Thank you, minister. Aged care is provided by the federal government, I understand that. We have had issues in the Territory with regard to the need for aged care beds and people being in the hospital system as a result of issues with some providers. Are you able to give us a breakdown of how many hospital beds are being taken up by aged care patients who should be in appropriate care in an appropriate home? Are you lobbying the federal government for more investment in aged care in the Territory given it is such an important area?

Mrs LAMBLEY: It is an important area. We will have a visit from Senator Fifield on Friday who is responsible for aged care federally. He is well and truly aware of the problems we have had, particularly in Darwin aged care facilities over the last two years. He is coming to make some, hopefully, positive announcements around the future of aged care facilities across Australia which will impact in the Northern Territory. Currently, 62 people in Darwin are on the waiting list for a bed in an aged care facility, with 48 people assessed and awaiting permanent placement in the community. This includes some people from interstate wanting to move to Darwin as well as intrastate people. This also includes 20 people in Royal Darwin Hospital awaiting a bed. Some of those 20 people have been awaiting nursing home placement for a long time, some over a year - not many - three over 12 months and many over three or four months, so it puts a lot of pressure on our health system.

After a period people waiting for a nursing home placement pay for their bed while in hospital, but with the pressure on beds per se for different reasons it is really not appropriate they are there for themselves or the health system.

Ms MANISON: Thank you, minister, and good luck on Friday. I hope you will be strongly advocating for more investment in that area. Madam Chair, that is my questions for whole-of-agency.

Mr HIGGINS: One of this government's election promises was to reduce red tape. Can you give us an outline – reducing red tape in health is a bit hard – of what the government is doing to reduce red tape? I am thinking about antiquated regulations. What are we doing in that area?

Mrs LAMBLEY: Member for Daly, the Giles Country Liberal government is committed to reducing red tape. Recently legislation was passed which reduced 309 regulatory provisions into just 116 under the *Public and Environmental Health Act*. In practical terms this means business owners and the public will have modernised laws to protect public health and safety in the Territory and make life a whole lot easier with less regulations, greater flexibility and capacity to promote and protect the health of individuals from current and emerging health risks. Some of these include mosquito control, waste water management, commercial visitor accommodation, hairdressing, beauty therapy, body art, perinatal and cervical screening registers.

One of the oldest regulations amended was the requirement for barbers to have a certificate to confirm they do not have tuberculosis. Apparently this regulation had been around for over 100 years. These amendments were well overdue and, hopefully, welcomed by a broad range of businesses and interest groups across the Northern Territory. Staff and clients of beauty therapy and body art businesses will have greater protection against infection, including new minimum standards on hygiene and sanitation relating to skin penetration equipment and other articles used at these businesses.

These infection prevention measures will bring the Territory into line with the rest of Australia and are important given the potential impact of blood-borne diseases, including Hepatitis B and C. It is a great example, and there are many examples across government, not just in Health, of how we have actively reduced red tape to make life easier for Territorians. Thank you, member for Daly.

Mr HIGGINS: Who will visit the body art shop next to my office and inspect it?

Mrs LAMBLEY: We will talk to our Environmental Health Officer tomorrow.

Ms MANISON: Environmental Health is further down the outputs, member for Daly.

Mr McCARTHY: Come on, member for Daly. You can get estimates 2014 tattooed on you.

Madam CHAIR: That concludes consideration of agency-related whole-of-government questions on budget and fiscal strategies.

OUTPUT GROUP 1.0 – TERRITORY-WIDE PRIMARY HEALTHCARE

Output 1.1 – Territory-wide Primary Healthcare

Madam CHAIR: The committee will now proceed to Output Group 1.0 - Territory-wide Primary Healthcare, Output 1.1 - Territory-wide Primary Healthcare. Are there any questions?

Ms MANISON: During the health services framework debate we had some discussion around the critical importance of primary healthcare and getting the balance right between primary healthcare and what you invest in acute care. In this budget the Department of Health figure is up by about \$3m. When you drill down into the health services - the Top End Health Service and the Central Australia Health Service - you see \$22m has been cut from the Top End Health Service primary care section and \$8m from the Central Australia primary healthcare section. That is about \$30m from this area. What have these cuts been driven by? Clearly you have it in the budget papers. What services are being cut as a result?

Mr KALIMNIOS: There are two parts to answer that question. The overall decrease you see in primary healthcare is really a result of the timing issue associated with the budget. At the time of budget preparation Commonwealth agreements had not been finalised and the federal budget had not been released. Most of the money earmarked for primary healthcare is around Stronger Futures money and COPE money - Commonwealth Own Purpose Expenditure. We have indications that money will be provided again. Once that money is provided, the adjustments to the budgets will be made and will appear

in the mid-year review. We do not anticipate, other than the areas the minister has outlined, any major reduction in the primary healthcare budget flowing from that Commonwealth process.

Ms MANISON: You are confident the Territory will regain \$30m in cuts to primary healthcare?

Mr KALIMNIOS: Yes, with the exclusion of the areas the minister spoke about. Essentially, that money will be returned to us. We are currently finalising those negotiations.

There are some challenges with the federal funding process, particularly in primary healthcare, which we will face every year. The so-called COPE money - the Commonwealth Own Purpose Expenditure money - is only provided by the Commonwealth on a 12-month basis, so every year we have to renegotiate that money. It creates some timing and certainty issues in production of budget and service planning. Generally, the Commonwealth has been quite consistent in re-providing that funding.

There is a technical issue in that our budget papers are produced and it seems there has been a drop in funding when there really has not.

Ms MANISON: I am glad to hear some good news and that the budget books are unlikely to reflect a \$30m cut. You are confident you will get \$30m back into primary healthcare in Central Australia and the Top End.

Mr KALIMNIOS: That is correct. The second part of that is when you look at the output of the department - there is still money to be redistributed from that output to the health services. We are currently, as part of the whole new services framework negotiation process, still working through some monies to be redistributed out of central areas into the health services.

Currently, if you look at the numbers, there is probably an over-inflation of the budget that will end up in Territory-wide services centrally. That is, again, an effect of us not yet finalised the SDL service delivery negotiations with the two boards of the health services.

Ms MANISON: When will I see that cold hard figure back in the Territory budget? When will I see that confirmed, all signed off, all ticked, all signed by Canberra and back in the Northern Territory?

Mr KALIMNIOS: That will be part of the mid-year economic forecast figures when we do the mid-year adjustments. There will also be a process, as committee members are probably aware, where the service delivery agreement we signed with the board is a publishable document. That will reflect the real budgets that will be allocated to the two health services as well. We anticipate that to be produced somewhere in August or September. Once that has been finalised it will reflect real budgets allocated to the two health services. We are currently finalising those negotiations over the next month or so with individual boards.

Ms MANISON: We will welcome a media release on that day, minister, to confirm you have every dollar and cent back in that critical, essential area of the Territory health system – to see confirmation this has occurred. It is a big shock when you look in the budget books and see \$30m gone from a critical area.

I do not have any further questions on Output 1.0.

Madam CHAIR: Are there any further questions?

Ms ANDERSON: Minister, the \$30m coming back from the Commonwealth's own purpose expenditure is not the same \$36m deficit you are talking about from the federal government ...

Mrs LAMBLEY: No.

Ms ANDERSON: That is the clarification I need.

Madam CHAIR: That concludes consideration of Output Group 1.0.

OUTPUT GROUP 2.0 - PENSIONER CONCESSIONS

Output 2.1 - Pensioner Concessions

Madam CHAIR: We will move to Output Group 2.0 - Pensioner Concessions, Output 2.1 - Pensioner Concessions. Are there any questions?

Ms MANISON: Minister, housekeeping before we go into this section. The Minister for Senior Territorians appears next week. Clearly, you have the Pensioners and Carers Concession Scheme within your agency. Should I direct my questions to you tonight? I am keen to delve into issues about - there is a lot to go through and there are some concerns about \$1.4m being stripped out by the Commonwealth, but also the changes to the system. Will you be taking these questions or are they questions for the Minister for Senior Territorians?

Mrs LAMBLEY: No, those questions can come to me. The Northern Territory Pensioner and Carer Concession Scheme comes under Health.

Ms MANISON: We have spoken about \$1.4m being stripped from the scheme. Will there be cuts to the scheme? I was concerned to hear the Chief Minister speak about it earlier today - about how this scheme helped keep the cost of living down for senior Territorians. It is becoming more challenging for them. What do you anticipate the impact of this \$1.4m cut will have on this scheme?

Mrs LAMBLEY: We are yet to determine it. Any cuts to this scheme will not hit the most disadvantaged. This scheme was set up, first and foremost, to assist low income people on pensions, carer pensions, social security and Centrelink payments and keep them in the Northern Territory. It was also a strategy to keep the population buoyed with older people. Whatever cuts we are forced to make - I do not know what they will be or if we will make cuts - we may absorb these cuts through managing the existing budget. However, if there are cuts they will not hit the most disadvantaged like the changes we made in the budget - moving new people eligible for the scheme onto a different system whereby they have to meet the criteria for the Commonwealth pension scheme or veteran's scheme.

Ms MANISON: Minister, can you advise how many Territorians are currently on the NT Pensioner and Carer Concession Scheme?

Mrs LAMBLEY: Yes, I can.

Ms MANISON: It would also be helpful to know how many people were approved to enter the NT Pensioner and Carer Concession Scheme this financial year to date.

Mrs LAMBLEY: As of 2 June 2014 the Northern Territory Pensioner and Carer Concession Scheme had 27 506 members.

Ms MANISON: This financial year, how many people had applied and entered the scheme?

Mrs LAMBLEY: I do not know if that figure is in front of me.

Ms MANISON: Can I put that as a question on notice?

Mrs LAMBLEY: In June, 2313 had new members joined the scheme.

Ms MANISON: Thank you, minister. How much money was expended in travel entitlements this financial year for the NT Pensioner and Carer Concession Scheme?

Mrs LAMBLEY: An amount of \$1 821 345 was spent on travel entitlements this financial year.

Ms MANISON: Thank you, minister. How many people registered with the NT Pensioner and Carer Concession Scheme are from remote areas of the Northern Territory?

Mrs LAMBLEY: I do not know if I have that breakdown. I could probably get it for you before the end of this session. We have the full list of where everyone comes from, so I might get my staff to ...

Ms MANISON: Can I put that on notice if we do not have the data here now please?

Mrs LAMBLEY: Yes, it would be fairly easy to ...

Question on Notice No 5.3

Madam CHAIR: Member for Wanguri, please restate the question.

Ms MANISON: How many people on the NT Pensioner and Carer Concession Scheme are from remote areas?

Madam CHAIR: Minister, do you accept the question?

Mrs LAMBLEY: I do not have any information to that effect so I accept the question.

Madam CHAIR: Thank you, minister. The question from the member for Wanguri is number 5.3.

Ms MANISON: What arrangements are in place to ensure NT pensioners in remote areas of the Territory are aware of the scheme and the power concession entitlements? How do pensioners go about claiming a rebate for power cards?

Mrs LAMBLEY: My understanding is the scheme is broadly advertised through government health facilities and Power and Water has information regarding its concession. The Power and Water concession is only - we did a mail out so all people eligible - which up to 14 May was every person over the age of 60, carers and people on existing pensions. Local councils have information on the scheme. The concessions can be claimed from Power and Water directly I understand. To be eligible for a rebate from Power and Water your name has to be on the bill.

Ms MANISON: Power tokens do not apply to the scheme?

Mrs LAMBLEY: No, that is correct.

Ms MANISON: Thank you, minister. They are all the questions I have for this output group.

Madam CHAIR: Are there any further questions on 2.1?

Ms ANDERSON: Minister, would you be able to provide information on where Power and Water advertise and where the local councils get information? Do you have that?

Mrs LAMBLEY: We will take that on notice.

Question on Notice 5.4

Madam CHAIR: Member for Namatjira, can you please clearly restate the question for the record?

Ms ANDERSON: Minister, the information available to communities via Power and Water and local councils, could we have copies of flyers or other information that goes out to communities?

Madam CHAIR: Minister, do you accept the question?

Mrs LAMBLEY: Yes, I do.

Madam CHAIR: The question for the member for Namatjira is number 5.4.

Madam CHAIR: That concludes consideration of Output Group 2.0.

OUTPUT GROUP 3.0 – DISEASE PREVENTION AND HEALTH PROTECTION

Output 3.1 – Environmental Health

Madam CHAIR: The committee will now proceed to Output Group 3.0 - Disease Prevention and Health Protection, Output 3.1 - Environmental Health. Are there any questions?

Ms MANISON: I have one in relation to cuts to disease control of about \$5m. It is clearly a very important issue and we have seen outbreaks of measles. I imagine this supports a lot of preventative programs as well. What have you had to cut?

Mrs LAMBLEY: This is a cut of four positions. This is an expired agreement which had Commonwealth funding. We have not had confirmation these agreements will be renewed yet so we could not put the

funding into the budget. It is really a question of wait and see. We are quite confident we will be provided the funding we anticipate which is ...

Mr KALIMNIOS: This is similar to what we talked about in primary healthcare, simply a timing issue with agreements we did not have certainty of at the time of the budget. We expect the budget to be restored to its normal ...

Ms MANISON: In the interim, four jobs have gone from that area.

Mrs LAMBLEY: No, that was a mistake. Sorry, I am thinking of something else. Another area has been affected.

Ms MANISON: That is another area we are looking forward to hearing the minister, later this year, say money has been secured for and we have not lost that funding – the \$5m for disease control work?

Mr KALMINIOS: Yes, even though CDC is not subject to a service delivery agreement because it is not in the health service, it would be part of that mid-year process where we will see the final adjustment. There is no service delivery agreement we produce for CDC. If the minister is making an announcement in all this about service delivery agreements, that would not be included in it. To get to the nub of your question, we expect the money to be provided and it will form part of the mid-year adjustment which will see that money restored.

Ms MANISON: Is the mid-year adjustment published?

Mr KALMINIOS: Yes.

Madam CHAIR: It is 7 pm so we will break for dinner and will return at 7.30 pm, thank you.

The committee suspended

Madam CHAIR: Thank you, minister. Before we continue with Output Group 3.0, as Chair of the Estimates and Public Accounts Committee I have received a letter from the Chief Minister. He seeks to make a correction to one of the answers from today.

In relation to an answer regarding ministerial staff involvement in the DCM recruitment process, the Chief Minister wanted to clarify there have been two instances where Office of the Chief Minister's staff supported recruitment processes given they are the key client of services delivered by these DCM functions.

It is common practice to engage key clients and external stakeholders to sit on Northern Territory government selection panels. One incident relates to a protocol officer recruitment process which is currently being finalised, and the other relates to a Communications and Marketing Bureau officer position which is now complete. Both OCM staff are seconded public servants. That is the correction.

We will continue with Output 3.1 and the member for Wanguri.

Ms MANISON: I have asked all the questions I need on this output, Madam Chair.

Madam CHAIR: Welcome, member for Nelson. For the benefit of Hansard, we have the member for Nelson, the member for Fannie Bay, the member for Wanguri, me, member for Drysdale, the member for Daly and the member for Blain.

Mr WOOD: I have not gone away.

Madam CHAIR: I would hope not; I would miss you.

Mr WOOD: Lia, I hope that is not on the *Hansard*.

Minister, there was a report in the paper recently about an outbreak of a mosquito-borne disease in Tennant Creek. Can you explain what that disease is and if it is a threat to NT health?

Mrs LAMBLEY: It is not a threat to NT health. The disease, I believe, is called aegypti - does that sound familiar?

Mr WOOD: It does not sound familiar but it sounds like it is.

Mrs LAMBLEY: It is a mosquito-borne disease but, due to the vigilance of the Centre for Disease Control of the Northern Territory, we have been free from widespread infestations of this disease for over 60 years. According to the Centre for Disease Control of the Northern Territory, it is unparalleled in the world to have such a successful sustained eradication program. The program has successfully reduced the number of properties infested with aegypti, the mosquito transmitting the virus which causes the disease, from 146 in November 2010 to zero by the end of April 2014. The successful elimination restores the NT to its previous aegypti-free status and there is no longer the threat of dengue transmission occurring in the NT. Is that the response you are after?

Mr WOOD: There is also another mosquito Australia is trying to keep out. It is in New Guinea and parts of Asia. Some say it is in America and once you get it you do not have any more back yard barbecues, it is that bad. I do not know the name of it, but I wonder if there is surveillance in the Northern Territory to ensure it does not come in?

Mrs LAMBLEY: Are you talking about dengue fever?

Mr WOOD: No, I wish I knew the name. In north Queensland they keep track of it because it is in New Guinea.

Mrs LAMBLEY: I have the Chief Health Officer here, Steve Skov, to respond to your question, member for Nelson.

Mr SKOV: The mosquito you are referring to is called aedes albopictus, the Asian tiger mosquito, which can transmit dengue. It is also a very aggressive biter and, as you say, is very unpleasant to have around so has a large nuisance value. It is extensively in Papua New Guinea, a couple of Australian islands off the tip of Cape York and Queenslanders are having quite a time trying to contain it to those islands. However, it has the potential, if it reached the Australian mainland, to spread quite a bit further down because it is not necessarily a tropical mosquito. It is widely spread in Asia but is also in more temperate places, for example they have it in Italy. It somehow got into Italy and established itself there.

The entomology branch of the Centre for Disease Control has very extensive world-class surveillance mechanisms at lots of different places all over the Territory to trap mosquitos, to keep an eye on the range of mosquitos, particularly in the places they are likely to come in - the ports of Darwin, Gove and Groote Eylandt and places where ships or fishing boats come in can bring mosquitos in.

Mr WOOD: Minister, who does those checks and how regularly are they done?

Dr SKOV: The entomology branch and the Centre for Disease Control are constantly operating. They always have traps in likely entry points. They work with AQIS closely at ports of entry, so they always have traps for different types of mosquitoes. They are constantly surveying them and examining the types of mosquitoes they find. When they find an incursion of a possibly hazardous foreign mosquito they immediately move in to track it down and treat the surrounding area. They are very active on it all the time.

Mr WOOD: How do the chickens work at Berrimah Farm? Not that I want to deliberately bring chickens into this, but I know you have chickens there as sentinel animals

Dr SKOV: The chickens are there to look for things like Murray Valley Encephalitis, Kunjin virus, those types of viruses, and the chickens are bitten by mosquitoes which carry the virus. The chickens do not get sick from it, they just form antibodies. By testing the blood of the chickens they can see whether they are developing antibodies, therefore, being bitten by mosquitoes that are carrying the virus at that time. That is how they are a sentinel animal. When their blood tests turn we know there are mosquitoes around potentially carrying that virus. That is when we put out media releases and undertake public education to warn people about mosquito awareness and to avoid being bitten.

Mr WOOD: I am trying to get some perspective. Who owns the chickens, your department or Primary Industry?

Dr SKOV: I am not 100% certain about this, but I think they are owned by the entomology part of CDC.

Mr WOOD: Is your budget okay to make sure we have adequate surveillance across the Top End or the Territory as a whole?

Dr SKOV: It is a little bit outside my direct line of responsibility, but as far as I am aware there is no hazard to the funding arrangements for the entomology department or for those essential surveillance activities.

Mr WOOD: Sorry, minister, I should have asked through you.

Mrs LAMBLEY: No, that is fine.

Madam CHAIR: I knew I had chickens for a reason.

Mrs LAMBLEY: Sentinel chooks.

Mr WOOD: Yes, they have been around a while.

Madam CHAIR: You learn something every day.

Mr WOOD: That is why chickens are the best animals in the world.

Madam CHAIR: I agree.

Unless there are any other questions for Output 3.1, I will close Output 3.1.

Output Group 3.2 – Disease Control

Madam CHAIR: I now call for questions on Output 3.2 - Disease Control.

Ms MANISON: I am fine, I asked them before.

Madam CHAIR: That concludes consideration of Output 3.2 and Output group 3.0.

OUTPUT GROUP 4.0 – COMMUNITY TREATMENT AND EXTENDED CARE

Output 4.1 – Alcohol and Other Drugs

Madam CHAIR: The committee will now move to Output 4.0 - Community Treatment and Extended Care, Output 4.1 - Alcohol and Other Drugs.

Are there any questions?

Mr GUNNER: Minister, could you just let us know how you are going with the review into Alcohol Mandatory Treatment?

Mrs LAMBLEY: We undertook a review of the *Alcohol Mandatory Treatment Act*. The objective of the review was to assess the degree to which the act is facilitating mandatory assessment and treatment for people who repeatedly misuse alcohol. The impact of providing mandatory assessment and treatment and associated operational issues was not within the scope of the review.

The review was conducted in December 2013. A survey of the Department of Health and non-government Alcohol Mandatory Treatment staff and tribunal members was initially conducted in December 2013 to inform the design of the public consultation. Information was subsequently collected in 2014 through several processes: a public call for written submissions in mid-January 2014 through the *NT News* and regional newspapers. Those submissions closed on 14 February 2012. We received 12 submissions. Two requested they remain confidential.

Twelve focus groups were conducted by staff from Alcohol and Other Drugs over January and February 2014. A senior legal policy officer from the Department of Attorney-General and Justice co-facilitated as appropriate. The sessions were attended by key stakeholders in the Top End and Central Australia. Sixty people participated from the legal fraternity, government and non-government Alcohol Mandatory Treatment staff, the Health department, non-government agencies from the alcohol and other drugs sector and court, police and community visitor programs. Individual and group interviews with clients currently on mandatory residential treatment orders were undertaken. Fifteen people accepted an invitation to provide feedback in sessions held in Darwin and Alice Springs. Interpreters were used as needed.

That outlines the review process. We hoped the recommendations of the review would be publically available but we have taken some time to undertake this consultative process. I admit we rushed the legislation, exactly 12 months ago, through parliament. We have taken some time to reflect on our *Alcohol Mandatory Treatment Act* which commenced on 1 July 2013. It has now been operating for nine months, but at the time we undertook this review it had only been operating for six months.

We have collated the information derived from the various review processes and have the document pretty much ready to go. It has to go to Cabinet first, which will happen in early July. We are three months behind schedule as you probably know, and I undertook to have the review publically available by around March. It is quite technical in nature because it is a review of the act. The recommendations, at this stage, number close to 50 and are quite technical in nature. They look at each and every section of the act and we are making fairly minor adjustments to the recommendations, being quite significant in nature.

Mr GUNNER: What is the process from here? It goes to Cabinet?

Mrs LAMBLEY: It goes to Cabinet in early July and then the report will become public.

Mr GUNNER: Are you seeking comment to the report once it becomes public? The work you have done to this point sounds pretty comprehensive.

Mrs LAMBLEY: I have not really thought that through. Yes, I think so.

Mr GUNNER: I do not know what is in the review - what it will look like. Is what you are releasing for comment like a draft exposure bill or is it ...

Mrs LAMBLEY: No, it has a lot of recommendations and discussion around those recommendations. We would welcome input or feedback on this final document. I do not think there will be too many surprises in it. I do not think a huge variety of people were involved in the process, although everyone was invited. Twelve submissions probably reflect the 12 main stakeholders that have always taken an interest in this new initiative. I apologise for the delay but if we accept most, if not all, the recommendations we will have a much more robust, better act.

Mr GUNNER: I think the desire here is an outcome rather than a time frame. That is probably not the best way of putting it. The review with the recommendations will be released soon and we can see it. We will then go back to the department with a bill and there will be a process around the bill following that.

Mrs LAMBLEY: Yes.

Mr GUNNER: When you release the report with the recommendations, does that come in with data around what has happened with the program to date?

Mrs LAMBLEY: No, it will just be about the review of the *Alcohol Mandatory Treatment Act*.

Mr GUNNER: I have a couple of questions on data. Could you let us know how many people have commenced treatment on more than one occasion through the scheme? Repeat clients.

Mrs LAMBLEY: There are not many. The data we are referring to is from 1 July through to 31 March. Twenty-four clients commenced treatment on more than one occasion as of 30 April.

Mr GUNNER: Is that out of 310?

Mrs LAMBLEY: No, the 310 pertains to people going through treatment as of 30 March – the first three-quarters. This is adding one month to it.

Mr GUNNER: I see what you mean. How much have you put aside in this budget for advocacy?

Mrs LAMBLEY: To be honest, we have not specifically allocated an amount. That is probably one of the weaknesses of the operation over the last nine months - whatever it costs we will pay. We are looking at setting up a better system at the moment. I have Dr Jo Wright here, who is responsible for the roll-out of Alcohol Mandatory Treatment phase two. Maybe you would like to give your correct title.

Dr WRIGHT: My name is Jo Wright and I am currently the Acting Executive Director, Strategy and Reform. The advocacy service was initially commenced as a component of the Community Visitor program. We have realised the model we need to develop is to commission a separate advocacy service.

At this stage we have a full-time advocate employed by the Community Visitor program to specifically deliver advocacy services. They have only been operating in the Top End until quite recently. We have commissioned a panel, and we have the first member of the panel operating in Alice Springs. The exact budget is a bit difficult to disentangle at present, but we expect it to be in the vicinity of \$300 000.

Mr GUNNER: I guess the question, rather than going to money, goes to outcome. Are people receiving advocacy at the point they need it?

Dr WRIGHT: Advocacy services have been delivered in Darwin and Katherine since late last year. In September/October they started being delivered for all clients who requested them because it is a request model - not everybody wants an advocate. They are offered and, if a person accepts - they have been available in Darwin and Katherine since the end of last year.

We have had challenges delivering an advocacy service in Alice Springs. We have been trying hard since January this year, but it was not until late May we could deliver advocacy services to clients appearing before the Alcohol Mandatory Treatment Tribunal in Alice Springs.

Mr GUNNER: Thank you for that. Going back one step, minister, I have a follow-up question. Could you break down how many of the 24 repeat clients have gone through twice, three times or more?

Mrs LAMBLEY: I will give that to Jo.

Dr WRIGHT: I believe some clients have gone through twice. The number of repeat clients as at the end of the third quarter of data was low. We are now seeing a few more come through now a time period has elapsed since the first set of treatment. The time period has not been sufficient for people to go through more than once.

In the early part of its operation, the tribunal was placing people on relatively brief orders. A number of the people who came back in the first period of time - the first two or three quarters - were ones who were initially given orders as brief as two weeks, sometimes four weeks and, with experience, we realised it could have been predicted but the tribunal was wanting to go slowly. Experience tells us that 10 to 12 weeks is necessary in order to make a difference, preferably longer.

The 24 includes one person who voluntarily requested to go back to the tribunal to have his order extended because he felt, at the end of his three-month period, he was not sufficiently settled and he commenced a traineeship during the second period of ordered treatment in gardening and manual work. He felt that was an ambition he wanted to achieve and why he convinced the tribunal he should get another order.

Mr WOOD: Have you found anyone has gone back to voluntary alcohol rehabilitation because we have plenty of centres? Can you ascertain if people who went through mandatorily decided they should continue through the voluntary system?

Dr WRIGHT: Indeed, in fact that is one of the things offered to people and suggested as being an option because the act requires us to consider less restrictive care, which includes being able to offer voluntary rehabilitation places for people who are felt to be suitable and then encouraged to request it.

I know of one person who requested it and successfully completed their time as a voluntary client in another service. He went back to the tribunal and the tribunal said he could commence a community treatment order, which is equivalent to what is used when someone goes to a community treatment facility on a voluntary basis. The person requested that option, the tribunal gave it to him and he completed his community treatment order effectively like a voluntary client.

We have also had people who, at the end of their mandatory order treatment, have requested transfer to voluntary rehabilitation services as part of the after-care arrangements. Usually, that is a set part of their after-care plan. They might be there for one or two weeks while other arrangements are put in place and they get their feet back on the ground without the mandatory treatment component still evident.

Mr GUNNER: Is everyone leaving with an after-care plan?

Dr WRIGHT: Everybody who completes their treatment leaves the facility with an after-care plan. The only group who currently do not have after-care plans - it is well-known we have had some issues with absconding, particularly in the Top End, so some people have absconded whose order has lapsed without an after-care plan having been effectively implemented. However, everybody who completes their time leaves with an after-care plan.

Mr GUNNER: How do those after-care plans track? Do most people abide or cooperate?

Dr WRIGHT: The alcohol rehabilitation area is one of the most challenging and demanding for achieving outcomes in the health sector. Clients who come into Alcohol Mandatory Treatment, in general, have been through and often failed voluntarily rehabilitation facilities, so they are at the harder end of the spectrum. However, mandatory treatment is keeping these people in facilities and they are breaking free from the cycle of alcohol-induced haze and are changing their lives. We will be conducting a comprehensive outcome evaluation which was announced by the minister at the time the legislation was first introduced. That will commence in the coming financial year and we expect it to run for a period of time, but based on the experience we have had in the 10 months of operations where we have data, we expect our results to fare favourably with anything available anywhere else in the country.

Mr GUNNER: Thank you doctor, thank you minister. I will continue this debate when we have the review, and I know the member for Nelson has questions.

Mr WOOD: I was heartened by that. The minister knows I support the concept. You admitted it was rushed, and my concern was the facilities were not there to look after people. It is good to hear there is a \$4M program for upgrading Katherine.

I need to get a couple of things clear. We have two kinds of mandatory rehabilitation centres - the secure type and the community type. I visited Vendale some time ago and thought it was to be the secure centre but it is a community centre, is that correct? Can you be ordered to go there or do you volunteer to go to a community centre?

Dr WRIGHT: The act provides community treatment orders can be made to a location such as Vendale, but they can potentially be made to a person's home as well as other facilities or locations. A community treatment order specifies the location that person will be residing.

Mr WOOD: Have you had any community orders out bush? We talk about healing centres out bush. Are people being sent out bush?

Dr WRIGHT: People have been given community treatment orders to organisations in both Darwin and Alice Springs that, as part of their program, take people out but they also bring them back, so they tend to be based either in Alice Springs or Darwin. There are plans on our drawing board to develop a community treatment centre in a remote community but that has not been implemented as yet.

Mr WOOD: We have secure centres in Darwin, Alice Springs and Nhulunbuy, or is that the one they might take away from us?

Mrs LAMBLEY: We have closed that one.

Mr WOOD: Is there one in Tennant Creek?

Mrs LAMBLEY: Not yet.

Mr WOOD: There will be one in Tennant Creek?

Mrs LAMBLEY: Correct.

Mr WOOD: The community centre is at Vendale?

Mrs LAMBLEY: With a new purpose-built centre being built ...

Mr WOOD: Coming up.

Mrs LAMBLEY: ... in Katherine.

Mr WOOD: Do people in Katherine who are given orders to go to a secure centre have to come to Darwin?

Dr WRIGHT: Correct. At the moment we have been transferring them because they have been through the assessment process, have been detoxified and through the healthcare they need. They then go to the tribunal, which makes an assessment about suitability for Vendale or secure care. Initially, everyone in Katherine was sent to Vendale, but the tribunal has refined its assessment process and has been referring more ...

Mr WOOD: Vendale was not very secure - three strands of wire down the back. Has anyone escaped more than twice, and if so, have they gone to gaol?

Dr WRIGHT: I think you are referring to the provision in the legislation that anybody in a secure care treatment centre who takes their own leave on three occasions or more is subject to a summary offence. A number of people have been subjected to that provision. One was covered in the media in December, one was in the media recently, and some have occurred without getting into the media. I do not know the exact number off the top of my head, but four or five might have been.

Mr WOOD: Do you have anything percentage wise? If you have another review – I felt six months was too short, but any idea what percentage of clients have stopped drinking? I presume they have to stop drinking for at least six months.

Dr WRIGHT: They all stop drinking ...

Mr WOOD: After they leave.

Dr WRIGHT: The way you assess any alcohol rehabilitation program is to find out the abstinence rate at six months after completion, and sometimes beyond that. We do not have formal figures to give you at this stage because we have been building the aftercare process and the aftercare reporting. Some of our earlier clients, who sometimes only had two or four weeks of mandatory treatment - we were not well organised to follow them up. Some of the more recent ones we know have gone back to alcohol because they ended up back in the system. We are aware some return to alcohol, but we have many examples of people who have gone back to jobs, returned to their communities and taken up their previous productive roles. We are aware of successes but do not have figures we can share at this time.

Mr WOOD: What about improvements in health? I imagine most people who are placed in mandatory alcohol rehabilitation have other health problems besides a drink problem. Are there opportunities to treat other issues?

Dr WRIGHT: One of the most dramatic lessons we learned in implementing this program was just how sick these people were. My assessment is many of the people who were perhaps in their younger days committing offences, going to gaol or being referred to alcohol rehabilitation services, reach a stage where the police do not bother to pick them up and take them to gaol. They do not judge them because they have been doing the same thing for so long and people realise it will not make any difference. Many of the people who enter the Alcohol Mandatory Treatment facility were much sicker and had a much greater demand in health deficit. Most of them had received healthcare only from the emergency department of the hospitals if anything at all.

One of the most dramatic things we have done is run an effective primary healthcare service. During the time people are in assessment they are given acute detoxification therapy and all the things required to safely get them off alcohol. Their health is also comprehensively assessed and we have found people with malignancies, people with untreated cardiac and liver disease, all sorts of issues that, when you start treating people, they feel better, they feel stronger. They look so much better and, up until now, the only mandatory treatment I am familiar with – I was a remote doctor for 22 years before taking on this role – was in gaol. These people were often past the stage where they might end up in gaol. This group are receiving healthcare they would not otherwise receive and they respond to it.

Mr WOOD: Is part of this review, minister, looking at whether the length of time is too short or too long?

Mrs LAMBLEY: All aspects of the act were reviewed and that was probably considered by some of the respondents.

Mr WOOD: You can see the other benefits which I thought were just as important as getting people off alcohol.

Mrs LAMBLEY: When we were debating the legislation there was lots of debate around the period taken to assess and the period taken to put someone before the tribunal. The pressure was to shorten rather than lengthen all aspects of the process and treatment. At that stage 12 weeks was seen as adequate. Are you suggesting it could be longer?

Mr WOOD: Initially I thought it would be six months because it is a serious issue. The other side to this I raised was people were becoming pests. Society itself needed some relief. I was getting complaints. I was getting phone calls from people in Darwin saying, 'We are sick of these people hanging around, defecating'. You knew most of them were good people but were controlled by alcohol. It was also giving residents a bit of relief. However, the compassionate side - that is why there has to be a balance - was they are human beings who have lost control and this is a chance for us, as a society, to do something even though some people disagree with it. It was done for the right reasons. What the doctor said shows it may not be successful from the point of view of the percentage of people who ...

Mrs LAMBLEY: Abstain.

Mr WOOD: Yes, but at least it is doing something.

How many non-Indigenous people have gone through the program?

Dr WRIGHT: At this stage, two non-Indigenous people have been given orders by the tribunal.

Mr WOOD: The issue is it leans towards Indigenous people because they are the ones you see on the streets. Are there opportunities for the government to say to people who may - I have a friend I do not see very often at the moment because - unfortunately, she will drink herself to death. She has just gone to hospital. It would be an ideal place for her. I do not know what to do with her. She will not put her hand up and say, 'I'm going into mandatory rehabilitation'. It seems we are looking at one portion of the population, but there are other people who ...

Mrs LAMBLEY: What you said is consistent with some of the feedback we got through the review - we should be broadening the triggers put before the tribunal for admission into the system.

Mr WOOD: Is that in the review too?

Mrs LAMBLEY: Discussion around it is.

Mr WOOD: I am interested to see what comes out. Do you survey where people come from? Are certain communities more prone to be picked up in Darwin, Alice Springs, or Katherine than others?

Mrs LAMBLEY: We have to be a bit sensitive when identifying, even on a gender race basis. The fact Dr Wright said there are two non-Aboriginal people, we do not want to emphasise that because of the ...

Mr WOOD: I that question on behalf of the member for Namatjira.

Mrs LAMBLEY: Yes, there has always been the allegation this focuses on Aboriginal people, and we accept that because, as you stated, the strategy was designed to address the problem of public drunkenness. That was one of the main objectives. Unfortunately, that definitely targets Aboriginal people because that is the case in the Northern Territory: Aboriginal people are over-represented in public drunkenness.

Mr WOOD: Without giving names of towns or areas, are there certain places in the Territory more represented in Alcohol Mandatory Treatment?

Mrs LAMBLEY: Dr Wright can respond to this.

Dr WRIGHT: At the moment the only place people can be referred to the tribunal via the act is a place where there is an assessment centre and four assessment centres have been in operation in the last 10 months – Darwin, Katherine, Nhulunbuy and Alice Springs.

However, people from remote communities referred to the tribunal through those locations have come from virtually every community in the Northern Territory. Quite a few interstate people have been picked up in that as well, but hardly any community shows out as being worse than another. That is the experience we have had.

Mr WOOD: I will go back to Nhulunbuy. Just because there are only a few, is that a good reason for closing it down because - can it be an adjunct to the hospital so it is flexible as to whether it is open or shut, or is it simply because you do not have the numbers?

Mrs LAMBLEY: We do not have the numbers, member for Nelson. In the last nine months we have had four people from Gove go through Alcohol Mandatory Treatment.

Mr WOOD: What will happen to those who are picked up and need treatment?

Mrs LAMBLEY: They will be treated in Darwin. Given what you have just heard from Dr Wright, in the early stages when they are detoxifying and receiving intense medical treatment because of their health problems, health conditions, health diseases, Darwin is probably just as good as anywhere to be. As much as people want to be near their family in those early stages, they are usually probably too sick and weak and not really benefitting from being anywhere particular in relation to their family. It is further down the track when they come out of their alcohol-induced haze as Dr Wright described that they ...

Mr WOOD: Can they contact their family through telephone or whatever?

Mrs LAMBLEY: Yes, and that has been a really positive outcome of the program too. Would you like to talk about that, Dr Wright in relation to linking the families?

Dr WRIGHT: It certainly has. It will not surprise anybody here to discover people living on the street are often living at the margins. One of the high priorities we put in the early assessment and treatment is to link people up with families. We have had people whose families thought they had passed away over 12 years earlier. It is not uncommon for people to not have had contact for five, six or seven years with family members. It has been one of the things staff who work in the mandatory treatment services say is most rewarding, because when they link people back with family they play a critical role.

Ms MANISON: With the medi-hotel at RDH, I cannot see any real commitment in the budget papers to its future. We know people are moving out to the low security area at Berrimah once that is ready. Will it return to its intended purpose of dealing with bed block at RDH and accommodate people coming into town for medical treatment? What plans do you have for the medi-hotel, and are you looking to outsource or privatise services at all?

Mrs LAMBLEY: The medi-hotel will be vacated later this year. Berrimah will become available in July and then we want to do some modifications and refurbishments. Would you like to talk about this, Dr Notaras?

Dr NOTARAS: The medi-hotel comes back to us once the Berrimah facility is fully refurbished. One of the important things about the Berrimah facility is it will have an assessment area, because the individuals coming in are so vulnerable they have to have appropriate clinical assessment and that is different to the accommodation. The accommodation component is 78, which is really just domesticated accommodation, and a very simply process. The medi-hotel itself, as it transitions from where it is at present back to the hospital, could be used for a range of different facilities. It is a nice facility and at present the people involved in the management of Royal Darwin and the Top End Health Service are looking at a range of options.

In regard to those options I have not heard privatisation discussed, but I have heard a lot of patient flow thoughts in regard to brief accommodation for people, for argument's sake having ...

Ms MANISON: Effectively decanting the hospital beds to appropriate accommodation.

Dr NOTARAS: Decanting, but it may be somebody coming in from a community for chemotherapy, it might be a range of other fairly straightforward, not intense clinical purposes. We would be looking at the best purposes for that facility.

Ms MANISON: Do you have a target date for when you hope to get that up and running?

Dr NOTARAS: At this stage we are working closely with Corrections. The commissioner is decanting his - he told me yesterday 200 prisoners from Berrimah facility initially. That will be vacated early in July. From there we need to look at the refurbishment or reassignment of the assessment component of the facility. The rest of it - 12 beds for assessment and 78 beds for treatment. The treatment facility can be pretty well a hotel type or a modified two-star hotel facility, but the assessment area needs to be clinically appropriate so that will delay us. We had tenders out in June and responses to those tenders are back already. We will

then assign the tender to an appropriate builder depending on the value and work should commence pretty well straight after that.

Ms MANISON: Excellent. Thank you, Dr Notaras. That is all the questions I have for that output area.

Mr WOOD: How many income management have occurred?

Mrs LAMBLEY: A total of 154 people have been placed on 70% income management. Most of those orders are for 12 months. Would you like to expand on that?

Dr WRIGHT: Yes, the Commonwealth had not passed its complementary legislation to allow us to implement income management orders. In the first period the tribunal was making income management orders but usually for a period of only three months, so every person who had a treatment order made also had an income management order made. They were essentially Northern Territory income management orders at the same rate most people were already on, being residents of remote areas. Once the complementary legislation was passed by the Commonwealth it was possible to implement. The numbers mentioned by the minister are those applied after the Commonwealth legislation was introduced.

Mr WOOD: That question was from the member for Namatjira. Her other question was what is the average duration for people in mandatory rehabilitation?

Dr WRIGHT: The tribunal has been routinely making orders for three months since the end of the first quarter.

Mr WOOD: Thank you. That is all the questions.

Madam CHAIR: That concludes consideration of Output 4.1.

Output 4.2 – Disability Services

Madam CHAIR: The committee will now consider output 4.2 - Disability Services. Are there any questions?

Ms MANISON: Minister, it was a great move to create a ministerial portfolio around Disability Services and I have mentioned that to you before. I am delighted to be the shadow; we all want to see good outcomes in this area. However, the challenge again is funding this sector. The budget books do not look too positive in that regard. We all know demand in this sector is huge. In last year's budget forecast there was a figure of about \$88m, this year it is \$83m. Your budget estimate for 2013-14 came in at about \$100m, so there seems to be a declining investment in disability services.

Why is that? Are cuts being made to this sector, particularly when we have a new office established and are moving towards the NDIS? Clearly, Disability Services is heading in a new direction in this country so it is a time where investment needs to be made. What is happening?

Mrs LAMBLEY: Member for Wanguri, once again the perception of a decrease in budget is because in 2013-14 - this financial year - there was a one-off Commonwealth payment under the national partnership agreement on transitioning responsibilities for aged care and disability services.

Ms MANISON: Last year's budget was \$88m as well.

Mrs LAMBLEY: That is what I am saying. There was extra money in this year's budget - this current financial year's budget - because of this one-off funding lump sum under the national partnership agreement on transitioning responsibilities for aged care and disability services and the Disability Care Australia funding for the Barkly trial. That accounts for why the budget appears to be less this year. Next year's budget does not include this one-off payment. Budget 2014-15 of \$83.345m includes an increase of \$900 000 of Northern Territory funds allocated to disability services. Although on the books it appears there has been a cut, there has not been. The difference is explained as I just said.

Does that make sense? This financial year, 2013-14, there was a one-off Commonwealth payment which explains the difference of \$5m. Is that correct?

Mr KALIMNIOS: To clarify what the minister said, that one-off transitional payment happened after the original budget was published last year, so you will see the estimate going up significantly from the original

budget and then down again. Effectively, that one-off payment has been removed from this year's budget figure because it was only one-off.

Ms MANISON: I have received feedback from the disability sector suggesting they have been asked to do more with less money, for example, taking people from independent living situations and putting them in group homes against the wish of carers and other advice. They say budgetary constraints are putting pressure on them to make these moves.

Could you provide your expected specific budget for the Office of Disability Services and how many staff you will have dedicated to working in that office?

Mrs LAMBLEY: Firstly, in reference to the change in policy for disability group homes, currently there are 23 disability clients supported 24 hours a day. Eleven of these clients are supported in their own homes. Ten of these clients could be supported in a group home rather than by themselves. We have implemented a policy whereby we encourage people to live in a group home. Group homes are the national standard unless there is an assessed reason why a person cannot be in a group home, for example, their behaviours are not compatible with others. We will not force anyone into group homes. The option of living in a group home will be offered appropriately, and anyone who does not want to live in a group home will not be forced into that arrangement.

With people cohabitating within a group home we can service more people for the same amount of money. We are not particularly looking to save money; we are looking to service more people. I do not know about you, but doorknocking – I have been to different homes in my electorate and seen one person living in a unit with 24-hour care; they have people coming and going. You could easily have two people serviced by the same contingent of staff. Not only does that save money, but they will also benefit from social interaction with someone else if they choose.

Ms MANISON: Nobody will be forced into a situation ...

Mrs LAMBLEY: No one will be forced into it.

Ms MANISON: ... if the carers or guardians are not comfortable with it?

Mrs LAMBLEY: No, but we will encourage people to consider that. Every dollar counts. We discussed this earlier. If we can service more people for the same amount of money, that is a win/win for everyone. As I said, group homes are the national standard unless people, for some reason, are not compatible with others.

Ms MANISON: In regard to the office budget and the amount of staffing resources you have for the Office of Disability Services ...

Mrs LAMBLEY: To be frank, the Office for Disability Services staffing and budget is really no different from the way it was before. We are not employing anymore people. There are 229 staff employed in the Office of Disability Services, there were 229 people employed in Disability Services before it became an office. I suppose the change signifies a period of reform, of introducing the National Disability Insurance Scheme, of change of emphases to education, integration, access and employment. It is really revitalising the whole nature of the business we do under Disability Services. If we get some extra money at some point in the future we could make more changes. At the moment it is very much the same but working on a different policy format and different emphasis.

Ms MANISON: Thank you, minister. Those are my questions for this output.

Madam CHAIR: If there are no further questions in Output 4.2, that closes consideration of that output.

Output 4.3 - Mental Health

Madam CHAIR: Are there any questions on Output 4.3 - Mental Health?

Ms MANISON: I am okay at the moment, thank you.

Mr WOOD: Minister, I would like to know what relationship the Department of Health has with Corrections in relation to setting up the mental health facility at the new prison?

Mrs LAMBLEY: We have a close relationship with Corrections. We provide the Northern Territory Forensic Mental Health Service which goes into the prison at a cost of \$1.093m per annum. That is broken into the Top End and the Central Australia Services. We provide a culturally appropriate evidence-based forensic mental health service, including in-reach service to the NT prisons.

There are approximately 80 to 100 Northern Territory prisoners at any given time with a diagnosed mental illness who require specialist mental health services. There are also a growing number of prisoners with acquired brain injury or other cognitive disability who require care and assessment from mental health services.

Of course, mentally health people found unfit to plead or not guilty of a charge due to mental impairment will be cared for in the new complex behavioural unit at the Darwin Correctional Precinct. That is a new unit. Have you been out to the prison?

Mr WOOD: Yes, I have seen it.

Mrs LAMBLEY: It is an amazing new facility which will be co-managed. Health and Corrections will be managing it.

Mr WOOD: I am glad you say that, minister, because I am tired of people who may have a political bent talking about the Taj Mahal. It is there to help people. Even though it looks flash, it probably will not look flash in 20 years' time by the way.

Do you have many prisoners with FASD in the system and how are they looked after?

Mrs LAMBLEY: I am not sure how many prisoners with FASD we have in the prison, but there has been much discussion of late around the fact we will be possibly seeing more prisoners with FASD in the system as more children are being diagnosed with FASD as time goes on. I could not give you a specific number.

Out of interest, the complex behavioural unit, which will be a 15-bed unit - at the moment there are 10 people throughout the Northern Territory who are unfit to plead and come under Part 2A. Statistics suggest one person every year is added to that number. Those people require special care and attention, particularly when they are in the prison system. When they are integrated back into the community they require secure care or assistance in the community depending upon their needs. This complex behavioural unit will be there for those people, as well as people who may be fit to plead but have other sorts of cognitive impairments or mental health problems. A range of people fall into possibly being serviced by the mental health unit and the complex behavioural unit.

Mr WOOD: I hope I am not wrong, but my understanding is the facility at the new prison has a pool. Some people thought the pool would be open slather for all the prisoners and, of course, it was canned. Have you seen any plans showing a pool for that particular purpose?

Mrs LAMBLEY: I know the woman who canned it - me.

Mr WOOD: I asked the right question. I was not sure what it was for, but when I was told it was for the mental health unit then it is there for a reason. Why was it canned and does it make the facility any less for not having the pool there?

Mrs LAMBLEY: Member for Nelson, in the context that I come from Central Australia and a number of remote communities have pools and every year struggle to maintain, upkeep and service those pools. We do not generally provide assistance for those communities to keep the pools. I stepped into the new prison as it was being built and there was a pool on the plan. I thought it was quite an indulgence and people in prison probably did not need a pool, despite what some people may think.

In an ideal world we would all have a pool in our back yard, but I thought it was not necessary and, in lieu of the fact many other groups and communities outside of prison require a pool, would benefit from a pool, including people of all ages and non-offenders, I thought it could be easily struck off the plan and identified as a savings to be spent elsewhere.

Mr WOOD: I would not have supported a pool for the general prison population, but I was under the impression it was there for a therapeutic reason. I was concerned it had been taken off because people thought all prisoners could use it. I would not agree with that either, but I thought there was a therapeutic reason for it.

Mrs LAMBLEY: I am sure some people would have argued it was required for therapeutic reasons, but ...

Mr WOOD: It was in the mental health section, was it not?

Mrs LAMBLEY: It was within the complex behavioural unit.

Mr WOOD: That is what I thought.

Mrs LAMBLEY: Given hospitals and different facilities throughout the Northern Territory do not have pools - we do not have a therapeutic hydrotherapy pool in Alice Springs. We do not have one in Tennant Creek, Nhulunbuy, Yuendumu, Hermannsburg or anywhere like that. I figured the prison did not need one either, to be frank.

Mr WOOD: What is the status of the secure care centres which operated at Holtze and Alice Springs? Who runs them now? I know alcohol mandatory rehabilitation runs the one in Alice, but are they still secure care centres?

Mrs LAMBLEY: When we first came to government we inspected the two newly-built facilities. They are exactly the same - one in Alice Springs and one in Holtze. They are identical buildings, but for some reason it was decided by the former government half of both facilities - Alice Springs and Darwin - would be allocated to children at risk in need of restraint and secure care and the other half of the two buildings would be for adults requiring secure care.

I immediately felt uncomfortable about the combination of children and adults being co-located in those facilities - beautiful facilities, beautifully decked out, equipped, furnished, no expense spared of course. We decided, we being the Minister for Health and I being the Minister for Children and Families at the time, that rather than co-locate those two client groups one facility in Alice Springs would be allocated to Health and the one in Holtze would be allocated to Children and Families.

Mr WOOD: What is the one in Holtze now?

Mrs LAMBLEY: The one in Holtze is managed and operated, I understand, by Children and Families.

Mr WOOD: Is it secure?

Mrs LAMBLEY: I could not tell you what it has been used for.

Mr WOOD: Where do people who would have gone under the section of the act which requires them to be in a secure place, which that was built for - where do they go now if that place is not available?

Mrs LAMBLEY: We have different facilities within the Darwin area in which people under the Part 2A clause requiring secure care are accommodated and cared for in the community.

Mr WOOD: It seems to me - and I understand separating children from adults - but it was purpose-built, it had cells for people who could harm themselves, it was a specific type of building for that purpose.

Mrs LAMBLEY: It was a specific type of building, but even in Alice Springs we cannot use the padded cell because you need people with certain training and expertise. Even though it might be handy at times, you legally cannot restrain people without the high level of expertise, training and qualifications.

Mr WOOD: Thank you.

Mrs LAMBLEY: Although it was beautifully and generously decked out, things within those facilities were not necessarily required.

Mr WOOD: Thanks.

Madam CHAIR: Any further questions to the output?

Mr BARRETT: Yes, can the minister outline, on the mental health issues and the extremely high rate of suicide we have in the Northern Territory - there are new investments in ways to address this. Would you be able to outline those for us?

Mrs LAMBLEY: Thank you, member for Blain. This is good news story for the whole of government. It is a story about a bipartisan approach to one of our most serious health problems in the Northern Territory and that is our alarming rate of suicide, particularly amongst young people. Tragically, on average we lose 40 Territorians each year to suicide, with rates highest amongst young people, Indigenous people and males. There has been a 20% drop in the suicide rate in the last five years and our hard work and focus must continue.

This steady decrease is due to the sustained efforts of government and non-government organisations, communities and individuals. The Northern Territory government has committed \$1.3m to suicide prevention in 2014-15. A lot of work is being done in this area. A couple of weeks ago nearly 200 delegates from across the Northern Territory attended the inaugural Suicide Prevention and Wellbeing Conference in Darwin and this, I heard, was a great success. The conference was presented with a discussion paper for consultation on the NT Suicide Prevention Strategic Action Plan 2014-16, a document publicly available for comment. It is a discussion paper which outlines six action areas for the NT Suicide Prevention Strategic Action Plan. It is a concise but useful document, and I encourage people to look at it and become familiar with what is a commonsense action plan but something we should all embrace and try to put into practice. The discussion paper will be open for public consultation to the end of this month and then the department will work to incorporate recommendations on it and ideas from the sector into the plan.

Generally, it was thought the conference was a great success and the feedback from stakeholders was positive, feeling it was a great opportunity to contribute to the formation of policy in this area. There was also an announcement around beyondblue, the Northern Territory mental health coalition for the promotion of headspace youth at risk program, suicide awareness training, safeTALK training – sorry, what I just listed is how we will spend the \$1.3m allocated to suicide prevention. There was a very positive announcement by beyondblue forming a relationship with the NT AHA around funding to continue the work in suicide prevention in the Northern Territory. Thank you for your question, Member for Blain, and I will pass the discussion paper to you.

Mr BARRETT: I would love one. I just asked your staff for it.

Madam CHAIR: That concludes consideration of Output 4.3 and Output Group 4.0.

OUTPUT GROUP 5.0 – SYSTEM MANAGER AND CORPORATE **Output 5.1 – Corporate**

Madam CHAIR: The committee will now proceed to Output Group 5.0 - System Manager and Corporate, Output 5.1 - Corporate. Are there any questions?

Ms MANISON: Thank you, Madam Chair. It has come up again and again in the media, particularly the *NT News*, complaints around bullying in the Department of Health, clearly a very serious issue. I acknowledge you put out your strategy for dealing with it in the workplace, and Mr Notaras has quite openly said to the agency people can go directly to him to report incidents or complaints of bullying.

Minister, what number of complaints have you received this financial year to date? Are you satisfied this issue is under control in the department and has been managed effectively?

Mrs LAMBLEY: Thank you, member for Wanguri. The reason we decided to revitalise the strategy on anti-bullying and appropriate workplace behaviour was because I was hearing it was a problem in the Health department despite the fact that, at that stage in 2012-13, only 19 cases were reported. I was hearing from people within the department it was a problem. The reason we launched this revitalised strategy was to start a conversation about it. We wanted people to start talking about what was happening to them in the workplace and what they were seeing and hearing. This type of behaviour is, as we all know, unacceptable but incredibly hard to act upon, particularly when you fear retribution or repercussions. I am delighted this has become a topic of conversation in our community and also delighted our new CE, Dr Notaras, has taken it up as an issue and has become more than enthusiastic about it. I might hand over to Dr Notaras.

Ms MANISON: If we could get figures for this financial year to date of how many complaints?

Mrs LAMBLEY: There have been 30 cases reported this financial year, including six since I raised the issue on 2 May 2014. Although the numbers are still small, I am encouraged by this slight increase over the last month. Thank you.

Dr NOTARAS: Thank you, minister, and thank you Madam Chair and member for Wanguri. It is something I have taken on and am getting some very good and very interesting reports back when I read the media. I found I am a lot older than I thought I was through reading some media reports. On 2 May, when the minister announced her anti-bullying and appropriate workplace behaviour strategy, I had only just started. With the minister I embraced it, and commend what had happened.

If I have had any great success over the last 20 years it is in embracing and looking after people and acknowledging people for what they do. Our biggest challenge and reward is dealing with the clients and patients we deal with on a daily basis. I have often said if you do not want to deal with those you should be working somewhere else.

That said, we have to look after the people we work with and for. A number of the people I have working with me, in the 20 years since I started, have followed me to different jobs and positions through the department.

What we are doing now, member for Wanguri, is looking at a number of ways we can reveal the extent of inappropriate workplace behaviour. Is it there and how extensive is it? What do we do to address it? To one person inappropriate workplace behaviour could be a director, a boss or whoever telling them to do a particular job they feel they are not equipped to, resourced to, or they feel the time frame in which they have been asked to do it inappropriate. On another account, you could see the reverse. Inappropriate workplace behaviour can precipitate both up and down. We are in the process of revealing the extent of the issue, supporting people to reveal the extent, and negotiate and collaborate with us to address it.

I do not have to tell anybody in this room the workforce of Health is almost 6000 people. It is over a sixth of the land mass of the country. It is a huge and disparate area. There are people in small communities doing an incredible job, sometimes feeling they are on their own in what they are doing and other times very well supported.

Looking at that, I want to raise awareness - and the minister is pushing it as well – and educate employees as to what is appropriate and what is not appropriate, define what bullying is but, by the same token, what is appropriate and inappropriate within the workplace ...

Ms MANISON: Make them comfortable to raise the issue if it is there. Get it all out there.

Dr NOTARAS: Yes, absolutely. Without you asking the question, member for Wanguri, there was a report people's mail or whatever was under surveillance ...

Ms MANISON: It is a new age social media.

Dr NOTARAS: This is not an area I am comfortable with. We are adults and there are certain codes of conduct we in the public service have to abide by and make sure we live up to. That is what a taxpayer would expect. That is what the rest of the community would expect. However, by the same token there is no place for an inquisition, a witch hunt, or for seeking people out.

We have set up, at a very basic level, orientation sessions for any new employee of the Department of Health. Talking about workplace behaviour is a key part. As well as that, we are looking at a number of other strategies – focus groups, for instance – and outreaching to EASA, the independent organisation to conduct those groups so they are not contaminated or people do not feel afraid to be a part of them. In other words, reprisal against them should they reveal themselves. It is a very courageous thing, at times, to say, 'I have an issue and I want it sorted out'. It is a process which needs to be gone through.

As well as focus groups, I have initiated the 'Tell the CEO'. That has been run as well, discreetly, through EASA so an employee who reports a concern will not be penalised or have reprisal through their boss, to put it colloquially. I am delighted to say I am already receiving a number of e-mails and people are embracing that. As of Sunday - I put this in a broadcast feedback last Friday - it was the second time I brought this issue up. As of Sunday, the first e-mails were coming and I have had more since then. People are talking about issues of respect you would expect around this room or in this building - a smile in the morning or a thank you for doing something. It is so interesting because it is not always what we think.

I am extraordinarily proud to have spent the last 20 years at Royal Darwin or in the department, but at Royal Darwin speaking to people on the back dock who shovel the rubbish, who are just as important as the most important surgeon. I learnt that some years ago coming into the hospital, and I was worried about a lot of things – what was happening on the day or whatever else. I ran into the wife of an employee who said, 'Dr

Notaras, my husband who shovels the excrement out the front of the hospital if it is there is worried because you did not speak to him this morning and he felt he had done something to offend you'. Of course, I was oblivious to the fact because I was concentrating on something else, but I never made the same mistake again. It is respect and loyalty.

You spoke earlier of efficiencies. How will we save money, how will we go through the organisation to make a difference? Believe it or not, that loyalty is efficiency ...

Ms MANISON: It is the small things you can do every day.

Dr NOTARAS: Precisely.

Ms MANISON: I am glad to see you have taken it on board, Dr Notaras. It is great to see you are showing leadership on the issue. We have seen this increasing because the figures I pulled out of estimates last year when it was - I appreciate it is the biggest department in the Territory, so going from 22 in 2011-12 to 25 and now we are at 30. It is wonderful you recognise and take these complaints seriously and try to deal with it personally - hands on. The minister says she has confidence in your ability to do that so it is good to see.

Those are all my questions for this output.

Madam CHAIR: Any further questions on 5.1?

Mr HIGGINS: Minister, you and I have spoken before about Aboriginal Health Workers and the number employed in the department. We have both been to presentations for awards for people. Last week I went to the Batchelor Institute of Indigenous Tertiary Education and am happy to say Phillip Wilson graduated last week - a local boy from Daly River with a health certificate. What is the Health department doing to get more Aboriginal Health Workers into the system?

Mrs LAMBLEY: Thank you member for Daly, you are right, Aboriginal practitioners play an integral role in the health system of the Northern Territory. The problem I uncovered when I became Health minister was finding out the number of Aboriginal Health Practitioners in the Territory had declined by 20% - from 97 in 2003 to only 77 in 2013. This is a staggering 20% decrease in Aboriginal Health Practitioners in the Northern Territory in that 10-year period. That left me feeling quite cold and bewildered because, having enjoyed working with Aboriginal Health Workers when I worked at Alice Springs Hospital, I could not imagine how this situation had occurred.

There are only 280 Aboriginal Health Practitioners across Australia so they still remain a very small number. When 30% of your population is Indigenous, and those Indigenous people take up two-thirds of our hospital beds and are a big consumer of our other health services, it remains a puzzle as to why this has happened but it has. We need to respond to this with some urgency and I have asked the Department of Health to look at the review done in 2010. A comprehensive review was done in 2010 on the Aboriginal Health Worker profession, and within that were 23 very strong recommendations pertaining to all aspects of the profession: education, mentoring, pay, the status of the profession and career pathways, a very comprehensive report.

I have now asked the department to come up with a new strategy to hopefully reverse the decade-long decline in the number of health workers in the Territory. I understand the strategy has been written and I am due to read that tomorrow when I have my first window of opportunity to get back into the normal routine of things after estimates. We hope to invest in our Aboriginal health strategy. We hope to recruit quite a number of Aboriginal and Torres Strait Islander health practitioners, at least 10 in the next financial year at an estimated cost of \$400 000, with the aim of increasing this further in 2015-16. We will work with AMSANT and other stakeholders. John Paterson, from AMSANT, has expressed deep concern over the demise of this critical profession so we look forward to continuing to work with them and other stakeholders in addressing this problem.

We believe greater community control of some of our remote clinics where there is capacity and a level of governance already in the community would encourage high participation from the Aboriginal community in the workforce where the local clinic is run by Aboriginal people, run by Aboriginal medical service providers. It makes sense that would be more attractive environment for Aboriginal health practitioners to work in. We are looking at career progression opportunities. There has been talk around the fact Aboriginal practitioners have a cut-off in how much they can earn, how far they can progress through this system, and I believe that is a great source of frustration for them. The situation is rather grim, but there are some excellent

Aboriginal practitioners working within our health system and contributing in so many ways to all aspects of healthcare not just from a cultural perspective, but some clinics are almost run by Aboriginal health practitioners, which is quite heartening. Barunga is an impressive place where I saw Aboriginal Health Workers participating in all aspects of the clinic and performing at a very high level, providing a quality service. I would like you to note we are onto it. We really want to reverse this terrible downward trend and hopefully, in the coming years, we will see a significant increase in the number of Aboriginal Health Practitioners employed in the Northern Territory public service. Thank you.

Madam CHAIR: That concludes consideration of Output 5.1.

Output 5.2 – Governance

Madam CHAIR: The committee will now consider Output 5.2 - Governance. Are there any questions?

Ms MANISON: I am okay with the entire output, Madam Chair.

Madam CHAIR: That concludes consideration of Output 5.2.

Output 5.3 – Planning and Development

Madam CHAIR: The committee will now move on to Output 5.3 - Planning and Development. Are there any questions?

Ms MANISON: I am happy with Output 5.0.

Madam CHAIR: Does anybody have questions on 5.3, 5.4 or 5.5?

Mr HIGGINS: Could I ask how the Royal Flying Doctor Service is performing?

Mrs LAMBLEY: Yes, the Royal Flying Doctor Service is one of our providers for aeromedical services in the Northern Territory, the main provider being CareFlight. I would like to talk about the Royal Flying Doctor Service because, being from Central Australia, they provide an outstanding service and every day they respond to the needs of remote Territorians. An example is a couple of weeks ago there was a very serious retrieval from a motor vehicle accident at Newcastle Waters. The after-hours contract requires availability of two aircraft in Central Australia at one time.

On the day of this incident Remote Health had already tasked one RFDS aircraft to take a patient to Adelaide for an urgent inter-hospital transfer. RFDS was asked to respond to the Newcastle Waters incident with two aircraft due to the serious nature of the injuries and the location of the accident. RFDS used all its resources to pull together a third crew made up of a senior base pilot and senior base nurse to undertake the emergency response. The head of retrieval for Remote Health said thanks to RFDS the emergency response ran fast, smoothly and allowed health workers to treat the patients more efficiently and effectively. There were two critical patients, one with skull and facial fractures, chest injury and fractured pelvis, and the second with multiple limb fractures who needed further extrication and splinting.

Health staff said having two flight nurses really helped the emergency response in the difficult environment which required treating and transporting the patients in 34 degree heat in deep, soft sand. There were also complications with one patient during the flight and having a second RFDS nurse was essential in responding to this.

In conjunction with police and health staff, this incident showed a great collegial approach and flexibility by RFDS to get the third crew moving quickly to respond. RFDS is an iconic service that continues to provide an emergency retrieval service in Central Australia and inter-hospital transfers from Alice Springs to Adelaide and Darwin. Centralians highly value this service which has been operating since 1928 which supports them to live, work and travel throughout Central Australia.

That is a story about the RFDS in Central Australia. I could have easily told just as an inspiring story about CareFlight in the Top End. These services provide a remarkable service to Territorians and, as Minister for Health, I am very proud of what they do.

Mr HIGGINS: Where is the line between CareFlight and RFDS?

Mrs LAMBLEY: I would say around Newcastle Waters. Above Elliott, so directly along the middle line.

Madam CHAIR: If there are no further questions we will close Output Group 5.0.

OUTPUT GROUP 6.0 – NATIONAL CRITICAL CARE AND TRAUMA RESPONSE
Output 6.1 – National Critical Care and Trauma Response

Madam CHAIR: The committee will now proceed to Output Group 6.0 – National Critical Care and Trauma Response, Output 6.1 – National Critical Care and Trauma Response. Any questions?

Ms MANISON: Again, no questions for this output, thank you, Madam Chair.

Mr WOOD: Dr Notaras will be very disappointed.

Ms MANISON: I thought he might be.

Madam CHAIR: You can walk into the hospital, find him there and have a chin wag.

Mr WOOD: Dr Notaras AM in this case, for that reason.

Madam CHAIR: That concludes consideration of Output Group ...

Mr BARRETT: Could the minister outline to the committee the investment in the National Critical Care and Trauma Response Centre at Royal Darwin Hospital which has led to support for international disasters.

Mrs LAMBLEY: Thank you, member for Blain. It is again with great pleasure I can talk to the committee about the National Critical Care and Trauma Response Centre while sitting next to the former director of the National Critical Care and Trauma Centre.

Ms MANISON: Minister, we are under the pump time-wise and I have many questions left about hospitals. Could you table that document?

Mrs LAMBLEY: I would like to recognise the excellent work undertaken by the National Critical Care and Trauma Response Centre not only assisting Australia, but also across our Asian region. The trauma centre has been tasked by many other international jurisdictions to help in different crises and disasters. I will not go into detail, but suffice to say we are extremely proud of the service this offers and the footprint it has across the Australasian area.

Ms MANISON: Thank you, minister.

Madam CHAIR: That concludes consideration of Output 6.0.

OUTPUT GROUP 7.0 – HEALTH SERVICES
Output 7.1 – Top End and Central Australia Health Services

Madam CHAIR: The committee will now proceed to Output Group 7.0 – Health Services, and Output 7.1 – Top End and Central Australia Health Services. Are there any questions?

Ms MANISON: Again, I am happy to go to hospital services.

Madam CHAIR: Are there any other questions on Output Group 7.0? Are there any non-output specific budget-related questions? That concludes consideration of outputs relating to the Department of Health.

Mr HIGGINS: Can I ask the minister for an update on the \$50m we are spending on remote health centres? I know the member for Namatjira asked a question on that earlier.

Ms MANISON: I am pleased with those federally-funded centres, but I believe most of them are revoted in the capital works budget.

Mrs LAMBLEY: A lot of them are.

Ms MANISON: I think the bulk of it, except for about \$10m.

Mrs LAMBLEY: What can I say? The good news is \$50m in the health centre upgrades will improve healthcare delivery for Territorians in rural and major areas. I mentioned before Titjikala and Robinson

River, and we have almost finished work at Ntaria. That is due to open soon. The design and tender documentation has been completed for Maningrida, and nearly completed for Papunya, Docker River, Canteen Creek, Elliott and Titjikala. Work is happening at Maningrida clinic. We have \$18.5m in tenders for construction of clinics at Ngukurr, Numbulwar and Galiwinku, which I mentioned in my opening statement.

Member for Daly, a lot of work is being done in communities. As I said to the member for Namatjira, we are committed to this work and, regardless of what the Commonwealth does, the commitment will not change.

Ms MANISON: It will be great to see them there.

Mr HIGGINS: Can I also have an update on the National Disability Insurance Scheme in Tennant Creek?

Mrs LAMBLEY: Yes, this is commencing as of 1 July. Work has been under way for many months in preparation for launch of this trial. It will include 103 people with a disability and their families, and the trial will go for two years. Service delivery in any remote location is complex and the Barkly region is no exception. The uniqueness of this Barkly trial is it is 100% remote. An NDIS trial in South Australia includes remote areas but it is not 100% remote. All eyes will be on the Barkly region in what we are doing, how we are rolling out this very unique remote NDIS trial in probably some of the most remote areas of Australia.

The NDIS coordinators have conducted community awareness engagement activities across the remote Barkly region communities, including Ali Curung, Alpara, Urapunga homelands, Ampilatwatja and Canteen Creek. New staff will start in Tennant Creek, as well as three experienced planners from existing trial sites in Australia. It is all hands on deck.

At the moment we have three NGOs providing disability services in the Barkly area at Anyinginyi, us – we are not an NGO, but us. What are the other ones? Julalikari. Those providers will continue to provide services.

The funding split is the NT government is providing 60% of the funding for this trial, which equates to about \$2.3m. The other 40% is being provided by the Commonwealth.

A reference group has been meeting monthly, and the government and the NDIA, the National Disability Insurance Agency, are working through solutions to ensure the NDIS will be rolled out for all members in the Barkly region.

It is very exciting. There will be a small celebration on 1 July in Tennant Creek to mark this momentous occasion.

Mr HIGGINS: I had some other questions, but the opposition is chafing at the bit.

Mr WOOD: No, no.

Ms MANISON: Not at all. We have lots of questions about Top End hospitals which impact your constituents.

Mr WOOD: We do not want to see a repeat of the GBD.

Madam CHAIR: That concludes consideration of outputs relating to the Department of Health. On behalf of the committee, I thank Department of Health officers who assisted the minister today.

OUTPUT GROUP 8.0 - TOP END HEALTH SERVICES BUSINESS LINE

Madam CHAIR: The committee will now consider Top End Health Services Business Line.

Ms MANISON: Going back ...

Madam CHAIR: Minister for Health, you have no change in officials so they are the same. Are you making a statement?

Mrs LAMBLEY: No.

Ms MANISON: Minister, one of the hottest topics we have in the Top End, Madam Chair would probably say it is the biggest issue in her electorate, as would the members for Blain and Nelson, Palmerston hospital ...

Mr WOOD: And regional.

Ms MANISON: We have seen this delayed with construction beginning in 2016. I was probably more alarmed to hear in discussions earlier the tight budgetary constraints around Health, the cuts on the way and that you put privatisation of the hospital as a whole on the table. You said you would look at aspects of privatisation of services for the hospital. Initially, people voted for a public hospital and access to public services. Can you talk us through this? How seriously are you considering full privatisation of this hospital given the budgetary position you were talking about earlier this evening?

Mrs LAMBLEY: Thank you, member for Wanguri. Throughout my dialogue on the roll-out, the development, the planning for Palmerston regional hospital, I have never taken the view of a private built, design and/or operation of Palmerston hospital. It has always been a possibility. Given we only have \$150m - \$40m from the Northern Territory government and \$110m from the Commonwealth government - it is essential we explore the possibility of attracting private funding. If we are successful in that, instead of a 50-bed hospital we could end up with 100-bed hospital in phase one.

We have been encouraged to go down this track by the federal Minister for Health, Peter Dutton. He, very soon after coming to office, suggested the days of governments fully funding every hospital in Australia are pretty much over. The message we can take home from the Commonwealth budget handed down on 14 May is things will only get worse not better. If you are expecting any alleviation or rescue package from the Commonwealth government along the lines of building a new hospital you are kidding yourself.

What we are doing is in the best interests of the community, because by looking in private options we are maximising the opportunity to build a bigger and better hospital in Palmerston.

Ms MANISON: You are effectively saying you are willing to make this the second private hospital in the Top End?

Mrs LAMBLEY: It may not be fully private. There would be public beds, and perhaps at this point I will hand over to Dr Christine Dennis, who has been working on this project intensively for months now. Her explanations will probably be a whole lot better than mine as to how it works.

Ms MANISON: Dr Dennis, what commitment are you willing to give to guarantee certain services will be public?

Mrs LAMBLEY: It is more complicated than that, and Dr Dennis can explain.

Madam CHAIR: Dr Dennis, before you start, please give your full name and title for the record.

Dr DENNIS: Dr Christine Dennis. I am acting Deputy Chief Executive Officer for the Department of Health. In answer to your question, it is probably worthwhile just to talk about the PPP process in the first instance. On 14 February Cabinet approved that the Department of Health explore procurement options for the new Palmerston hospital. These options included a range of different procurement approaches from design, build, construct, operate fully government to a full service PPP. Full service PPP means if that procurement option was pursued - there is a range of different procurement options between those two - if a procurement options analysis eventuated in us looking at a full service PPP as an option for Palmerston hospital it is not about privatisation, it is about the private sector delivering public health services.

The people of the Northern Territory, particularly the people of Palmerston, would go to Palmerston hospital as a public patient. They would not see anything different in accessing the emergency department at Palmerston hospital or the emergency department at Royal Darwin with the exception Palmerston hospital would be a level three general hospital and Royal Darwin is a tertiary service.

Ms MANISON: You can guarantee it would be deemed a public hospital from the day it opened?

Dr DENNIS: Absolutely. It would be a hospital delivering public services to the community of Palmerston and the greater Darwin area.

Ms MANISON: Cost escalation is a big issue here, in the vicinity of about 5% a year and the headworks are yet to go in. Some people have estimated the headworks to be about \$10m in total. We have a bucket of \$150m a year to build this hospital. You have committed to beginning construction late 2016 so we are still two years away. Will you be taking the headworks money out of the \$150m bucket and can you deliver the hospital you have committed to today for \$150m in 2016? Can you factor in those cost escalations?

Dr DENNIS: Yes, I believe we can because the answer to the - the first one was about the headworks. Yes, the headworks will be included in that \$150m and that will include normal site development for the hospital to be built on and some access roads, etcetera. We are working collaboratively with the Department of Infrastructure around that component of the work.

Ms MANISON: Do you have a cost for the headworks?

Dr DENNIS: We have some indicative costs but at the moment, for the topography survey the minister mentioned and going out to tender, we are still waiting for those costs to come back so they can be assessed.

With regard to the second part of your question, the cost escalation and the capacity to build the hospital in the future ...

Ms MANISON: Will what we funded \$150m for today be delivered for \$150m in a few years' time?

Dr DENNIS: When we look at building a hospital facility, as much as we use \$1m per bed as part of our guesstimate around operating costs per hospital, we also use a \$1m bed from a capital build perspective. When you look at the money available, clearly we should be able to build a bigger hospital than a 50-bed hospital for the amount of funds available.

Ms MANISON: My understanding is the Commonwealth outlined in its budget estimates its breakdown of funding and so forth. That funding is meant to be coming online before you begin construction. As the Commonwealth likes to tie funding up with delivering outcomes, are you confident you can keep and maintain that funding considering you will not be starting construction until the end of 2016?

Dr DENNIS: Absolutely.

Ms MANISON: I want to ask a few questions in relation to parking at Royal Darwin Hospital, which I know is an issue.

Mr WOOD: Minister, if the hospital goes from X number to another number of beds, does that mean the design has to change significantly? I have a number of secret maps showing where the hospital is situated, but I have no idea. No one has asked if I wanted to look at the site. Will it have a change of design if there are more beds under this private/public partnership?

Mrs LAMBLEY: We do not have a design for the current site. The designs you are looking at are probably for the old site identified by Labor.

Mr WOOD: One is from the ABC and one is from the PowerPoint presentation John Coleman gave me recently. They show where the hospital is.

Dr DENNIS: They are not proper designs; they are for marketing purposes I suppose.

One of the pieces of work we are doing at the moment with DoI and with the master plan exercise is to look at where we would locate Palmerston hospital. As you can see from the map in front of you, it is a very big site. In addition to the procurement options analysis and the clinical service profile for Palmerston hospital, we are also engaged with the Department of Infrastructure in a master planning exercise for the entire area.

Mr WOOD: Yes, which I will be talking about with the Minister for Lands, Planning and the Environment tomorrow. I hope it is named Palmerston and regional because it is for the region and Palmerston region is the area close to Palmerston. I am presuming this hospital will serve further down the track and is why I think it is a better name. It will serve Adelaide River, Batchelor and places away from Palmerston.

Mrs LAMBLEY: There is some interest in a name for the hospital. It is probably way down my list of priorities at the moment, but I know for some people it is very important. I think we will probably tend towards a community debate about it.

Mr WOOD: It makes it more inclusive, that is all.

Mrs LAMBLEY: Yes, include people in that process.

Mr WOOD: Thank you.

Ms MANISON: Turning to the issue of parking at Royal Darwin Hospital, minister. I am positive you would have heard as much as I have about it in relation to complaints. It is a topic running very hot in the Wanguri electorate. Both visitors and staff have been affected by it. One of the main criticisms is the system selected is not working when paying up-front. People consider a far more sensible option would have been paying as you go, like at the airport or most shopping centres. It creates anxiety for people if their appointment runs late or something they were not expecting comes up. It has been a real issue for them to work through. I manage to operate the system but I can understand how it could be fairly complex for somebody who has English as a second language or other issues.

We have also heard from staff about the lack of car parking spaces available. They are turning up early in the morning, or for that 1 pm shift start, and are forced to park illegally because there are no car parks for them. They are receiving fines for this. I have heard, and will ask you to confirm, that another 50 parks are coming online, but I am also keen to find out how you will fund them and whether it will come from fees and fines. I have heard concerns it will come from other areas not revenue from parking or fines.

Then there is the issue around staff safety late at night. From what I understand, you are offering security escorts for staff at night to the outer car parks where there have been some security issues. There is a lack of lighting and lack of CCTV cameras. If you acknowledge you have to send a security guard out with people are you acknowledging a serious duty of care issue as an employer with regard to the safety of your staff?

Will you address those concerns around lighting and a safer car park environment? I have received those complaints loud and clear, minister. Are you considering changing the system? What are you doing about the peak car parking space issue, and what you are doing in relation to safety for staff going to their vehicles late in the evening?

Mrs LAMBLEY: I will kick off and then hand over to Dr Notaras, who has been doing some work in this area. We introduced paid car parking at Royal Darwin Hospital on 1 February this year, so it has been operational for less than six months. You are right, it has been highly contentious. We have had a flow of complaints of various kinds about this paid car parking system since 1 February.

We have employed Wilsons as the contractor to manage the car park. Part of the agreement we have with them is they provide security in the car parks at Royal Darwin Hospital between 7 pm and 10 pm. That is not to say there is any special need for security different to any other hospital. I am comparing it to Alice Springs Hospital. We do not have paid car parking at Alice Springs Hospital, but there is security available in the evening to escort people to their cars because, unfortunately at times, there are suspicious people hanging around the car parks and there have been incidents. I do not see using security like that as particularly unusual. Most hospitals would have provision to escort, particularly staff finishing work in the evening or people visiting in the evenings. I will hand over to Dr Notaras, who has had some innovative ideas as to how we might address some of the concerns people are voicing.

Dr NOTARAS: Thank you, minister. Member for Wanguri, as somebody who received a fine recently I speak from authority. At the risk of being assailed from behind by Dr Dennis, I struggled with the machine initially, Dr Dennis, so I apologise for the impunity there.

Since the car parking initiative was introduced in February there have been an additional number of car parks introduced to the hospital, somewhere in the vicinity of 150. It is important to separate the issue of assault and security, and incidents that might occur surrounding those, from car parking itself and look at two or three different things.

One is, for the first time in the 20 years I have been here, I have found it possible to get a car park, be it a paid car park but very conveniently, without having one designated to me. In other words, I could come in to Area 1 or Area 2 and I got a parking ticket because I overstayed my time.

I have looked from the 8th floor, when I was there with the National Critical Care and Trauma Response Centre, and seen vacant car spots during the day. It has improved car flow through the very large campus. The campus itself has become very complex over the last two years with the building of the Menzies facility

and the university's new medical school, as well as a lot of other work which has gone on. It has been, in fact, chaotic with the coming and going of builders and contractors. That will cease soon and settle down.

With two of the car parks, Car Park 1, which is just near the ...

Ms MANISON: The visitors.

Dr NOTARAS: The visitors, exactly, and also the one near the Alan Walker Cancer Care Centre - those two are the key for visitors coming into outpatients or to the Alan Walker Cancer Care Centre. The first two hours in those areas are free, and you pay for what you stay after that. We have been innovative in the sense that because there has been a stridence, particularly between four and six, in looking at infringement notices, we have put an embargo or a leniency between those hours in the issuing of parking fines.

However, if an individual is at the hospital and stays for an extended period of time for a clinical reason or a reason relating to clinical service - in other words, a relative in the emergency department, a sick child or being delayed in the outpatients department - there is provision for those individuals to have a waiver on any fine or fee they have attracted.

Similarly, to get over this issue of having to address the issue of a parking meter in the hot sun, we have moved to having one of these machines placed in the outpatient department and another one in the front foyer of the hospital so a client, a patient, or a visitor can now, without having to get the ticket, go back to the car and put it on the dashboard of the car, can register their car inside the hospital.

Ms MANISON: It is important they remember their registration number whilst in the hospital.

Dr NOTARAS: Absolutely important.

Ms MANISON: Who wants to repeat their car rego number to me? Go on!

Mr WOOD: I can do mine.

Dr NOTARAS: I cannot either.

Ms MANISON: It is a complex system and people cannot understand why you are looking at a pay as you leave system. With Wilsons, are you married to this system and cannot get out of it contractually?

Dr NOTARAS: Member for Wanguri, Wilsons negotiated the original contract but they are open to further negotiation. Only three days ago I was told they are quite prepared to look at the face of the machines themselves and the way the information is presented to the machines. That ability to be flexible was one of the reasons for putting the machines in the hospital rather than outside.

You asked earlier about lighting and CCTV. Additional lighting has already gone into the various car parks.

Ms MANISON: Around the helipad and out the back – towards that area.

Dr NOTARAS: At this stage that is planned. As I understand it, it is September/October this year for additional lights and there is a list of lighting. It is not just lighting, but fencing at the back of the property as well on the campus so fences will go in and grass will be burnt off so there will be greater visibility and, therefore, increased security.

Ms MANISON: Are you putting in extra car park spaces?

Dr NOTARAS: Yes, extra car park spaces are going in. That is a matter of constant review because it is a large and sprawling campus, but security and safety are quite important because when you look at people parking on the verges, that becomes an occupational health and safety issue and a safety issue for other people coming in – other motorists, other visitors.

Ms MANISON: Dr Notaras, how will those new car parks be funded? Will it be from money generated through parking, or is it coming from other pots of money within the hospital?

Dr NOTARAS: Initially a significant part of the funding came through capital works and minor new works ...

Ms MANISON: Correct me if I am wrong, but I heard money was coming from renovations planned within the hospital?

Dr NOTARAS: No, it will come from revenue raised from the parking ...

Ms MANISON: In regard to your contract with Wilsons, how much has Wilsons make out of parking at RDH so far? How much are they paid to deliver this service, and do they collect any money from fees or fines generated from this parking system?

Dr NOTARAS: At this point that is commercial-in-confidence. Part of the agreement executed with Wilsons was on the understanding it would be commercial-in-confidence.

Ms MANISON: We cannot find out if any money from fees or fines goes to Wilsons?

Dr NOTARAS: I am not in a position to provide that.

Ms MANISON: Do you have any figures on how much you have collected in fees and fines so far? I appreciate fine collection versus fines issues can be different.

Dr NOTARAS: I do not have the amounts. In the vicinity of 19 000 hourly parkers have enjoyed the facility since April. Of those, 16 562 enjoyed free parking and 2467 paid, on average, \$5.33.

Ms MANISON: Minister, I would like an understanding of how much revenue is being raised from the fees and the fines. I would like that to be a question of notice. What have you been able to collect so far? Is every dollar from the fines collected and fees charged going back into RDH?

Mrs LAMBLEY: I will take that on notice.

Question on Notice No 5.5

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

Ms MANISON: The total amount of fines issued from the parking system at RDH to date and the total amount of fees generated at RDH to date?

Madam CHAIR: Minister, you accept the question?

Mrs LAMBLEY: Yes.

Madam CHAIR: That question is number 5.5.

Ms MANISON: Can I also find out if every single dollar is going back into Royal Darwin Hospital?

Madam CHAIR: Please tack that on to the end of that question.

Ms MANISON: That will be wonderful.

Mrs LAMBLEY: Some of the answers to the questions on notice will most definitely be commercial-in-confidence, but we will take them on board.

Ms MANISON: Staff want to know, if they pay their fee or fines, that money goes back to the hospital and is not siphoned off to other places.

Ms LAWRIE: We did not fully get an answer when the shadow minister asked, but it is very relevant and is happening at the hospital all the time. Obviously a lot of clients using the car park are elderly. I have had to assist non-English speaking background people use the parking system - they have tried and could not understand the technology. An elderly gentleman had his number plate written on a piece of paper and was trying really hard.

A lot of clients accessing the hospital really struggle with the technology of the parking machine. They are not trying to avoid the system; they do not want a fine, but they cannot use the system. What are you doing to tackle the complexity of the system because clients are not coping with it?

Mrs LAMBLEY: Theoretically, there should be parking liaison officers throughout the car park to help people and you might have seen some media recently. We were looking at, not bikini-clad parking inspectors, but positions of that nature to help people and I am sure we have them. The only option open to people experiencing problems is they seek assistance from the parking officers we have been assured are circulating.

Ms MANISON: How many extra staff have you had to put on?

Mrs LAMBLEY: Two parking liaison officers, I am fairly sure. Are they on seven days a week?

Ms LAWRIE: For the sake of Hansard, the staff member identified a shorter time on the weekends. Monday to Friday, minister, there are two staff across a seven day week and the hours of use - frankly I do not understand how that roster covers the requirements of the assistance needed. Would you be able to, with the addition of the machines in the hospital itself, put simple signs on the machines in the car parks directing people inside if they are having difficulty? It would have to be really simple because we are talking culturally and linguistically diverse clients and English as the second language clients.

At the moment, with all due respect to the two staff you have got stretched across seven days a week, is not cutting it. Hospital clients are standing in the sun trying to manage machines they cannot. They become distressed. Clients I have come across have been upset and worried because they really want to do the right thing, are not well and need to get into the hospital. Sometimes simple things help people go a long way - it would have to be clear and simple signage. At the moment there are real concerns about what is happening there.

Dr NOTARAS: Member for Karama, I sympathise with what you have said and have had discussions with our people involved with Wilsons. I have not had direct discussions with Wilsons, but I am an advocate of making it as user-friendly as possible. I believe Wilsons are of an appetite to work with us to that end. I was approached a couple of days ago by Mr Adam Walding, who is doing a lot of the work with Wilsons, and he said they were quite prepared to look at the face of the machines. I am happy to follow up with Sharon Sykes, acting Chief Operating Officer for the Top End, and Louise Oriti, General Manager at the hospital, to see if there is something we can do to make it more user-friendly.

Ms LAWRIE: My last question on car parking goes to once someone has received a fine. I had an instance through my electorate office where someone received a fine, got a letter from their doctor stating the reason they overstayed, contacted Wilsons and were told, 'Bad luck, pay the fine'.

That is some feedback. Is there a dedicated complaints number, is there a go-to process you have made easier - should you or should you not deal with that fine situation. The feedback I am getting - it is starting to be a trend. I do not do one-offs, I look at whether it is a trend and I am starting to see one. Wilsons says, 'No, pay the fine'.

Dr NOTARAS: I would have expected, member for Karama, that to be handled by the patient advocate or the office of the general manager, but I am happy to take that up.

Ms LAWRIE: People are not taking it to that level. They do not know the process and would not think it is a patient advocate type complaint. They are looking at simpler, lower level processes.

Dr NOTARAS: I am sure we can look at something to make it more user-friendly. If people have a legitimate - I am sure they do - clinical reason and a letter from the doctor, it should only be a matter of form to have it processed. I understood Wilsons were very prepared, working with our security people at the hospital who are very good - had their process in place for dealing with this, but clearly that needs to be looked at as well.

Mrs LAMBLEY: I have been advised the general manager of the hospital can waive fines.

Ms LAWRIE: Clients will not think to go to a general manager and certainly will not go see this as a patient advocate issue. They see it as a simple, administrative process where - it is a low level. Clients would think, 'Goodness, general manager of a hospital, a busy person. I am not important enough.'

Ms MANISON: We know the system is complicated and you are going through all these hoops to find extra staff to put on simple signs or put machines inside a hospital. If you have a user-pay as they leave system, like most car parking systems, you would have an easier time. Where is the common sense? Is there any way you can review that system because so far it is not working and creating angst for people? You have to put extra resources into it and it is not achieving what you set out to do. Is it something you can re-examine?

Mrs LAMBLEY: I might ask Dr Dennis to address the committee because Dr Dennis implemented this system on behalf of the government.

Ms MANISON: I will refer all constituents to you in future.

Mrs LAMBLEY: She had the unfortunate job of implementing it on behalf of the government.

Dr DENNIS: Thank you. I, fortunately, handed that implementation process to Sharon Sykes. However, I will answer a couple of the questions raised.

One is about a simplistic approach of paying as you go. We looked at that option. The difficulty with Royal Darwin Hospital, as you know, is at the campus there are lots of different car parks spread over a very large area. While pay as you go might work in a supermarket in the main street where you have a very nice funnelled exit, at Royal Darwin Hospital, where we had boom gates, we had lots of complaints about boom gates from people using the car park. With boom gates all over the Royal Darwin Hospital site, with all the different car parks that exist – as Dr Notaras said, there has been a lot of capital development on that site which means we have lots of different car parks – it was deemed to be too problematic.

There are opportunities about how we improve the process and make it simpler, particularly with the fines. If Wilsons are not referring that person to the general manager's office - it does not have to be the general manager herself – and not advising someone who rings up and has an issue with a parking fine they can see the office of the general manager and the fine can be waived, we need to do something about that. That is quite easily fixed. Royal Darwin Hospital has a car park management group which includes staff and patient advocates etcetera, who meet on a weekly basis and look at all the complaints coming in and what opportunities exist to improve the whole process.

Ms MANISON: It is mainly the visitor car park. We are talking about two car parks as opposed to the rest of the campus.

Dr DENNIS: In the car parking system there are two car parks that have the scheduled fee system attached - car park 1 and car park 2. You get two hours free and then you pay the scheduled rate after that. The rest of the site is \$3 for the entire day. You can go in at 9 am and leave at 9 pm and it is \$3. For staff to park anywhere on the site, with the exception of car park 1 and car park 2, it equates to \$1.92 a week.

The intention of those funds was to support improvement of CCTV, improvement of car parks, improvement of fencing around the perimeter etcetera, so we are using funds generated from car parking instead of pulling funds out of patient care. That was the intent of the car park management system. Yes, I was part of the process and have been, unfortunately, involved in car parking in other jurisdictions too. It is a difficult and challenging strategy to implement. However, if you stay true to the intent of the car park management system, which is about improving access, particularly for patients - because we were having a lot of complaints from patients who were coming to appointments and could not get car parks.

As Dr Notaras said, we now know we have car parks in car park 1 and 2 that make it easier for patients to access a car park fairly quickly ...

Ms MANISON: It is just the system they have to use.

Ms DENNIS: It is the system. We do regular audits of vacant spaces across the Darwin campus and, on most of days, we find when doing audits with Wilsons there are numerous car parking spaces available. They are just in the outer car parks. Unfortunately, it appears those outer car parks are not the most popular car parks and people would prefer to park on a grass verge or a footpath than park in a car park. The distance from the front door to the furthest car park is about 350 m. We are monitoring it on a regular basis and, as I said before, with most of the audits we have done there have been vacant car parking spaces.

Ms MANISON: Thank you, Dr Dennis. I have issues around the ED and we have 10 minutes left.

Mr WOOD: I would like to ask a question about car parks.

Ms MANISON: Oh, goodness me.

Mr WOOD: You have had a fair go, you two. Are there any future plans to build a multistorey car park? We talked about public/private partnerships before. Is there a possibility of a car park being used partly for retail and also for vehicular storage?

Mrs LAMBLEY: There is a possibility. Some interest has been expressed by certain people to build a car park, but it is early days and very premature to be thinking about that given the reaction we had to charging staff \$1.92 per week to park in existing car parks. Once you build a multistorey car park, you are looking at least at \$5 to \$10 per day, and that goes down ...

Mr WOOD: That is why I am looking at using parking for retail, because some hospitals have quite a bit of retail.

Mrs LAMBLEY: Yes, in the future, but over the next two years we will let this settle and think about our future prospects after that. The appetite for paying \$10 per day is not there at the moment.

Mr WOOD: No, I was not looking at that.

Dr NOTARAS: Yes, member for Nelson, the risk of being accused of privatising our car park would be of great concern ...

Mr WOOD: The government keeps on saying it does not have money. If the government can build it, fine.

Dr NOTARAS: We would have other clinical priorities but, as you quite rightly say, there are models around the country that could have an outpatient or a retail service in the lower levels, but it would take years to get that together. It may be looked at once we get the Palmerston facility up and moving.

Mr WOOD: Space always seems a premium at that hospital, especially how buildings are jammed in now.

Ms MANISON: Moving to the situation with the ED at RDH. An issue that comes up regularly is double bunking being an ongoing issue, and wait times are quite significant for people if it is not category one or category two type emergencies. There is still a huge amount of pressure on the ED and double bunking is a regular practice. Are you able to provide me with figures for this financial year by month of how often patients are double bunked in Royal Darwin Hospital ED.

Dr NOTARAS: There are only manual records of this from 3 January to May which show - this is for double bunking - one or more occasion of double bunking occurring on 12 days during January, 15 days in February, eight days in March, 11 days in April and nine days in May. The throughput through Australia's busiest per capita emergency department – 67 000-plus patients a year going through that place - it is hardly surprising there is an issue. As medical superintendent, as general manager, as a few of the other incarnations I have had there, I have dealt with everything from ramping of ambulances to patients in the waiting area in very difficult circumstances.

The issue of a flow-through emergency department is one that dogs pretty well every emergency department in this nation, whether it be the Alfred, the Royal Adelaide or wherever else. It is not an easy issue to contend with and one that comes in peaks and troughs, particularly during various seasons of high incidence of various infectious diseases and things. However, what is critical about this is we are looking at ways of getting the patient flow improved and there are other areas - the emergency department of Royal Darwin and Alice Springs Hospital as well, to keep it across the Territory, are both undergoing review and indeed constructive works.

Royal Darwin will see additional beds for patients through patient flow into the hospital, and when the medi-hotel comes back online we will see a greater flow of patients out of the emergency department. None of this is an easy thing to do because, as I said, in 20 years here and five or six prior to that at John Hunter and other places, I saw pretty well the identical problem.

We have strategies in place and one of them is increasing funding to Royal Darwin Hospital's emergency department to enhance patient flow through additional beds and through other strategic initiatives.

Ms MANISON: Are you are keeping monthly records now of how often the double bunking practice takes place?

Dr NOTARAS: Once again, these are done manually in the emergency department and are held by the emergency department's staff. I know the general manager at the hospital and the acting COO are very keen to ensure they are maintained and observed, particularly because we are sensitive to the occupational health and safety issues and all those others that surround a practice we would prefer not occur. However, in the interest of clinical access to the emergency department, obviously it has to occur from time to time.

Ms MANISON: In being able to monitor the performance and the issue, particularly with this investment you have spoken about going into the ED, the reporting of figures you are manually keeping month by month around double bunking - are they available on any public forums, for example with the quarter reports for the health boards - for the Top End health board? Can we look at that information to see how things are performing?

Dr NOTARAS: At this stage, member for Wanguri, they are not.

Mrs LAMBLEY: They never have been. Double bunking occurred under Labor. Various other mechanisms of supporting people - there was no room inside ED, as Dr Notaras just described. What we are doing is not adequate, but it is a step further than what happened under your reign.

Ms MANISON: It is good to know the reporting is there; you are keeping track of the data and looking at the numbers. I have seen some charts that have reported double bunking happening on certain days and whatnot. I apologise, I have not had Health for long and this is my first estimates, but it is something I expected you to keep track of in order to see how your ED was performing.

Mrs LAMBLEY: Obviously the fact any records are kept is a step up from what it was under the former Labor government. We are developing service delivery agreements with the new health services. This is possibly something we could include in the SDAs. Politically, for Labor and now us, it is not something we are proud of. It has been happening, as Dr Notaras described, in different forms for a long time. I am not sure there is any great benefit in keeping statistics on double bunking apart from, suffice to say, it is a problem. It has been a problem for a long time and, until we improve flow through the hospital, it will remain a problem.

Ms MANISON: It would be constructive to keep that type of data. That way you would know how your ED is performing and if you need to prioritise funding into the area, particularly if there are peak moments. Dr Notaras spoke about the fact there are different reasons for double bunking. Is bed block at RDH due to a lack of appropriate accommodation for people afterwards - the medi-hostel - which puts more pressure on your ED and alcohol-related admissions? How are they impacting the emergency department at RDH?

Mrs LAMBLEY: That is a fairly simplistic analysis. There are lots of issues why there is bed block in a hospital. Dr Notaras can tell you.

Ms MANISON: Are they contributing factors?

Dr NOTARAS: The minister has summed it up in a very succinct way. It is complex. It can range at one end of the spectrum from a clinician who has a length of stay - we have seen this in some of our orthopaedic clinicians who have a length of stay that is much greater than you might expect in another site. They might figure someone with a plaster on should not go back to a community because they will be placed at risk of infection or whatever else.

It can range from the support an individual has, whether that be locally or when they go back to a community. It is multifactorial; there is no single reason for it. I have wrestled with it and know Sharon Sykes, Christine Dennis and others have wrestled with it as well. Best practice is in place. We have one of - a number of - the finest emergency departments in the country, whether it is Alice Springs or the Top End. We can best be served by supporting the staff in the emergency departments and in the hospitals to get the through-put to the best of their ability.

Worst case scenario is putting people out before they should go out ...

Ms MANISON: Yes, because they will only end up back in.

Dr NOTARAS: Precisely. They become frequent flyers and we are placing them at risk if they go too soon. It is getting that balance right. Again, we are confronted in Darwin, as you all know, with being the only public hospital. The next nearest hospital this size is either the Jakarta General or the Royal Adelaide. We usually go to Royal Adelaide or other places rather than Jakarta.

Ms MANISON: Gerry, did you have anything?

Mr WOOD: What is the future of Gove hospital?

Ms MANISON: A very good question. I see the money is revoted in Budget Paper No 4. It is about \$11.9m of federal funding you have secured for the ED. It is a very old facility, minister. I was grateful to get the opportunity to go through the EDs when I took over as shadow, but the Gove one really stands out.

Mrs LAMBLEY: Yes, it is an old hospital and the emergency department is quite antiquated and tired. We are committed to developing either the existing space they have or building something new, but things have changed in Gove. The demographic nature of the town is changing every day. I quoted in parliament recently about half the people using the current emergency department are non-Indigenous people. The non-indigenous population is set to drop dramatically over the next six months so demand for emergency department services at Gove will change and reduce significantly.

When the planning was done to build a \$13m emergency department they obviously did not know what was about to happen, and that is almost halving the population of Gove. Going back to the conversation we had earlier about economic cost we have to make decisions, cost benefit analysis, we have to decide what our priorities are. I think we have to make some tough decisions around reducing the spend at Gove, and I am on the record as saying this before so this is not news to you ...

Ms MANISON: Minister, the surrounding communities - Galiwinku is getting bigger and it serves the region. Yirrkala - outside Nhulunbuy - what happens in Nhulunbuy happens in Nhulunbuy, but that hospital is still a service hub in that region. It is wonderful to have that money secured from the feds to invest in that hospital which is ageing, as you know; it is an old hospital. People will still be living in that region. At the moment there is a real need for confidence to be shown in the region, a bit of infrastructure to be invested in and this is a great opportunity. You have secured the funding and the hospital is aged and needs a refresh and definitely ...

Mrs LAMBLEY: It will definitely get a refresh I can assure you of that, member for Wanguri. It is easy to get emotional about this, but I have to service the health needs of people across the Northern Territory. It is a hard decision, but in all reality, looking at the significant reduction in the population of Gove and the Gove area, I cannot justify spending \$13m on refurbishing the Gove emergency department.

Ms MANISON: When will you make a decision on this, minister?

Mrs LAMBLEY: Very soon.

Madam CHAIR: I have let you go a couple of minutes over. Thank you very much, minister. That concludes outputs for the Top End Health Service, the Central Australia Health Service and Health and Community Services Commissioner. Thank you very much for coming this evening. Thank you, minister, thank you committee and we will see you tomorrow morning.

The committee suspended.
