

In committee in continuation:

Mr CHAIRMAN: I welcome the minister to the committee. Would you mind introducing your officials who are accompanying you and, if you have an opening statement, would you care to make it?

Dr BURNS: Mr Chairman, I will let the officials introduce themselves. I will make a statement first. Thank you for the welcome this morning. The role of the Department of Business and Employment is to build industry capabilities through support and solutions for Territory businesses, and the next dot point that is relevant to me is to provide corporate shared services to the Northern Territory government.

The Department of Business and Employment, or DBE, was formed in August 2008 when the former agency of DCIS merged with the Department of Business, Economic and Regional Development, excluding Regional Development. There were also smaller moves at that time, such as part of Economics went to the Department of the Chief Minister.

The budgets and finance numbers and other information provided today are for the Department of Business and Employment from 1 July 2008. However, the extent of changes and movements between agencies in the August administrative changes precludes prior year's data being provided for the new department in many cases.

The business area of the department comprises Business and Industry Development and Business Support, which are committed to play a critical role in supporting the government's priority of maintaining a strong, vibrant and growing Northern Territory economy. My department continues its focus on growing local businesses through supporting Territory businesses and industry growth with targeted free training in assistance programs; conducting forums to inform small businesses of major project opportunities; identifying and supporting the development of new industries, opportunities and investment; stimulating innovation, research and knowledge development; and maintaining and improving the Territory's business operating environment. At this point, I table a list of business programs – well, I will do that later, Mr Chairman.

To assist business to reduce costs and to become carbon friendly, the ecoBiz NT initiative commenced in 2009 with businesses eligible to seek free audits which show them how to reduce their energy and water costs, and provide rebates of 50%, or up to \$30 000, on retrofits or renovations needed to improve their energy efficiency. This pilot program has already assisted 16 Territory businesses to improve their environmental performance, with grants totalling over \$310 000 provided to date.

The Corporate and Information Services part of the department provides shared corporate services for all Northern Territory government agencies, including accounting services, payroll services, ICT services management, property management, records management system, procurement, and coordination of fleet management.

At this point, I state the Minister for Information, Communications and Technology Policy, my colleague, Karl Hampton, is responsible for the following: strategic information technology policy for the Northern Territory government; telecommunications infrastructure policy and funding; electronic services development; and broadcasting policy.

NT Fleet will implement the Green Fleet Strategy on the 1 July 2009, which will reduce greenhouse gas emissions produced by the government vehicle fleet by 20% over the next five years. It will also reduce fuel consumption and, therefore, costs by a similar amount.

The government is also committed to reducing the greenhouse gas emissions associated with government buildings, and government leasing of office spaces in my portfolio areas. Green leasing options have been discussed extensively with the property industry. I expect a green leasing strategy to be introduced in the 2009-10 financial year which will result in significant improvements in energy efficiency in buildings leased by the Northern Territory government.

In March this year, the Chief Minister announced a number of changes to procurement to reduce red tape and enable speedy delivery of the Commonwealth's economic stimulus package. The new tender threshold levels were implemented in April, along with a number of measures to improve quality assurance in procurement processes.

Mr Chairman, my agency has also initiated new services to improve the effectiveness of the shared corporate services it provides across government.

I welcome to the table the Chief Executive of DBE, Mr Dennis Bree; the Deputy Chief Executive, Mr Graham Symons; and the Executive Director of Corporate and Shared Services, Ms Kathleen Robinson.

Mr CHAIRMAN: Thank you, minister. Are there any questions to the opening statement?

Mr TOLLNER: Not to the opening statement, no.

Mr CHAIRMAN: Member for Nelson?

Mr WOOD: Yes. What is the role of this department in relation to the move by governments to lease land in an Aboriginal communities? One of the goals of that was to open up these areas for more competition, for more industry to develop. What is the relationship between this department and the new shires in relation to helping business?

Dr BURNS: Thank you, member for Nelson. I am advised the Office of Indigenous Policy is doing the initial negotiation of those leases. Once those leases are settled, many of the aspects you have mentioned will come within the purview of this department. I ask Mr Dennis Bree, the CEO, to talk to that.

Mr BREE: Dennis Bree, Chief Executive. Mr Wood, we understand that when leases are sorted out we will continue our normal property management job, which is to look after leased property for any government departments which wish to be out on these leases.

Mr WOOD: Minister, are you working with local government to promote businesses with these new shires? Is there any relationship between the two departments or the two levels of government?

Dr BURNS: As you are aware, my predecessor, Hon Kon Vatskalis, conducted some preliminary work in this regard to indicate how these towns might have a variety of businesses, so we will be working carefully with other departments to foster business. Of course, Regional and Economic Development is the purview of my colleague, Karl Hampton; but I will ask Mr Bree to speak further to these points you have raised.

Mr BREE: Of the 20 towns - and I assume that is the reference you are making - we are currently looking at how we can expand our business services. We have run some pilots under our current arrangements to provide business advice through videoconferencing and by telephone, and we are hoping we can roll that out as the 20 towns roll-out occurs.

Agency Specific (Whole-of-Government Related Questions)

Mr CHAIRMAN: I now call for questions on Agency Specific Whole-of-Government.

Mr TOLLNER: Dr Burns, you have heard we have some generic questions. I will quickly run through them with you; you are obviously prepared for them.

Dr BURNS: I understand Mr Bree has the answers which, at the end of your reading, we will table.

Mr TOLLNER: Will you? All right.

Dr BURNS: Some of them, so we will sort them out. If you go through them, we will let Mr Bree sort them.

Mr TOLLNER: Carbon emissions - how much are you producing now in either kilowatt hours or tonnes of carbon dioxide?

Dr BURNS: Dennis Bree.

Mr BREE: Two key components of the department's carbon footprint can be readily measured. The footprint for buildings occupied by DBE is currently 2529 tonnes per annum, and the footprint for the operation of government vehicles is 266 tonnes per annum. DBE is currently taking significant steps to rationalise the office space it occupies, and these measures are estimated to reduce the agency's carbon footprint by 264 tonnes per annum. Implementation of the Green Fleet Strategy measures is estimated to reduce the agency's carbon footprint by a further 35 tonnes per annum over the next two years.

DBE has responsibility for three strategies that will have a whole-of-government impact in reducing the carbon footprint of government activities: the Green Fleet Strategy which will reduce CO₂ admissions by 20% over five years; the development of a green leasing strategy which will achieve significant reductions in leased buildings' energy use; and a reduction in the government's information and communications technology footprint over the next round of ICT contracts from July 2010.

Mr TOLLNER: In relation to the increase in power, water and sewerage prices, can you tell me what the effect on the bottom line of the individual agencies is for the coming year?

Dr BURNS: Dennis Bree.

Mr BREE: In regard to power for the agency, total estimated power costs for DBE for 2008-09 was \$375 000, and we estimate the cost for 2009-10 will be \$442 000, an increase of \$67 000, based on existing consumption levels. The cost fluctuation is a part of normal activity. DBE funding includes escalation parameters to cover costs and cost increases will need to be managed within DBE's overall budget. DBE continues to promote energy efficient work practices amongst staff across the Territory to maintain the electricity consumption.

In regards to water, total estimated water costs for DBE is \$20 000 in 2008-09. Based on same consumption, it is estimated that 2009-10 will go to \$24 000, an increase of \$4000. Similarly, we will be managing that within our budget.

Do you want me to go through that for the GBD's Data Services, Government Printing Office, and NT Fleet?

Mr TOLLNER: Maybe if you could table that?

Mr BREE: Are you are happy for that to be tabled?

Mr TOLLNER: Yes. As an addendum to that, minister, has your department done any modelling on the federal government's proposed Carbon Emissions Trading Scheme might do to the price of power for your agencies?

Dr BURNS: I will flick to Mr Bree but, as you are aware, that particular proposal is currently before the Australian parliament and, possibly, is not in its final form as yet. The answer from Mr Bree is, as yet, that modelling has not been done. However, we will, no doubt, look at the economic impacts of that scheme and have a look at how that might affect business in the Northern Territory, and the business

of government.

Mr TOLLNER: In relation to staffing, can you outline the number of graduates and apprentices who started with the department in 2007, 2008 and 2009?

Dr BURNS: And how many are still there? Or is that the next question?

Mr TOLLNER: Yes, how many are with their original department, and how many are still with the Northern Territory government.

Dr BURNS: I will ask Mr Bree.

Mr BREE: Apprentices 2007 - this is for the old DCIS only because, as you remember, we are an amalgamated department - there were three, of whom two are retained in the current agency, and the other person is within Northern Territory government. In 2008, there were five apprentices for DCIS, and two for DBERD, of whom five are currently retained in DBE. In 2009, six apprentices, of whom five are still with the agency.

Graduates: we had six in 2007, of whom two are still with DBE, and another three are still with the Northern Territory government. In 2008, six for the old DCIS, of whom four are still with DBE, and one is with the Northern Territory government. This year, we had four graduates who are all still with us.

Indigenous cadets: we had one in 2007 who is not with us, and none in the other years. For the Indigenous Employment Program which was not applicable in 2007 and 2008; we have five in 2009, all of whom are still with us.

Dr BURNS: Member for Fong Lim, this is an excellent program. In my travels as minister, I have met a number of people in apprenticeships and others who got full-time jobs after apprenticeships. On a personal level, my daughter, on merit, secured an apprenticeship within DOJ some years ago; she is completing her law studies at present and is very keen to come back to the Northern Territory and apply, on merit, to get work within the public service. I know her friends feel the same. It is a great opportunity for young people - even if they do not continue to work with the public service - to understand the work of the public service and take that with them through their life experience. There are many more who wish to continue, and the more homegrown people we can get within our public service augurs well for the Northern Territory.

Mr TOLLNER: Can you outline the number of reports of improper use of computers? How many of these reports have resulted in disciplinary action?

Dr BURNS: I will ask Mr Bree.

Mr BREE: For the agency in the last 12 months, there have been no reports of misuse of government computers within DBE, the Data Centre Services, Government Printer, NT Fleet or the Land Development Corporation.

Mr TOLLNER: How many credit cards have been issued to departmental staff? How many transactions for personal items or services are outstanding? What disciplinary action has been taken for each outstanding incident?

Dr BURNS: Mr Bree.

Mr BREE: In DBE, there are 54 active corporate credit cards, as of 30 April this year. The number of outstanding corporate credit card transactions exceeding specified time frames is zero. All transactions have been processed within their specified time frames. There are zero transactions that have not been acquitted within the appropriate time frame.

Mr TOLLNER: Can you tell me how much is claimed back from credit card users as personal expenditure?

Mr BREE: The answer is zero.

Dr BURNS: Well, it should be zero because people should not be putting personal expenses on their corporate credit card. And if they have inadvertently, which Mr Bree says they have not, they should be coughing up.

Mr TOLLNER: At the bare minimum.

Mr BREE: Sorry, there are other parts of the agency that I might ...

Mr TOLLNER: Yes.

Mr BREE: In regard to the Data Centre Services there are three active corporate credit cards; same answers to the others - zero outstanding and zero transactions which have not been acquitted. In regard to NT Fleet, there are also three corporate credit cards at 30 April. All transactions have been processed within the specified time frames and there are zero transactions that have not been acquitted within the appropriate time. For the Land Development Corporation, there are five corporate credit cards - all transactions processed within specified time frames and zero transactions which have not been acquitted within the appropriate time.

Mr TOLLNER: In relation to public events, can you list the public events, conferences, public forums that were sponsored by the department for 2008-09 financial year? What same or similar events are projected for the year 2009-10?

Dr BURNS: There is a whole range here. Would you like Mr Bree to table them?

Mr TOLLNER: Yes. No worries. Gerry might get to ask a few questions.

Dr BURNS: I think they are ones in the past. Do you want to talk to it?

Mr BREE: No, the list here, minister, is for the ones planned as well.

Dr BURNS: Do you have another list for the ones that have already taken place in 2008-09?

Mr BREE: Essentially, it is the same list for both years with a couple of small changes. The ones we are not going ahead with in 2009-10 are largely ones that are one-offs this year.

Mr TOLLNER: In relation to advertising, how many staff in your department are dedicated to communications, media or advertising?

Dr BURNS: I will throw to Kathleen Robinson.

Ms ROBINSON: Kathleen Robinson, Executive Director, Corporate and Shared Services. There are nine positions in the agency.

Dr BURNS: Let me just add, member for Fong Lim, I know that this department is very active in communicating to business the variety of programs they have - and they are extensive. I was going to table a list during my opening statement - I am hopeful someone has that list handy so I can table it now - that gives you an idea of the range when it comes down to ...

Mr ELFERINK: This is a list of breakdown of staff and programs?

Dr BURNS: No, this is the actual programs that the department undertakes. I mentioned it in my opening statement. There is a whole range: Business Growth, Business Upskills, Business Month, Getting Started In Business, eco-Biz NT has been mentioned, Business Liaison and Client Managers, Procurement Liaisons, and Defence Support. There is a whole range of programs, and my interaction with business has been that they are very pleased with the programs the department has and the way they service industry. It is very important that be communicated. A big part of what this department does is around that. I will table that now for the information of the committee.

Mr TOLLNER: Thank you, minister. Whilst we are on that subject - you might have to take this on notice - can you outline where those nine staff are located, and the roles of their positions?

Dr BURNS: Did you want to take that, Kathleen?

Ms ROBINSON: The nine staff are located in Darwin. There is a director who covers communications, marketing and our secretariat area ...

Mr ELFERINK: That is an ECO1, is it?

Ms ROBINSON: Yes, it is.

Dr BURNS: That position also covers the secretariat?

Ms ROBINSON: Yes.

Dr BURNS: For the benefit of the committee, you might explain what the secretariat duties are, as well.

Ms ROBINSON: Secretariat duties cover ministerial liaison, handling of all ministerial correspondence, Cabinet submissions, letters in and out of the department, and things like that.

There is a Media Manager, a Media Officer, a Marketing and Communications Manager, Senior Communications Officer, another Communications Officer, a Web Manager and a Web Officer because of the number of websites, and there is a Team Administrator.

Mr ELFERINK: Did I hear you correctly? You have two people just dedicated to the websites, through the minister?

Ms ROBINSON: Yes.

Dr BURNS: I will take advice about that. It is an important issue you have raised, member for Port Darwin. One of the innovations the department is undertaking is called SmartForms which is about people being able to do business with the government through web-based services. There has been a roll-out of SmartForms in a whole range of areas, and it was my privilege to visit Development House the other day, on the Esplanade, and talk to those involved in this particular activity. I believe there is take-up. We know more and more people are using their computers and web-based material, doing their business from home or the office rather than having to get in the car and find a parking spot, etcetera. This is an important innovation, but I will let Kathleen enlarge on what those two officers might do. You have raised the issue, and we need to talk about it.

Ms ROBINSON: We maintain a number of websites on the shared services site of what we do because we have a large interaction across government. We have an Intranet site, which is our prime communication mechanism with all our clients across the government, where they get forms and things they need from us in relation to accounts, payroll, procurement, and all of those sorts of things.

Then there is, obviously, the Internet and a number of new sites we are working through in relation to investment sites and other things.

Mr TOLLNER: You have just mentioned forms. Can you outline how many forms we are talking about?

Dr BURNS: In terms of how many have been converted to SmartForms for external use?

Mr TOLLNER: Yes, how many have been converted to SmartForms. How many different types of forms does your department have?

Dr BURNS: The department acts on a whole range of issues of certificates and business forms. Do we need to take that on notice?

Ms ROBINSON: Yes, we have many forms.

Mr TOLLNER: Quite a lot of forms?

Ms ROBINSON: Yes.

Dr BURNS: Although we have cut red tape significantly, member for Fong Lim.

Mr TOLLNER: I am sure you have, minister. Yes, two people dedicated to web pages doing forms.

Dr BURNS: It is enabling people to do business over the Internet, and it is doing away with paper and reducing carbon emissions.

Mr TOLLNER: I imagine it is a big job.

Dr BURNS: If you wanted to make that a formal question on notice, we would be happy to comply.

Mr TOLLNER: Yes, I would like that question put on notice.

Question on Notice 4.1

Mr CHAIRMAN: Member for Fong Lim, for the purposes of *Hansard*, could you please repeat the question.

Mr TOLLNER: How many forms are we talking about? Can we get a full breakdown of forms: what they are, type, and what they might be used for throughout the department?

Dr BURNS: This is both internally and externally?

Mr TOLLNER: All of them.

Dr BURNS: Okay.

Mr CHAIRMAN: You are happy to take that question on notice, minister?

Dr BURNS: Of course, we are.

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate the question No 4.1.

Mr TOLLNER: Whilst we are on the subject of the Internet, does the department use Facebook, minister?

Dr BURNS: I have to ask advice on that.

Mr TOLLNER: Twitter?

Dr BURNS: Twitter? No, but Mr Symons wants to answer that question.

Mr SYMONS: The answer is no, we do not. Sometimes for recruitment across the public service, for example, it is possible people do access Facebook to find out additional information about people but, in the normal course of business, no.

Mr ELFERINK: While we are here, it is my understanding it is quite possible through the government service, to track which Internet sites are most visited. Are you able to table a list?

Dr BURNS: You mean by public servants?

Mr ELFERINK: Yes. I have seen the list, to help you along, so I know it exists.

Dr BURNS: I am not sure whether that comes in this particular - we are talking generally, I am sure it would come in terms of IT security.

Mr ELFERINK: It is just that it has come up at this point, minister, and I thought it might be timely.

Dr BURNS: Mr Symons.

Mr SYMONS: Graham Symons, Deputy Chief Executive. We could, if necessary, provide that information for DBE, but it is something we actually do on behalf of other agencies. So, if another agency wants to understand, for a particular reason, what profiled sites are being accessed by the department, we can provide that report for them; but it is information we provide to the agency.

Mr ELFERINK: Minister, can you provide that report to the parliament?

Dr BURNS: These are internal reports; I believe we are straying off the point here.

Mr TOLLNER: No, we are not.

Dr BURNS: Obviously, some public servants do have access to the Internet and there is an element of trust in that, although Internet usage *in toto* is monitored, and there are certain sites which people have been precluded from - betting sites amongst them. These are operational matters for different departments to ensure Internet use is appropriate. Each person, as they come into the public service now, gets training and induction into the use of the Internet. I am not sure that you want to comment further on that aspect, Mr Symons?

Mr SYMONS: No, not really.

Mr TOLLNER: Minister, we just heard through you that you do track this stuff, not only for your own department, but for other departments. All I am asking you to do is table, or take the question on notice. We want information on what that research is you do, what that tracking is, and what sites are

being visited. I am not suggesting improper use, by the way, and I get to that point in a minute. However, would you be prepared to get that information for this committee? I should add, I am not chasing individual names, or who is accessing what site. I just want to know what sites people are accessing.

Dr BURNS: I am advised the sort of research is general in categories of sites and visitations, so my advice is, keeping that in mind, we could supply that particular report to you. But, just to emphasise again, government is continually looking at ways to ...

Mr TOLLNER: Sorry. Across government, minister, I take it? Are these reports across government?

Dr BURNS: There could be some elements of government, such as the police who, in the course of their work, visit various websites in investigations, etcetera, which may not be appropriate. But in specific sites, I am advised there may be a wide category of sites in social websites, like Facebook, etcetera, and there might be some idea of usage there. However, in going forward with our new ICT contract, government is very keen to fit each public servant out with the tools they need in IT to do their job, and there will be different levels of the sort of programs and access people have to various parts of the government web and beyond.

That is what we are looking at in the new ICT contract: to really power government workers up to do their job. We know they are very dedicated people. I am not sure whether you are engaged in some sort of witch-hunt here, but we will see in the report what is said there.

Mr TOLLNER: Minister, far from it. Sorry, we might just get that question put on notice.

Question on Notice 4.2

Mr CHAIRMAN: Could you repeat the question for the purposes of *Hansard*?

Mr ELFERINK: Minister, can you provide to this committee, across government and, if possible, breakdown by department, if possible, the visitations of government computers to other servers; that is, other websites?

Some background for *Hansard*: I know there are reports produced which clock or check the frequency of particular sites being visited by government computers, so, we know how many hits there are on Facebook, how many hits there are on the *Northern Territory News* site, etcetera. If we can produce those reports then we can take great comfort, minister, from the repeated answer we have had in relation to reports of improper use of computers.

Dr BURNS: The original question or request was about having access to the report being prepared, and that is what I am giving the undertaking on. I am not sure it needs to be a question on notice, but I have given you that undertaking.

Mr TOLLNER: But now we have learnt, minister, that your department not only does reports on itself, but it does reports on other departments. Obviously, that is a role of the department across government, and that is what we are asking.

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

Dr BURNS: I am comfortable having the question on notice, but I have indicated that the reply to the opposition will be in the context of the report that is formed; that it was already formed was the trigger for the question.

Mr CHAIRMAN: For *Hansard*, that is question No 4.2.

Mr TOLLNER: Minister, just to clarify, I am not on a witch-hunt here. In fact, I have just seen ...

Dr BURNS: Well, you might lead the way on hits on Facebook.

Mr TOLLNER: I may well do. I have just seen a very detailed study on social networking sites - Twitter and Facebook and that sort of stuff - and more and more people are using them. In fact, I heard a report on radio the other day saying more people are using Facebook to communicate than using e-mail. I have to say I probably use e-mail more than I use Facebook, but I ...

Dr BURNS: Well let me tell you, member for Fong Lim, I do not use Facebook, because I do not have much of a face for Facebook! So I am still an e-mail sort of a guy. Obviously, a good looking bloke like you is right on Facebook.

Mr TOLLNER: They say 'politics is Hollywood for ugly people', minister! But, no, the same research I saw on this social networking stuff talked about the benefits to business of involving themselves in places like Facebook and Twitter. So, far be it from me to go on a witch-hunt about Facebook, minister.

Minister, can you define how your department defines advertising? And what is the department's budget for advertising?

Dr BURNS: We will come to that. You asked about a definition and, of course, the Treasurer's Directions contain a definition of advertising, and that is the one my departments adhere to. Although, when we come to questions about Tourism, it is a little different, because they have a significant and discrete marketing budget. So, the definition used is in the Treasurer's Directions, and some of my predecessors before the committee yesterday gave a full definition of that, along with CEOs. For the amount of advertising, I defer to my CEO, Mr Bree.

Mr BREE: The advertising expenditure for 2008-09 to 30 April: \$280 790 on newspaper advertising; \$86 480 on radio advertising, and zero on television advertising.

Dr BURNS: We are prepared to table the paper that shows the totals there. There are three areas in there that refer to my colleague's portfolio areas, which are Indigenous Training and Employment - and the Chief Minister also has Training; Business and Skilled Migration; Skilled Worker Program; and Indigenous Training for Employment Program. The others are within the area of my department. I am not sure whether Mr Bree can table that for the information of members.

Mr BREE: Certainly.

Mr TOLLNER: How detailed is the information? Does it break it down into newspapers ...

Dr BURNS: It just says 'newspapers'; it could include the *NT News* and the *Centralian Advocate*. I suppose some of the Defence ones could include some Defence publications. I am not sure.

Mr TOLLNER: But does it break it down into those categories?

Dr BURNS: Of a particular newspaper and ...

Mr TOLLNER: No, I am not after a particular newspaper, I am after solely newspaper, radio ...

Dr BURNS: It has newspaper, radio and television; zero in television.

Mr TOLLNER: Community newsletters, consultants and printing?

Dr BURNS: Consultants?

Mr TOLLNER: Maybe you want to take that on notice.

Dr BURNS: I am more than happy to table this for your information, member for Fong Lim. I am still not really sure; it breaks it up into newspaper and radios. I can possibly give you further information about exact campaigns such as ecoBiz NT ...

Mr TOLLNER: I will get on to that, minister. However, in relation to the document you are tabling, is it year-to-date expenditure you have outlined here?

Dr BURNS: Correct, it is year-to-date, to 30 April.

Mr TOLLNER: That is fine. In relation to campaigns, can you explain what advertising campaigns have been undertaken by the department in 2008-09 and, in particular, if there are any specific regional campaigns?

Dr BURNS: I will talk globally about the campaigns which have been mounted: the Mining Expo 2009; the Defence Support campaign; Defence Support Hub campaign; Land Warfare Conference; Business Upskills, which is greatly appreciated by business; I have mention ecoBiz NT, which is a great initiative; Getting Started in Business - I have attended some of those seminars and it is my understanding they are rolled out on a regional level; Meet the Buyers is a very important program by which people who want work from government through the tender procurement process can find out more detail; October Business Month, which is coming up, which is a great promotion by government; the show circuit which, obviously, has regional ramifications; the procurement changes and, as you would be aware, there have been significant procurement changes announced by the Chief Minister, particularly in relation to the stimulus package; and Northern Territory government employment programs - entry level apprenticeships, graduates and training programs.

I will defer to Mr Bree if he has any further details about regional roll-out.

Mr BREE: Going through those, the show circuit would be the only specific regional one. Just bear with me, I will just ...

Dr BURNS: We will take some advice about this.

Dr BURNS: I introduce Mr Craig O'Halloran who is looking after the ecoBiz and others areas. Did you want to speak about regional plans; what may have occurred already in regional roll-out and promotion? Also, what you have planned in the future please, Craig.

Mr O'HALLORAN: Craig O'Halloran, Director of Business Services. Yes, we are rolling out ecoBiz at the moment, both in Darwin and regionally, with some marketing. Also, on an ongoing basis, we are marketing and promoting upskills in the regions - Darwin, Tennant Creek and Alice Springs where they are held bi-monthly. October Business Month, which is our premier event, is promoted in all the regions as well. That promotion commences in the new future - we start promoting that around September - and it is our premier event for the department.

Mr WOOD: Can I just ask whether we are slipping out of the generics and into the ...

Mr TOLLNER: Of course, Gerry.

Mr WOOD: No, I do not have a question. I was just wondering whether ...

Mr TOLLNER: We have not slipped out of the generic yet.

Mr WOOD: Well, I reckon you have.

Mr TOLLNER: I am sort of slipping in and out, Gerry.

Mr WOOD: I would not say you are sort of - you are. I would have thought this was 2.0 or 2.1.

Mr CHAIRMAN: I will be taking the minister's advice on whether we are ...

Mr WOOD: You are the Chairman, you decide.

Mr CHAIRMAN: I will take advice ...

Dr BURNS: I am happy to continue the conversation with the member for Fong Lim, but I do take the member for Nelson's point. We usually have Tourism and a whole range of things, as well in my portfolio areas. I am keen that we get to all my portfolio areas, so maybe if we rattled through the generics, I will be more than happy when we get to the output areas.

Mr WOOD: Stay with the generics, member for Fong Lim.

Mr TOLLNER: Minister, how many of the campaigns have been translated into local dialects?

Dr BURNS: I will defer that to Dennis Bree.

Mr BREE: None.

Mr TOLLNER: None. Whilst we are on the subject of local dialects, what is the department doing in relation to fostering and promoting entrepreneurialism amongst Indigenous individuals? You might like to put that under another category or output group.

Dr BURNS: I am advised that principally, Indigenous economic development is within my colleague's portfolio and you may want to question him on that area. We have talked about the 20 towns and progress there; we will be working very closely as ministerial colleagues on that. However, principally, it is his responsibility.

Mr TOLLNER: Your department does nothing in relation to fostering ...

Dr BURNS: Mr Bree.

Mr BREE: We work with the department of Regional Development of this issue, through the Indigenous Economic Development Task Force, but they have the lead on it.

Mr TOLLNER: Okay, that is fine. We will get on to that at another time.

Minister, in relation to campaigns: for each campaign, who was contracted to write the material for print, visual and audio platforms? Who, for each campaign, was contracted to do the artwork for print, visual and audio platforms?

Dr BURNS: Much of it, I am more than happy to table the document, member for Fong Lim.

Mr TOLLNER: Maybe, minister you might even have the answer to a couple of other questions, because ...

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Dr BURNS: Looking through it, much of it is done internally by the marketing section mentioned before by Kathleen, and some of it went externally. In the document I am going to table, there are some parts in blue which may not show up when it is photocopied, which are not within my portfolio area. As I explained before, some of it lies within the Chief Minister's area and some of it within my colleague, Mr Hampton's portfolio. But I will table it now and you can have a look.

Mr TOLLNER: Good on you. Minister, who has the printing contract?

Dr BURNS: I will defer to the CEO, but let me say, I am very proud to be the minister for the Government Printing Office

Mr BREE: The preferred printer for the Department of Business and Employment printing jobs is the Government Printing Office. Specialised print jobs such as large banners, which cannot be printed by the Government Printing Office, are contracted out to a range of design and print companies in the Territory.

Mr TOLLNER: What plans are in place for television advertising?

Dr BURNS: I will defer to Mr Bree.

Mr BREE: The only planned television program we have at present is ecoBiz NT.

Mr TOLLNER: That is it? Is the advertising material approved by you, minister, your office or the Chief Executive.

Dr BURNS: It is not approved by me, member for Fong Lim, but I will defer to the CEO to talk further about the process.

Mr TOLLNER: Maybe, whilst you are at it, you can outline who is authorised to release advertising and promotional material.

Dr BURNS: I will defer to the CEO.

Mr BREE: Promotional material is developed by the Department of Business and Employment and is approved by the whole-of-government Communications Advisory Committee to ensure compliance with whole-of-government policy. Internal process is the Chief Executive, or relevant Executive Director, approve material prior to submission to the committee, and this is dependant on the significance of the project.

Mr TOLLNER: In relation to office space, how much office space does the department occupy across the Territory in square meterage terms?

Dr BURNS: I will refer to the CEO on this.

Mr BREE: The Department of Business and Employment occupies 13 315 m² of nett lettable area within leased office buildings.

Dr BURNS: Just to add to what the CEO said, office space leasing comes within my portfolio area. I am unsure of the exact output area, but I am more than happy to take more general questions about government office space when we come to that output area.

Mr CHAIRMAN: Perhaps your Chief Executive Officer could advise which output so the member can direct it to the right area.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Dr BURNS: This is within Shared Services, which it is the first output area.

Mr TOLLNER: In relation to brands and content; I can ask questions about that now, or do you want to save that for the procurement?

Dr BURNS: I know the member for Nelson is getting a bit restless here. Are you happy for him to ask that question? Well, if you are happy, I am happy; go ahead and ask it.

Mr TOLLNER: I am just wondering whether you want to put it in a different output group with your material. Do you specify brands in contracts when tendering?

Dr BURNS: What sort of brands? You mean like ecoBiz NT logos?

Mr TOLLNER: Yes, I am talking about things such as local content, Australian content, that sort of thing.

Dr BURNS: As I said, I do not participate in that type of exercise as minister, so I may defer to Mr Bree.

Mr BREE: Can I get some clarification on that? In our specifications we take to the marketplace, do we ask for specific brands - is that what you mean?

Mr TOLLNER: Yes, that is what I am asking.

Mr BREE: I have to get some advice. The answer to that is DBE know, as our role is in procurement, there are repeat purchases of such as things Health might be buying; you might sometimes ask for brands but, normally, you are asking for performance.

Mr TOLLNER: Minister, I might leave it there at this stage. I will take that issue up again when we get into, maybe ...

Mr CHAIRMAN: Are those questions more appropriately asked during Output 1.3, Procurement Policy and Services?

Dr BURNS: It sounds like it should be, and we can have Brad Irvine at the table.

Mr CHAIRMAN: Are there any other questions on whole-of-government?

Mr WOOD: Just a general question. The annual report for Business, Economic and Regional Development does not seem to line up with anything in the budget. The budget has output groups and a breakdown and, then, it has roughly what the budget was for that year. This report does not have any of that. Is there any reason why? Other departmental reports mention it; this one does not.

Dr BURNS: A good point, member for Nelson. As I said in my opening statement, that will be a problem or an issue we need to work through, given the change in administrative orders. I believe I named August when DBERD was no more and various elements of DBERD were distributed through DBE. But I will let Kathleen answer that question. Do you mind, Kathleen?

Ms ROBINSON: The Department of Business, Economic and Regional Development report was done through that department at the end of last year, and it will need to be modified. Next year's report will align more closely with the budget and the information for Department of Business and Employment.

Mr WOOD: That would be good.

Dr BURNS: If there are specific questions we can assist you with, member for Nelson. It is complex and I do not mind affording you a briefing if you have specific questions. I know it is difficult with those changes

Mr WOOD: Yes, I cannot compare ...

Dr BURNS: We will endeavour to do that and, hopefully, Kathleen will be able to answer your questions. If she cannot today, we will certainly endeavour to get back to you.

Mr WOOD: They are not too difficult.

Dr BURNS: It is a reasonable issue you have raised.

Mr CHAIRMAN: Thank you, member for Nelson. That concludes questions on Agency Specific Whole-of-Government Related questions.

OUTPUT GROUP 1.0 - SHARED SERVICES

Output 1.1 - Finance Services

Mr CHAIRMAN: We now move to Output Group 1.0, Shared Services, and Output 1.1, Finance Services.

Mr TOLLNER: I have no questions on Finance Services.

Mr WOOD: I have one. Under the heading Creditor Invoices Processed, in Budget Paper No 3 on page 153 - also last year's budget, page 258 - the estimate for 2008-09 was \$330 000. There was a little note in last year's budget which said:

*Creditor invoices include ledger transfers but exclude payments via corporate credit card.
Reduction between years reflects higher use of corporate credit cards.*

In this financial year, we have actually gone back to higher than last year; in fact, we have gone higher than 2007-08 in the number of creditor invoices processed. You were expecting a decrease because of the use of the credit card; how come now it has gone higher?

Dr BURNS: That is a good question. I will defer to Mr Symons or Kathleen

Ms ROBINSON: It has increased due to general activity across government with the number of invoices being generated.

Mr WOOD: If you were able to balance the numbers of the amount of business you are doing, would it have been much higher if you did not have the use of corporate credit cards?

Ms ROBINSON: Yes, absolutely.

Mr WOOD: Minister, what involvement does your agency have in the processing of corporate credit card transactions and reconciliation, and what do you charge for this service?

Dr BURNS: I will defer to Mr Symons or Kathleen Robinson.

Ms ROBINSON: The process we have in relation to credit cards is the credit card transactions are arranged and verified at agency level. Then the paperwork for that is provided to the Department for Business and Employment. We also run a centralised credit card management system which is how agencies interact, and we provide reports from that system on credit card usage. We also activate credit cards, cancel credit cards, and follow up on queries and issues raised by agencies. I do not

have the cost information with me right now, but I can get it.

Mr WOOD: Can I put that on notice?

Question on Notice 4.3

Mr CHAIRMAN: Could you repeat the question for the purposes of *Hansard*?

Mr WOOD: Minister, could you give a detailed response in relation to what your department charges for the corporate credit card transaction and reconciliation service?

Dr BURNS: I am happy to take that on notice and will endeavour to have that information to the committee before the end of this estimates session.

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate that question No 4.3

Mr WOOD: Is there a policy in relation to the corporate credit card payments for transactions under \$500?

Dr BURNS: I will have to defer to Kathleen Robinson

Ms ROBINSON: Yes, there is. There is a requirement in the Treasurer's Directions for purchases below \$500 to be done via a credit card. There has also been a recently updated whole-of-government corporate credit card policy issued.

Mr WOOD: Has that policy been successful?

Dr BURNS: Ms Robinson.

Ms ROBINSON: In the number of transactions of amounts below \$500 processed through our system, yes it has. The vast majority of those are done by corporate credit cards.

Mr WOOD: One other question on that. Say you have a \$4000 bill; can you pay it eight times at under \$400, or \$500?

Dr BURNS: You mean, if someone secures goods or a service for \$4000, can they pay it eight by \$500 to get to the \$4000? I suppose the question is, Kathleen, just what mechanisms there are to detect whether someone might be attempting to do that.

Ms ROBINSON: I will not say anything is impossible, but it would be highly unlikely. If you had a particular invoice for \$4000, the paperwork is required to be matched with credit card transactions and verified by an independent verifier. That verifier would look for evidence of documentation that said it was only \$500; if the documentation does not match, they would not approve it. It is their job to flag that as a problem. That said, \$500 is not an upper ceiling in credit card transactions. If someone needed to, for a reason, process a transaction of \$4000 via a credit card, that could be done.

Dr BURNS: So, if they had broken down in the middle of nowhere in a government vehicle and received permission to have \$1000 worth of repairs done on it so they could return home, they could do that?

Ms ROBINSON: Yes. The issue with credit cards is it is a method of payment, not a method of procurement. Therefore, the rules of needing to have approvals for purchases remain with credit cards as they do through invoice payments or petty cash, or other payment mechanisms.

Mr ELFERINK: What is the threshold on a credit card purchase, before you enter into the realm of procurement? And what was it 12 months ago?

Dr BURNS: Through me to Kathleen.

Ms ROBINSON: Thresholds in relation to credit card usage have not changed within the last 12 months. In relation to procurement, I do not have the procurement thresholds off the top of my head ...

Mr ELFERINK: That is fine. But I thought there was a threshold for credit card use.

Ms ROBINSON: Credit cards are a payment mechanism for transactions below \$500, generally. But that is not an absolute limit.

Mr ELFERINK: Thank you. We will return to that shortly.

Mr CHAIRMAN: That concludes consideration of Output 1.1.

Output 1.2 – Human Resource Services

Mr CHAIRMAN: We now move to Output 1.2, Human Resource Services.

Mr TOLLNER: Dr Burns, can you explain how much Commonwealth grants have been reduced, specifically for apprentices?

Dr BURNS: I know there have been some changes in that regard. If you just bear with me, member for Fong Lim, I have a large book here. There have been some changes. The 2008-09 federal budget changes resulted in state and territory governments not being eligible for Commonwealth incentive payments administered by the Australian Apprenticeships Centre, although some categories of apprenticeships do continue. I believe Indigenous apprenticeship funding has continued. I defer to Mr Bree to give you some more detail on that.

Mr BREE: Yes, there has been, as the minister said, some reduction of \$729 000 expected revenues for 2009-10 due to the change in the Commonwealth funding model, and the completion of Jobs Plan 3 at the end of 2009. Do you want a break-up of some figures?

Mr TOLLNER: Is it in a format you can table?

Dr BURNS: Not really.

Mr BREE: No, not really.

Dr BURNS: I know the federal government is currently looking at the whole issue of apprenticeships and funding for apprenticeships; they are changing the model. So, we would be expecting further funding to be flowing from the federal government.

Mr CHAIRMAN: Member for Fong Lim, do you want that break-up read out?

Mr TOLLNER: No, that is fine. Minister, how will these cuts ...

Dr BURNS: I have some further information. In the federal budget, tabled after the 2008-09 Territory budget, this change necessitated the reduction in the NTPS apprenticeship program budget of approximately \$0.5m. There has been a knock-on effect, but we are expecting further funding from the federal government when they determine their apprenticeship scheme.

Mr TOLLNER: It sounds like a knock-on effect to me, minister. How will it impact on your 10 000 apprentice target?

Dr BURNS: We are still confident. We have given that undertaking, as the government, and we are still confident we can reach that. However, I defer to Mr Bree for further detail.

Mr BREE: That is completely on track for achieving 10 000.

Mr TOLLNER: It is on track?

Mr BREE: Yes.

Mr TOLLNER: Even after these funding cuts?

Mr BREE: That is right, yes.

Dr BURNS: The government has given an undertaking, an election commitment, we will deliver that. As a government, we have already delivered one set of 10 000, and we are intent on delivering the second set of 10 000. If we have to make adjustments, we will do that. This change to the Commonwealth scheme only applies to Northern Territory government apprenticeships; the support for apprenticeships outside of government still remains. In that case, government will examine what we need to do and we will do it, and we will reach our target of 10 000 apprenticeships.

Mr TOLLNER: What you are saying, minister, is you are going to do the same with less - quite significantly less, by the sound of it. Can you explain how you are going to do the same with less and why, if you can do the same with less now, you did not do it in the previous tranche?

Dr BURNS: I have outlined there has been a change to the federal government's policy which does not apply to apprentices outside of government, but does apply to NTPS apprenticeships. I have outlined to you that the government will continue to work with the federal government in their schemes, and we will look at what we are required to do with Northern Territory government funding to reach our target of 10 000 apprenticeships.

Governments need to be flexible; you cannot be set in stone. You need to respond to changing situations, and that is exactly what we will do. It is a major commitment on the part of this government and we will see what resources, if any and what amount, are required for our Northern Territory government apprenticeships to maintain our election commitment.

Mr TOLLNER: Minister, what percentage of your apprentices are Northern Territory government apprenticeships?

Dr BURNS: I am advised that is the purview of the minister for Employment, the Chief Minister, who appeared before this Estimates Committee last night. I have given an undertaking, which is the government's position, that we will maintain our apprenticeship numbers. The same as with proposed changes to the Australian Technical College, my department - and I am working very closely with Charles Darwin University, as well as business - ensures ongoing support for apprenticeships, or the style of apprenticeships, accommodated under the Australian Technical College. The latest advice I have about that - speaking with business, Charles Darwin University and within my department - is we have a way forward that is acceptable to all parties.

It is all about being flexible, talking to the major stakeholders and deploying resources where they are needed, and getting support from industry and the education sector. That is what we will be doing. Within the Northern Territory public sector, that is a discussion and a policy matter we will move forward on. To finish, our commitment about 10 000 apprentices is rock solid; we have delivered 10

000 in the last term of government and we are surely going to deliver 10 000 within this term of government.

Mr TOLLNER: Minister, you will understand why I am interested in percentage terms, because a significant part of the employment sector in the Northern Territory is public employment. You would expect a significant part of the role of employing apprentices would come from the Northern Territory Public Service. The fact that the Northern Territory Public Service has taken a fairly large hit in relation to funding apprentices, means you have either to suck funds from somewhere else within government to replace that, or you have to do the same with less. I would have thought my questions were rather self-explanatory, but it seems to me you are duck-shoving this off to the Chief Minister who, somehow, has to work out how to do the same with less.

Dr BURNS: I am not duck-shoving anything, member for Fong Lim. What I have said to you, repeatedly, is we have given an undertaking we will reach our apprenticeship targets. The advice I have just received is, on average, there are approximately 100 apprenticeships per year within the Northern Territory Public Service. The undertaking I am giving is we will work within our system to maintain our apprenticeship numbers, and we will also work with the Commonwealth government.

What we will do is be flexible and support our apprentices. I reckon it has been a great program for government and it has been a great program for those apprentices who have been through it. I am a wholehearted supporter of it, as is the rest of government.

Mr TOLLNER: Good on you, minister. I wonder if you might be able to shed some light on the completion rates of these apprenticeships over the last five years.

Dr BURNS: I will defer to Mr Bree, CEO of the department, or should it be Graham? I will defer to Graham Symonds.

Mr SYMONS: Graham Symonds, Deputy Chief Executive. Over several years, going back to 2005, the completion rate has been around 80%. So it has varied from year to year; a couple of years it has been 80%, one year it was 86%, in 2008 it was 78%. I understand, nationally, that is quite a high figure.

Mr ELFERINK: Completion rates for apprenticeships across the Northern Territory, as a whole, are below 50%, are they not?

Dr BURNS: I thought you asked about DTG.

Mr TOLLNER: We did.

Dr BURNS: I will put it in my purview, and if I can just add; through various ministerial portfolios I have had the privilege to serve, including Public Employment and the current portfolio, I have attended many graduations and it is great to see the graduates, their families and the bond that has built up with time with the people - I know you are not interested ...

Mr TOLLNER: I understand what you are saying, minister, but we do have a limited time to get through this. You do not have to tell me about apprenticeships, minister - huge supporter of apprenticeships, very involved in getting that Australian Technical College up and going.

Dr BURNS: You do not want to hear good news, so we will let you get on and grumble.

Mr TOLLNER: When we have time, minister.

Dr BURNS. All right, I will tell you over a cup of tea.

Mr TOLLNER: That would be lovely. Minister, how many Indigenous recruits into entry level positions?

Dr BURNS: In terms of DBE, there are currently 31 Indigenous employees representing 3.8% of the staff. So, that is the answer to that question, I believe. I am also advised the Indigenous Employment Program is an initiative to increase Indigenous participation within DBE and the wider NTPS; and there were five program participants commencing in July 2009.

Do you have anything to add, Mr Symons, on Indigenous employment within DBE?

Mr SYMONS: It is something the agency has taken a particular initiative to do something about, including supporting other government agencies. We have commenced a program to take in Indigenous employees at entry level into administration positions across government; we are doing this in partnership with several agencies at the moment. We have a four-month training program we run that equips people to a Certificate II level, and we then support those trainees into agencies where they are recruited at entry level.

Mr TOLLNER: What is the retention rate of those employees?

Dr BURNS: Indigenous employees?

Mr TOLLNER: Yes.

Dr BURNS: I defer to Mr Symons.

Mr TOLLNER: I take it if I ask the questions about apprenticeships and recruits through the SIHIP program, you would defer that to minister Hampton?

Dr BURNS: There are actually two. Obviously, the minister for Public Employment has a number of programs and they have oversight of Indigenous employment. I suggest you might ask the minister, as they have comprehensive figures of Indigenous employment across the departments in the public service.

Mr TOLLNER: In relation to the previous question I asked in relation to Indigenous employees you are talking about, what is the average length of service of these entry level employees, and what is the retention rate for these employees?

Dr BURNS: Mr Symons.

Mr SYMONS: Mr Tollner, the program has just commenced. It commenced in April, so those employees are about to start in the near future with agencies, so we do not have retention figures at this point.

Mr TOLLNER: I might leave it at that.

Mr ELFERINK: Indigenous employment across the public service is what - about 8%? Is that correct? So, whilst you guys do not have carriage of the policy, which sits with the Office of the Commissioner for Public Employment - 3.4%, about half of what the rest of the public service has achieved?

Dr BURNS: Mr Bree.

Mr BREE: That is correct, Mr Elferink. From a personal point of view, those who know my background in this area, it is something we put as a high priority and that is one of the reasons we are entering into this new training program.

Mr ELFERINK: But for the department for Employment, you confess that was fairly disappointing?

Mr BREE: I was not happy.

Mr WOOD: One small question, minister. In the 2009-10 Budget, you estimate processing 950 000 payroll transactions.

Dr BURNS: That is Budget Paper No 3?

Mr WOOD: Budget Paper No 3, yes. Is the figure the total number of Northern Territory government payment transactions for that year?

Dr BURNS: I will have to defer to Kathleen for that question.

Ms ROBINSON: I am sorry, Mr Wood, could you please repeat the question?

Mr WOOD: In Budget Paper No 3, page 154, under Human Resources, it states payroll transactions processed will be 950 000 in 2009-10. Is that the total number of NT government payment transactions?

Ms ROBINSON: Yes, it is.

Mr WOOD: Thank you. That is all.

Output 1.3 - Procurement Policy and Services

Mr CHAIRMAN: The committee will now proceed to Output 1.3, Procurement Policy and Services.

Mr ELFERINK: Minister, I have a couple of quick questions in relation to something that happened last night, in relation to a particular set of tenders or contracts which went out to particular firms. You would be aware of the Auditor-General's report some time ago. I believe it was August 2007, I stand to be corrected ...

Dr BURNS: Do you have it there amongst the books?

Mr ELFERINK: No, unfortunately, it is the only one I do not have.

Dr BURNS: Oh, that is coincidental.

Mr ELFERINK: It is not, trust me. There was an investigation done by the Auditor-General into, specifically, contracts which went to a company called Sprout Creative.

Dr BURNS: I am just asking whether the secretariat might be able to get a copy of this Auditor-General's report. I do not know whether you keep them in your office, Terry. Which report was it, member for Port Darwin?

Mr ELFERINK: I believe it was August 2007. I believe the senior staff, in relation to ...

Dr BURNS: It is important for us, if we are going to discuss this matter, to see what the Auditor-General actually said in relation to this. That is why I am very keen to get the Auditor-General's report and see for ourselves exactly ...

Mr ELFERINK: Last year, your senior staff answered the particular contracts which were raised in

that Auditor-General's report, did not follow procurement guidelines; namely, the criticism of the Auditor-General, whilst finding nothing wrong or improper with that set of transactions, did go so far as to say the paperwork for those contracts was actually done after the contracts were let.

That question was put to your department last year, and the answer during estimates was it did not follow procurement guidelines. I was curious to see a firm called Cutting Edge on several of those documents tabled last night, working alongside Sprout Creative. As some history here, Sprout Creative is a local firm - and this is no reflection on them or their manager at all. However, I am concerned to see, even after the Auditor-General's investigation of the area - which was the product of a complaint I might add; he did not operate in isolation - we now see a firm called Cutting Edge and Sprout Creative working together. Sprout Creative picked up 11 of the 14 contracts tabled last night.

Dr BURNS: Which report are we referring to here?

Mr ELFERINK: As I said, I have not been able to lay my hands on it.

Dr BURNS: We need to be solid in our debates here, member for Port Darwin.

Mr TOLLNER: Oh, here we go.

Mr ELFERINK: Why are you trying to dodge this call?

Dr BURNS: If we are going to discuss something, then we need ...

Mr ELFERINK: I cannot lay my hands on a report from two years ago, and we are, so far, not at odds at all on anything I have said - and I have actually acknowledged the Auditor-General did not find anything technically wrong. What concerns me is that firms ...

Dr BURNS: There is no need to shout.

Mr ELFERINK: Well, you are talking over the top of me; you are trying to be cute. What is really occurring is I have some reservations about some of the relationships involved here. Those reservations go to the fact that Cutting Edge, which shared an office with Sprout Creative at one stage, was headed up by the now Chief of Staff, and former Chief of Staff, of Labor Chief Ministers.

It also turned up last night in these discussions, that very same Chief of Staff sits on the very committee which authorises and approves some of this work. Whilst there is no evidence to demonstrate she has any current involvement with Sprout Creative or Cutting Edge - beyond personal involvement, as far as I know - I am still concerned this is getting too close. I would like some comments from you concerning these relationships.

You have the Chief of Staff, who was the head of Cutting Edge in between being the Chief of Staff for two Chief Ministers, sitting on a board approving work to a former firm she headed up, which was working extremely closely with Sprout Creative. What I want to know from you is: are you comfortable, minister, with those arrangements?

Dr BURNS: The first thing to say, member for Port Darwin, is this matter was dealt with extensively last night and, as I understand it, it was dealt with extensively during estimates last year. In the process you have mentioned and the role of the committee, it is my understanding the committee makes no decisions whatsoever of who does or does not get work. There is also the aspect of the chronology you mentioned, and you have also acknowledged that the Auditor-General, in a very previous report - and we are trying to ascertain when it was. Was it in 2007?

Mr ELFERINK: From memory. As I said ...

Dr BURNS: In 2007, the Auditor-General looked into this matter, and attributed no wrongdoing, as the Auditor-General is wont to do and does in every report. We are talking about credit card transactions within the public service today. We know in some fairly recent reports the Auditor-General has pointed to tighter controls there and tighter controls around IT security. The Auditor-General's job is to look at things, come to conclusions and recommend ways forward. No system is perfect, and that is why we have an Auditor-General who looks across government and makes recommendations to improve processes. That is all I will say in relation to this specific matter but, in speaking more globally about procurement processes within government, I defer to Mr Symons or Mr Bree.

Mr BREE: The point I would like to make in regard to the committee you referred to, called CAC, is it does not have a role in the procurement process. What happens is they look after the content, and normal procurement processes follow that, which would involve, in the main, the use of panel contracts.

Mr ELFERINK: You are aware, minister and Mr Bree, this particular issue has been a very hot issue inside the industry in relation to the arrangements between Sprout Creative, Cutting Edge and the Department of the Chief Minister. As the minister for procurement, it would be of concern to you that industry is concerned, would it not?

Dr BURNS: As minister for procurement, since we came to government in 2001 we have undertaken major reforms of the procurement process collapsing, I believe, 37 procurement directions down to 13. The Chief Minister announcing sweeping changes to tender thresholds. Within any procurement process, those who are unsuccessful - whether it is in building or elsewhere - often attribute or think something has gone on, or the procurement process has not served them well. However, I have every confidence in our procurement process and our Procurement Review Board. That is why I am asking Mr Symons to explain, so the committee and the public, who are listening to this broadcast, can hear what the safeguards are within our procurement process, and that it is a fair and equal playing field.

I will defer to Mr Symons to talk about the tender process, particularly the role of the Procurement Review Board. In certain processes there are probity auditors and, as we heard last night in the issues raised by the member for Port Darwin, as I understand it, there were probity auditors involved in that as well. Mr Symons, please speak to the issue.

Mr SYMONS: Yes, the division of labour with DBE and agencies is that DBE is responsible for the development of procurement policy, and also provides support to the Procurement Review Board. The Procurement Review Board has oversight of the quality of the procurement process across government. There are a number of steps involved in procurement, where the Procurement Review Board vets the quality of what has gone on in a particular tender process. So, with a tender going out, the decision comes back through the Procurement Review Board to endorse the quality of the process has been adequate. If they are not satisfied, they send it back to the agency, and ask questions until they are satisfied.

The people on the Procurement Review Board include a representative from Treasury, a representative from local industry; there are a range of people on that review board. It is not a DBE committee, it is a cross-government committee and includes non-government members.

Mr ELFERINK: Minister, the response from the Department of the Chief Minister on page 55 of the February 2008 report – I have a spare copy here if you would like to see it ...

Dr BURNS: Lovely. Thank you.

Mr ELFERINK: ... was that in some situations the documentation has been produced after the event. Is that within normal procurement guidelines, minister?

Dr BURNS: What was the page?

Mr ELFERINK: Page 55. I draw your attention to the first sentence, second and third line of the Department of the Chief Minister, for comment.

Dr BURNS: All I can say is ...

Mr ELFERINK: It is a yes or no answer.

Dr BURNS: Well, I have page 55. You are referring to an Auditor-General's Report of February 2008. I understand this matter was canvassed very extensively in the estimates period last year; it was canvassed last night. I have already answered the question in relation the Auditor-General's comments and, basically, I do not have anything further to add, except to say there was nothing untoward found by the Auditor-General in this whole process. He may have found elements need improving, and that is his wont as Auditor-General. Beyond that, I have nothing more to add.

Mr TOLLNER: Minister, if I can just interrupt. You were asked a simple question: is it appropriate that documents issued after the contract is awarded, when the documents are completed after a contract is awarded? Do you find that appropriate?

Dr BURNS: I will respond in the way I have responded previously, is that ...

Mr TOLLNER: That is what the Auditor-General has found, and you might say ...

Mr CHAIRMAN: The minister has the call.

Dr BURNS: ... the Auditor-General made his comments and, as with all Auditor-General's comments, this government and departments takes those on board and implement, wherever possible, the recommendations of the Auditor-General, be it in relation to this matter, corporate credit cards, or in relation to IT security. There are a whole range of issues the Auditor-General points to in government processes. When we came to power, we gave an undertaking in a couple of areas in relation to the Auditor-General, that departments were to respond to the Auditor-General when the Auditor-General made adverse comments, and they were to respond constructively and find ways forward to address and resolve the issues raised by the Auditor-General. Beyond that, I have nothing to add, except to say that will be the continuing policy of this government.

Mr ELFERINK: Minister, on the subject of credit cards, we heard earlier the maximum amount allowable for a credit card purchase, as a general rule, is \$500. The Auditor-General also made some findings about some \$2m worth of unprocessed, or credit card transactions which needed to be verified, in a later report – and I will be able to put my hands on it given enough time. Were you briefed on those credit card transactions by the Auditor-General?

Dr BURNS: I have not received a direct brief from the Auditor-General on that issue.

Mr ELFERINK: Were you briefed by the department?

Dr BURNS: Let me say this: the introduction of corporate credit cards in government was an issue that was canvassed, I believe, when I was a member of the Public Accounts Committee the first time around in 2001. It was seen by government and Treasury as a way of cutting down processing costs, of making government more responsible, and giving appropriate delegations to officers. With any new system which involves large numbers of people within a government system, there may be problems initially which need to be worked through. I have every confidence this department, and all other departments, are working through such issues, but ...

Mr ELFERINK: As minister ...

Dr BURNS: No. I will defer to Mr Symons or Kathleen ...

Mr ELFERINK: What, he has to tell you whether you were briefed or not? Do you not know the answer to that?

Dr BURNS: I have already answered that question, but in terms ...

Mr ELFERINK: No, you are answering another question that has not been asked.

Dr BURNS: Well, you asked a question ...

Mr ELFERINK: I asked you whether you were briefed and, all of a sudden, I am getting a lecture. Yes or no?

Mr CHAIRMAN: The minister has the call.

Dr BURNS: I answered that question in a very direct way.

Mr ELFERINK: Then why are you going on with this?

Dr BURNS: Because ...

Mr ELFERINK: We can move on, because the next question is ...

Dr BURNS: No, no, because you ...

Mr ELFERINK: The next question is ...

Mr CHAIRMAN: Member for Port Darwin, the minister does have the capacity to refer to his expert officers he has with him and ...

Mr ELFERINK: What? He needs to be told whether he was briefed or not? That is the question; he has answered that. Now he is just filibustering because he knows that this is going to be difficult for him. Here is the next question, minister. How many of those transactions reviewed by the Auditor-General exceeded \$500? What was the most expensive transaction, and which department incurred that transaction? Because the Auditor-General can tell you that information.

Dr BURNS: I will defer to Mr Symons or Kathleen on this question.

Mr SYMONS: In relation to the general issue, and issues about corporate credit cards raised by the Auditor-General in that report, that actually led to the introduction of new policy and guidelines for the use of corporate credit cards early this year, which is now in place across government.

Mr ELFERINK: Getting back to the question. What was the most expensive transaction; how many were over \$500; and which department incurred the most expensive transactions? I am surprised you do not know this, minister.

Dr BURNS: I will defer to Graham.

Mr SYMONS: That is really a matter for individual departments. They are responsible for those transactions and they come under their budget.

Mr ELFERINK: As minister, the guy who presides over this procurement policy which covers corporate credit cards, I would presume you would be quite concerned to discover which departments

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

were overrepresented in the use of these corporate credit cards, and how much they were expending on these corporate credit cards?

Dr BURNS: I will defer to Mr Symonds again. He will clarify that issue.

Mr SYMONS: Mr Elferink, it is not actually a matter of procurement policy; it is simply a method of payment. In other words, instead of paying by invoice we pay by credit card, so it does not actually come under the procurement policy area.

Mr ELFERINK: The thing is I know exactly how many transactions there were. I also know the answer to these questions because I have received this information from the Auditor-General. The problem is I have received it in a privileged fashion, so I am not going to disclose it in this place. I can tell you many of those transactions were way over the \$500 limit, and the most expensive transactions resided in two departments.

As the minister for procurement, I would have expected you would have had this information more than just at your fingertips; this stuff would have been imprinted on your mind. I am very surprised at the level of knowledge you do not have in relation to these things. Whilst I appreciate this has led to a new policy in relation to the use of corporate credit cards, I am just wondering if it might be time you spoke to the Auditor-General, get the CD from him which lists all these transactions, and table it in this place so Territorians can see how a couple of million bucks worth of corporate credit card transactions went awry. Are you prepared to do that?

Dr BURNS: As Mr Symons said previously, individual agencies have responsibility for their credit cards and the credit card payments. I am sure the Auditor-General made that clear to you, also. I believe that the Auditor-General has in his mind a process as well and, basically, he will move forward with that process. However, as I have said previously ...

Mr ELFERINK: I will ask the question - the answer is yes or no. Will you contact the Auditor-General and table the list of credit card transactions he as provided?

Dr BURNS: As I and Mr Symons have said previously, this is not procurement policy; this is a method of payment, and responsibility lies with individual agencies.

Mr ELFERINK: So, I take that is a no.

Mr TOLLNER: Further to that, minister, can you maybe outline the use of those credit card transactions that your department is responsible for? Not talking about whole-of-government here, just your department. Can you outline which is the most expensive transaction?

Dr BURNS: I will ask Mr Symons to respond.

Mr SYMONS: Mr Tollner, the service that DBE provides to whole-of-government, if you like, is a financial transaction processing service. The responsibility for decisions in relation to expenditure and method of payment is strictly with those agencies. Those agencies are responsible for the internal controls associated with that.

Mr TOLLNER: Sorry, I will rephrase that. You are, obviously, not hearing me right. I am interested in what your department's credit cards are being used for, not the service you provide for other departments; your department and agencies. Where this comes into procurement is there is an assertion that these purchases are being made on a number of small-scale payments in order to avoid a tendering process.

Dr BURNS: In that case, with the assertion you have made, that is a very important question you have raised ...

Mr TOLLNER: What I am asking you is: can you outline what transactions have occurred in your department, that you are responsible for? Right?

Dr BURNS: Yes, and I will defer to Mr Symons

Mr TOLLNER: The number of them; the amounts; the largest amount; and which agency in your department?

Dr BURNS: Before Mr Symons responds, I will say this: it is easy to waltz in here into estimates and lay these assertions or allegations on the table. I would have thought, if you had something substantial on this important issue, you would have written to me, or even approached me, on this issue. However, it is your right and privilege to come into estimates and ask the questions you have asked.

Mr TOLLNER: Maybe I should say, minister, now you are a member of the Public Accounts Committee, you might have done a little research on this issue. As you are aware, we all ...

Dr BURNS: I have only been a member since Monday.

Mr Tollner: Oh, well ...

Dr BURNS: There you go.

Mr ELFERINK: So, what has taken you so long?

Dr BURNS: I will defer to Mr Symons.

Mr SYMONS: If I can clarify the question. Does your question relate to particular credit card transactions within DBE, and is it this financial year or the previous financial year? Are you talking about the matters raised by the Auditor-General in his report?

Mr TOLLNER: I am talking about matters raised by the Auditor-General which come under the DBE - the credit card transactions that are unaccounted for. How many are there; what are the total amounts; and what is the largest amount?

Mr SYMONS: Mr Tollner, what I can do is outline the measures taken by the agency in relation to the Auditor-General's recommendations in his report which related to the agency of the time, or the previous agency that became part of DBE. What I cannot do is - I do not have it with me - give any detail of the particular transactions involved. They relate, I believe, to the 2007-08 financial year.

Mr TOLLNER: Can you take that question on notice?

Dr BURNS: What is the question again, member for Fong Lim?

Mr ELFERINK: Which one is that?

Mr TOLLNER: That one ...

Mr ELFERINK: Oh, the one that I am asking. The question is: will you contact ...

Mr TOLLNER: No, no, no, no.

Mr ELFERINK: The report is here, mate, it is your question.

Dr BURNS: Get your story straight!

Mr TOLLNER: I have to make sure I have this right.

Question on Notice 4.4

Mr CHAIRMAN: For the purpose of *Hansard*, please restate the question.

Mr TOLLNER: That the minister provide information in relation to DBE, and its agencies, as to credit card transactions which are unaccounted for ...

Dr BURNS: Which may be over the \$500 limit?

Mr TOLLNER: No. How many of them are there; what is the total amount; what is the largest amount – is there anything else we want on that?

Dr BURNS: Which financial year, member for Fong Lim?

Mr TOLLNER: The last three financial years.

Dr BURNS: Three financial years. I do not think we will be getting it to you today.

Mr TOLLNER: No, probably not. But you will be getting it to us?

Dr BURNS: Of course, we will.

Mr TOLLNER: Oh, good on you.

Mr CHAIRMAN: For the last three financial years?

Mr TOLLNER: Yes, the last three financial years.

Dr BURNS: So, do you want this year to close off before we answer, or you just want year-to-date?

Mr TOLLNER: To date. How is that?

Mr CHAIRMAN: For the purposes of *Hansard*, that is question No 4.4.

Dr BURNS: Mr Symons would like the question repeated, if you do not mind.

Mr CHAIRMAN: I am sure *Hansard* will not mind either.

Mr TOLLNER: Still on the subject of procurement ...

Mr CHAIRMAN: No, the department wanted the question repeated, please.

Mr TOLLNER: Please outline the amount of unaccounted for credit card transactions, which were referred to by the Auditor-General in his report, for the last three years up until the current date; the number of transactions; the amount of each of those transactions; and what is the largest single

amount?

Mr CHAIRMAN: That is question No 4.4.

Mr TOLLNER: Minister, can you outline how many procurement contracts have been let this financial year, 2008-09? How many have been in the following ranges: Tier 1, Tier 2, Tier 3, Tier 4 and Tier 5?

Dr BURNS: There have been changes to the tiers but, in the form of the question you asked we can ...

Mr TOLLNER: I will outline those tiers again: Tier 1, less than \$15 000; Tier 2, \$15 000 but less than \$50 000; Tier 3, \$50 000 but less than \$200 000; Tier 4, \$200 000 but less than \$5m; and Tier 5, \$5m or more.

Dr BURNS: I will defer to Mr Symons on this very important question.

Mr SYMONS: For Tier 3, up to the 30 April this year, the volume is 1107, and an estimated value of \$31 427 995; Tier 4, the volume was 294, value \$39 078 330; and Tier 5, the volume was 296, and estimated value of \$565 426 491.

Dr BURNS: If I can add to that, it is anticipated the recently elevated Tier 3 level, which is \$50 000 but less than \$200 000, will see an significant increase in activity, which is positive given the shift to a more streamlined approach via public quotation. This approach is aimed at decreasing the volume of paperwork and making the process less cumbersome to do business with government. I am sure that will be welcomed by Territory businesses.

Mr TOLLNER: Minister, how much funding has been expended on process audits of Tier 4 and Tier 5 procurement contracts?

Dr BURNS: That is a very detailed question, and I once again have to defer to Mr Symons.

Mr SYMONS: We would not have that level of detail of expenditure; it simply would not be recorded that way. It would consist of the hours of staff involved. We simply do not have that type of figure.

Mr TOLLNER: Can you inform me who does the process audits, or the probity audits?

Dr BURNS: Probity audits? I misunderstood your question. Would you like to tell Mr Symons ...

Mr TOLLNER: You were referring to the PRB, I take it? Sorry - the probity audits.

Mr SYMONS: The cost of probity audits involved with particular contracts are met by the individual agencies involved in the tender process. We do not record that amount.

Mr TOLLNER: Correct me if I am wrong. You run the procurement process, you run the Procurement Review Board, but you have no say whether probity audits are done or not done? Am I understanding that correctly? And you do not pay for those audits?

Dr BURNS: My advice is the operational agency pays for the probity auditor. Say, in the case of the waterfront, obviously a probity auditor was involved then. It is my understanding and recollection the fee for that probity auditor was paid for by DCM. Possibly, Mr Symons might want to enlarge on that.

Mr SYMONS: That is the case. Just to clarify the roles: DBE supports the Procurement Review Board and we monitor, if you like, quality of the procurement process, but within each individual tender assessment that is conducted by the agency concerned. They also make decisions in relation to the engagement of probity auditors, and they meet the costs.

To give you an example of one which is met by DBE: the current ICT whole-of-government sourcing contracts. We have a probity auditor engaged as part of that project, and those costs are met as part of the project itself.

Dr BURNS: Really, it is part of the project management costs, and that is shown as a budget item in terms of the ICT contract Graham alluded to.

Mr TOLLNER: Who determines whether there is a probity audit or not?

Dr BURNS: A lot of it is the size of the project. I am not going to give a dollar figure to what we feel the ICT contract will be, but the current one is in the region of, over five years, \$400m, which is substantial. The waterfront - we can quibble about the exact amounts of that - was \$100m to \$150m of government money. Where there is substantial expenditure, where there are heavily competing commercial interests, obviously, there are probity audits. However, if it was the procurement of something relatively mundane and fairly operational and regular, you would not have a probity auditor on every transaction because that is the job, in many cases, of the Procurement Review Board, which does a fantastic job. I am not sure whether you want to talk about the composition of the Procurement Review Board.

Mr TOLLNER: Not just yet, minister. I am talking about probity audits.

Dr BURNS: Okay.

Mr TOLLNER: Up until a couple of years ago, the threshold was about \$1m; any contract over \$1m required a probity audit. That threshold is no longer there?

Dr BURNS: I will take advice about that, member for Fong Lim. Do you want to come to the table, Mr Irvine?

Mr TOLLNER: I think you should get him to the table, minister.

Dr BURNS: He does a very important job for government, in a very difficult area which is often full of criticism.

Mr IRVINE: Brad Irvine, Executive Director Procurement. Mr Tollner, there is no fixed threshold for the introduction or the engagement of a probity auditor.

Mr TOLLNER: But there was?

Mr IRVINE: There used to be. It was found to be too rigid.

Mr TOLLNER: It was \$1m?

Mr IRVINE: From recollection, that is right. The policy was changed to reflect the discretion of the chief executive, based on each procurement, as to the risk or the complexity and even the industry.

Mr TOLLNER: Minister, can you explain the level of procurement training chief executives of departments have? What training is given to them so they can determine when a probity audit is required, and when one is not?

Dr BURNS: For a start, being a chief executive officer involves a lot of delegation and a lot of responsibility. Regarding specific training, I cannot speak for each chief executive except to say each chief executive I know is very tuned into what is required, particularly in a public sense. The other

element is, within each department much training goes on in procurement processes and equipping people in departments to handle procurement processes. So, I would say the answer to your questions is: chief executive officers long experienced in the public service, both here and elsewhere in some cases would be taking advice from a whole range of people not only within their own department, but people within the Procurement Review Board and the process there, about when a probity audit might be suitable. I will defer to Mr Irvine in terms of the process that might be undertaken by a department to determine whether a probity audit should take place.

Mr IRVINE: As I said earlier, the question of whether a probity auditor is appointed is dependent upon the nature of the procurement; it is also dependent on the industry we may be dealing with, the number of players, and also the risk. Generally speaking, chief executives are quite aware of where the risks lie and appropriate advice from procurement professionals is along those lines, dependent on the circumstances.

Mr TOLLNER: I have to say, minister, it all seems a bit sloppy to me. We have gone from the situation where every contract over \$1m had to have a probity audit, to the point now where it is nothing to do with the procurement process at all as to whether there is a probity audit. It is left in the hands of chief executives, some of whom may be very skilled in the procurement process, others who may be very new to it and have absolutely no understanding of it. I have been given no indication of what probity audits are carried out or when they are carried out, whether probity audits are carried out at the start of the process, the middle of the process, or the end of the process or, in fact, the whole process.

Dr BURNS: These are professional probity auditors.

Mr TOLLNER: They may well be professional probity auditors, but you can employ a probity auditor to audit the start of the process, the middle of the process, or the end of the process - in fact whatever the terms of reference you give them; you can ask them to audit that particular area of the procurement process. What you are saying is you have goodness knows how many different agencies and CEOs out there, all in charge of something that, ultimately, is designed to give confidence to the business sector. However, the only way they can really have confidence is if the processes are open and accountable, because they can never actually see the submissions of their competitors. The only way they can have any feeling of certainty in this process is through probity audits. It seems to me, from the answers I have just been given, your department has washed its hands of probity audits and you leave it in the hands of agencies.

Dr BURNS: There are a few elements to your question I would like to address. The first one is, you have not taken into account - and when I raised the issue of Procurement Review Board, you did not ...

Mr TOLLNER: No, no, I am not talking about the review board, we will get to that.

Mr CHAIRMAN: Member for Fong Lim, the minister has the call.

Dr BURNS: I am answering the question. The crucial role of the Procurement Review Board in reviewing processes and procurement processes will be demonstrated to you; that is one element. I will ask one of the officers at the table to detail that for you.

The other one relates to a couple of things. First, government has set up what is known as a Government Procurement Council, and I attended these meetings previously when I was procurement minister. I am more than happy to table the names of the people on that procurement council; I am not going to read them out here. You will see these people are leaders of business and industry in the Territory, they are a broad spectrum of people and they interface with government on this Government Procurement Council. So, issues raised in relation to probity audits and the whole procurement process are raised by industry at a very high level. Representatives of the TCA, the motor traders, a whole range of people and businesses both from Central Australian and the Top End, and the Chamber of Commerce, can raise issues related to that. The government is very tuned in to

what businesses are saying about our procurement process.

The other thing, with the changes to the procurement guideline and concerns raised by industry, particularly about experience within agencies to process large amounts of Commonwealth government stimulus money, government has made a decision to post procurement officers within our major agencies. When I say the major agencies, those which deal with the bulk of funding; of course, DPI is one of them ...

Mr ELFERINK: Education will be another major one?

Dr BURNS: That is right, and I will let officers at the table detail that. What I am saying is government believes, where appropriate, probity auditors are attached to specific projects. The Procurement Review Board has a pivotal role in reviewing processes, and I can tell you there are often things the Procurement Review Board does not back from; they say: 'There needs to be more work done on this and that'. So, the Procurement Review Board is not a rubber stamp. Like the PAC, many of the conversations are privileged and in-confidence, but I can tell you it is my experience the Procurement Review Board certainly is not a rubber stamp for departments or governments. They play a vital role, as does the Government Procurement Council, as do the outposted officers.

There is a further process I alluded to before - training officers at all levels within the department in procurement. I will acknowledge, member for Fong Lim, it is a problem sometimes within departments that tenders do not have sufficient details to enable tenderers to adequately tender; sometimes work is not scoped out enough to enable tenderers to put in a really detailed quote or tender. I acknowledge that is an ongoing problem - the depth of procurement knowledge - particularly below the senior level. Those are some of the complaints I have from tenderers and people in the business community. I acknowledge that, government acknowledges that, and that is why we are embarking on a very extensive procurement education program. I defer to Graham or to Dennis Bree to ...

Mr TOLLNER: Minister ...

Dr BURNS: No, I let you go, member for Fong Lim. What I am saying to you is it is important to the public and others here to know what the Procurement Review Board does in detail, and what some of those other elements I mentioned previously are. Mr Symons.

Mr CHAIRMAN: It is 10.30 am. I intended to take a break after two hours, but I will allow the completion of this answer. I do not want to interrupt the flow of your questions, member for Fong Lim, but do you have many more following this?

Mr TOLLNER: I do have a few in this area.

Mr CHAIRMAN: Nothing wrong with that, but I was suggesting that we take ...

Mr TOLLNER: I would rather not hear the rest of this, with all due respect ...

Dr BURNS: Well, there is a biblical quotation: 'those who stop their ears, not wanting to hear the truth'. I cannot give you the chapter and verse, but it is in there.

Mr TOLLNER: Minister, can I just say I applaud the decisions you have made to train procurement officers in agencies; that is a positive move. The point you made about inadequate information in tenders and that sort of stuff; I can see you are addressing it, and I applaud you for that. But I am not so interested in that aspect. I am not accusing anyone of covering anything up or doing anything corrupt. What I am asking, and I am very interested in probity audits ...

Dr BURNS: We will get on to that, but it is important that Graham, in the three minutes or so available to him, talks about the process of departments and the PRB, particularly of the PRB. Graham, you have three minutes for a big subject.

Mr CHAIRMAN: At the end of this answer, we will take a two-minute break and, then, return to answer further questions.

Mr SYMONS: The specifics of the PRB I will defer to Brad Irvine, who chairs the PRB. In relation to the outposted professional procurement officers, we are injecting eight additional positions across government into the system, and we are recruiting people who have specific, extensive training and experience in procurement; so it is really intended to give a significant boost to the quality of procurement across government. Their role in agencies will not be to make procurement decisions - that will be the role of the agency - but they will be there to lift the quality of the procurement process in agencies. Senior people will be key advisors - chief executives for example - referring back to the previous discussion in relation to situations where it is advisable to have a probity auditor and so on. But I will defer to Brad.

Dr BURNS: Brad, you have one-and-a-half minutes.

Mr IRVINE: I want to confirm the role of the board is confined to ensuring due process is being followed by the agencies. It does interrogate papers and proposals and delegate approvals, and seeks further information if and when required.

If I can come back to the probity auditor matter to close that out. The limit of the guideline of \$1m was removed because we actually have more trouble with tenders less than \$1m, where probity auditors probably should have been engaged and, as a result, it is up to the delegate to determine that risk ...

Mr ELFERINK: It actually works in reverse, you are saying?

Dr BURNS: Let us have our two-minute break.

The committee suspended.

Mr CHAIRMAN: The committee is resuming at Output 1.3.

Mr TOLLNER: Minister, can you give me an idea of the cost of probity audits?

Dr BURNS: It would depend on the size of the project, member for Fong Lim.

Mr TOLLNER: That is right, so give me an idea.

Dr BURNS: I will have to defer. Graham might want to talk about the ICT contract, which is the one we are familiar with.

Mr TOLLNER: Maybe you could get Brad to comment on other contracts.

Mr SYMONS: I am trying to identify the cost of the probity audit associated with the whole-of-government ICT contract project. That is a big project so we have a probity auditor who has been involved from beginning to end. The probity auditor attends project steering committees; the probity auditor has access to any of the documentation he chooses, and he signs off that he is satisfied in relation to the processes that happen. The cost to date is about \$6400 per month, and that probity auditor has been involved since October 2008.

Mr TOLLNER: And how long do you expect it to go?

Mr SYMONS: That will go to the end of the assessment process. We imagine that will be, at the latest, the end of January 2010.

Mr TOLLNER: Smaller contracts?

Dr BURNS: Do you have experience in that, Mr Irvine? Can you give some rough estimates to the member for Fong Lim, please?

Mr IRVINE: A total audit can be as low as \$2000 depending on the size of the actual tender in question. It is generally done on accounting hourly rates rather than fixed price, so rates of between \$80 and \$140 per hour.

Mr TOLLNER: I take it they can become quite expensive in relation to the size of the tender?

Mr IRVINE: Yes, but it is a cost which is done on balance with what is at stake, and what the costs are of getting it wrong.

Mr TOLLNER: Can you tell me why a probity auditor would be appointed as opposed to leaving things in the hands of the PRB?

Dr BURNS: Mr Irvine.

Mr IRVINE: The Procurement Review Board is generally engaged at the end of the process where the agencies acquit what they have done to arrive at a particular outcome. It is important the probity auditor is engaged from the outset - from the planning right through to the actual tender process - to ensure that due process is followed; and it gives the Accounting Review Board, especially in respect to high risk, high value, highly contentious contracts, assurance that all processes are being followed. So, if you will, the probity auditor provides the extra level of confidence that due process is being followed.

Mr TOLLNER: Through the minister, can you tell me how many probity audits would have been undertaken?

Dr BURNS: I will just consult Mr Irvine. Mr Irvine advises, basically, that information would have to be assembled from all departments. I am willing to take it on notice, even though I do not have direct portfolio responsibility for every department. What I will undertake to do is endeavour to find the answer to that question for you.

Question on Notice 4.5

Mr CHAIRMAN: If you could repeat the question for *Hansard* purposes, member for Fong Lim.

Mr TOLLNER: I will just expand that question, if I may, to take in a few more things, and I would imagine you will take it on notice anyhow. I want to know how many procurements there have been. How many of those procurements have had probity audits? And, what tiers those probity audits occurred in?

Dr BURNS: That could be – I am not trying to be difficult ...

Mr TOLLNER: No, I understand it will take a little time to assemble.

Dr BURNS: It will take some time, and also the tiers have changed. We will endeavour to get a sensible answer to you.

Mr TOLLNER: Well, as much detail as possible.

Dr BURNS: I will endeavour to do that but, obviously, not by the close of business.

Mr TOLLNER: Obviously, not by the close of business today.

Dr BURNS: Along with the audits; there are many of them.

Mr TOLLNER: Yes, many of them. I would not imagine there would be that many probity audits.

Dr BURNS: I take what you say, member for Fong Lim, in the spirit your questions have been asked; it has been a good spirit. However, I think we need to ...

Mr TOLLNER: Thank you.

Dr BURNS: Well, that is right. All governments endeavour to be open, accountable and transparent and have a level playing field in procurement. However, at the same time, we have to balance if we had a probity auditor on just about every tender that went out from government, how it would eat up agencies' budgets and time and whatever, so it is a balancing ...

Mr TOLLNER: This is my point, minister.

Mr CHAIRMAN: If I can just confirm, member for Fong Lim, you have asked a question, the minister is happy to take it on notice. The question for *Hansard* is No 4.5.

Mr TOLLNER: My point is, whilst the issuing or the requirement for probity audits is in the hands of someone else apart from your department or the Procurement Review Board, obviously, CEOs will be tempted - highly tempted, I would imagine - not to put in place probity audits because they are expensive. Because things are tight, no matter how much money abounds in the system, ultimately, I imagine most CEOs would see them running their operations on what they consider are shoestring budgets. To avoid probity audits ...

Dr BURNS: And also time, that is another issue ...

Mr TOLLNER: ... my concern is on some of these smaller procurements, Tiers 1, 2 and 3 - where, as we have been informed, there is the controversy - there seems to be no system whatsoever of having random audits in place ...

Dr BURNS: But there is a system of complaints; people can complain. First of all, we should talk about this process where unsuccessful tenderers can come in and be debriefed and make a complaint. There is another aspect I would ask you to consider in all this, and I know the Public Accounts Committee would be aware of this. There is a comparatively limited pool of auditors here in the Northern Territory, and ...

Mr ELFERINK: Like building inspectors.

Dr BURNS: Well, I am talking about auditors. I know the industry approached me when I was chair of the Public Accounts Committee, about how difficult it is to maintain the staff numbers, and to have a variety of companies. Really, to make it economical, companies had to join together in auditors to be viable, if you like. That cut down the available pool for the Auditor-General, who then has to say: 'Well, this company is doing an internal audit for this agency, I cannot ask them to do the external audit', or whatever. It became a very difficult balancing act for the Auditor-General and the companies themselves. We have to bear in mind the resources we have at our disposal in the private sector, and deploy them in a targeted fashion.

Mr TOLLNER: I understand what you are saying, minister. However, being a former Police minister,

you will understand also that you do not have a policeman on every street corner with a speed camera; you do random speed checks around the place, hoping people will say: 'I do not want to speed because I might get picked up speeding; I do not know where there is going to be a speed camera'. I would have thought, maybe, a similar system would operate in relation to procurement where you have some random probity audits in place where people are unaware there is a probity audit occurring, and where it lifts the level of confidence business can have in the whole procurement system. Whilst I understand what you say about the Procurement Review Board - they do a good job, made up of great people – but the Procurement Review Board only happens at the end of the process; it is not there throughout the process.

Dr BURNS: Mr Symons has some preventative measures he wants to inform the committee about.

Mr SYMONS: Mr Tollner, your points are taken. The key is the process we were talking about earlier of trying to lift the quality of procurement process across government, and part of that is the outposted professionals' network. We are also standardising procurement processes across government; we are boosting training in agencies. The secret to deal with the types of issues you are raising is not so much to try to pick the errors up in audits afterwards, but to standardise the procurement processes and lift the quality of what is happening in each agency, and that is a process we are engaged in at the moment.

Mr TOLLNER: What is the value of the 20 major procurement projects?

Dr BURNS: I will defer to Mr Symons.

Mr SYMONS: I could not answer that off the top of my head.

Mr TOLLNER: Can you take that on notice then? I want to know what the 20 major valued procurement projects have been.

Dr BURNS: You mean the top ones?

Mr TOLLNER: The top 20.

Dr BURNS: Yes.

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

Dr BURNS: We will take that on notice.

Mr TOLLNER: Also, which of those projects had probity audits?

Dr BURNS: All right. That dovetails into your other question, and that will be a great deal of work, member for Fong Lim. As you are aware, this government ...

Mr TOLLNER: I do apologise; you are running on a shoestring.

Dr BURNS: ... has a record infrastructure budget. Our infrastructure spending over the eight years of this government has been phenomenal; we have been a great supporter of industry. With the stimulus package from the federal government this is going to add even more - tens and hundreds of millions of dollars. I have visited three schools in my electorate this week: Millner School - \$2m; Jingili School - \$2m; and Wagaman School \$2m. So there is much work out there, there are many projects ...

Mr Wood: I have a good electorate too ...

Mr Elferink: It is a little early for rolling credits ...

Question on Notice 4.6

Mr CHAIRMAN: Member for Fong Lim, for the purposes of *Hansard*, could you please repeat the question?

Mr TOLLNER: What have been the 20 most valuable procurement projects, and which of those 20 have had full probity audits?

Dr BURNS: This is for last financial year?

Mr TOLLNER: Yes.

Dr BURNS: Do you want that by electorate?

Mr TOLLNER: Yes, we do. As much detail as you can possibly give us.

Mr CHAIRMAN: For the purposes of *Hansard*, that is question No 4.6.

Mr TOLLNER: Here is a nice easy one for you. Minister, what is the percentage of work, by value, that is taken up successfully by Northern Territory organisations?

Dr BURNS: A good question, member for Fong Lim. We could either by ...

Mr TOLLNER: I am sure it will be easy for Brad to answer.

Dr BURNS: This is a question that could go by either value or by number. But either by value or by number, it is somewhere between 70% and 80% - which is a fairly healthy number - and, in some agencies, it is much more than that. But I defer to Mr Symons on that.

Mr SYMONS: If you look at procurement above the tender threshold, it is just over 70% either by value or by volume, which go to NT-based firms. If you look at total procurement - in other words including procurement below the tender threshold - it is around 80%.

Mr TOLLNER: Can you give me your definition of an NT firm?

Dr BURNS: This is a very important question also, member for Fong Lim, and it was a question that was raised - I met with some business people about a week ago, and representatives from the Northern Territory Industry Capability Network, which plays a pivotal role ...

Mr TOLLNER: Great people.

Dr BURNS: They are great people, and they are funded to a large degree by the Northern Territory government and we will be funding them more as the INPEX project comes onshore. They are in want of resources, and we will be supporting them in that. That exact question was asked of them, so they play a pivotal role in determining much of this. I was amazed at the lengths they go to ascertain whether someone has just driven in by ute, or flown in on a plane and wanting to register as a Territory company - how they check up and how many they knock back. In fact, the business people there asked the same question, and they were very satisfied with the answer. The Industry Capability Network goes to great lengths. They check up on the premises, because there have been cases

where an address has been given as the Territory office and they go there and it is a vacant block of land ...

Mr TOLLNER: Minister, thank you, you have answered the question.

Dr BURNS: Oh, okay. I was just getting started.

Mr TOLLNER: You have answered the question. When I want to know what a NT company is I will go to the NTICU; I will not ask the minister.

Can you give an indication of procurements which have occurred, a dollar value - you might have to take this on notice – and projects that have occurred as a result of the Rudd government's reckless spending campaign - sorry, the stimulus package?

Dr BURNS: It is securing our future, member for Fong Lim. My school councils are very excited about this.

Mr TOLLNER: Hang on, school councils - does that go through the procurement process?

Dr BURNS: I will defer to advice on this, on the exact process. I can say in the two meetings of school councils I have attended this week there has been an incredible amount of support from DPI. They have already engaged architects, they are very excited about this and these are going to be great results for the schools. I will not go through all the projects because I know time is of the essence and we have to get to Tourism yet. I will defer to Graham on this very important issue, or to Brad.

Mr TOLLNER: Maybe we could get the information tabled, if you have it.

Dr BURNS: I think Brad might speak to it.

Mr IRVINE: There are two parts to the question. The first, what has been spent through the stimulus program. We can table the report of what has been put through so far. Most of the works are being done by DPI on behalf of the department of Education; and Housing and Local Government are doing their own. The second part of the question; in many areas due to the school model, the school council is overseeing the expenditure of funds which have been approved for them. In other cases, the schools that require assistance are obtaining it from Education and DPI.

Mr TOLLNER: Just to get that right, you will table that?

Mr CHAIRMAN: Are you saying you will table it during this session?

Mr TOLLNER: Are you tabling it, or do you want to take that question on notice?

Mr IRVINE: Question on notice, minister.

Question on Notice 4.7

Mr CHAIRMAN: If you could repeat the question for the *Hansard*, please.

Mr TOLLNER: What projects have gone through the government procurement process and what is their value, as a result of the federal government's stimulus package.

Mr CHAIRMAN: That question, for purposes of *Hansard*, is No 4.7.

Mr TOLLNER: That is all right. Minister, you were taking that on notice.

Dr BURNS: Yes, I have that on notice. We are just seeing whether we have it here now; I have rounds 1 and 2.

Mr TOLLNER: That is all right.

Mr ELFERINK: Minister, you will be aware of my comments to the Auditor-General last night. In fact, you will be aware of the fact I have referred matters to him. Some of the smaller schools are struggling with this stuff. One individual who phoned me said he was asked to quote on a contract for a particular project worth over \$100 000, and he was asked to give a verbal quote. What leads from that is that, clearly, some of these schools, in spite of your department's best efforts, will struggle managing these amounts of money. That is not a procurement process of any description.

My question is quite simply this: should a legal dispute arise between a builder and a school because one of these contracts slips through the procurement process, or non-procurement process, and a damages claim is successfully claimed by the builder, who carries the liability - the Northern Territory government, the school, or the federal government?

Dr BURNS: I am advised school councils can actually request DPI manage projects for them. I will let Mr Bree enlarge on that.

Mr ELFERINK: You would admit that this is a scary issue, potentially?

Mr BREE: The capacity of school councils varies across the Territory, as we all know, and they are encouraged and made aware of the fact that these services are available. As to your question in regard to legal liability, I do not feel competent to answer that without knowing the circumstances.

Dr BURNS: That is the answer we have given and, basically, we will be encouraging schools to have significant projects managed by DPI.

Mr ELFERINK: But you understand what I am saying?

Dr BURNS: But you asked the Education minister exactly the same question last night.

Mr ELFERINK: We got a blank look. That is the problem we have.

Dr BURNS: You have raised an issue and it is appropriately dealt with within the Education portfolio.

Mr ELFERINK: This is really worrying for me. The guy who was on the phone to me is just one contractor, and what he said to the school that rang up was - I am not going to quote because we are going to end up in court: 'You do not even know what you want, you just want something'. If that only happens a couple of times, this issue will come up and I can tell you, it is not going to be Kevin Rudd lining up 10 deep to say 'We will pay and carry the liability', and I suspect the Northern Territory government is going to be less than effusive about carrying that liability.

What I would hate to see is the Moulden Primary School Council suddenly finding themselves in a court battle with a builder over a \$100 000 damages claim because of a contractual dispute. This question must be addressed before this stuff starts. For you to sit here and say, well, that is Education's problem - no, it is the Territory taxpayer's problem, and it is a procurement issue - therefore it is your problem. I believe this matter should be looked at with some earnestness, because it will become a problem. I am deeply concerned that, if it is not managed properly, it is going to turn into a big problem.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

I am not trying to be cute. I understand the department is doing what it is doing to get people out there to try to assist these schools. But, what was it, eight positions out there? They are going to be hard pressed to cover how many schools?

Dr BURNS: You have made your point, and I have given my response, member for Port Darwin.

Mr ELFERINK: And just for the record, a most unsatisfactory and worrying response at that, minister.

Mr CHAIRMAN: Member for Nelson, do you have any questions to Output 1.3, Procurement and Policy Services?

Mr WOOD: Yes, I have a couple of general questions. In the 2009-10 Budget performance measures have changed from the 2008-09 Budget - again, this is the way some of these budgets have changed. In 2009-10, you estimated awarding 600 tenders. How many did the agency actually award in 2008-09?

Dr BURNS: Sorry, which page are we on there?

Mr WOOD: We are on 154 in Budget Paper No 3.

Dr BURNS: Here we go - Tenders Awarded.

Mr WOOD: Yes, but in last year's book, that is not so easily seen.

Dr BURNS: Page 154, so are you saying it has gone from 700 in the 2008-09 estimate to 600 in the 2009-10 estimate? Is that the figure you mean?

Mr WOOD: Yes, but the performance measures have also changed. I need to find it in last year's budget on page 259; there is a heading 'Tenders Managed and Tenders Developed'. If you add those two figures up, you come to 1015.

In other words, if I am trying to compare apples with apples, I cannot. How do the two budgets relate to one another?

Dr BURNS: There is a footnote under that entry in Budget Paper No 3, page 154, which talks about the changes in tiers. However, I refer to Graham on this one.

Mr SYMONS: Yes, two things have happened there, Mr Wood. One is the changes in tiers, so it changes the number of items above the tender thresholds. That has happened, but we have also changed the performance measures in the budget papers, and that is probably confusing. We were making a real effort to come up with the most relevant performance measures possible; some of them in the previous budget papers we did not think were as meaningful as they could be, so we are trying to improve our performance measures.

Mr WOOD: In the 2008-09 Budget, it was estimated there was an average of five days to prepare papers for the procurement board, but no figure in the 2009-10 Budget. Is that for the same reason you have just given?

Mr SYMONS: That is right. We did not believe that was a particularly meaningful performance measure.

Mr WOOD: Okay. Can you give an example why a tender process, from the time a tender closes to the announcement of the successful tender, would take four to five days? The way it reads in last year's budget: 'Average days to prepare papers for the Procurement Review Board, five days'.

Mr SYMONS: Okay. That is a process matter. The CAPS unit actually assists agencies by preparing the papers in relation to tenders for the Procurement Review Board; that is all it is. The process of tender evaluation is, generally, much longer than that.

Mr WOOD: The minister knows this one it is coming. I was going to ask about Rosebery; in relation to why the government decided a contract worth nearly \$10m more than budgeted, came to be approved?

Dr BURNS: That is a very good question, member for Nelson. I am just a little surprised; I heard whispers the opposition was going to ask this question at one stage, but they never got around to it, for whatever reason, and the member for Nelson has asked the question.

It is my understanding there was a cost attributed to this based on initial scoping. As part of the procurement process or the project development process, once money has been attributed, there is a very detailed design process and other processes concerning geotechnical surveys etcetera, and costs of the actual project do rise.

It is also my understanding that, whilst the amount the successful tenderer tendered for was over the detailed costing; further costing was made by the department and it was nowhere near \$9m or \$10m, it was much closer than that. Cost is one attribute, one way of judging a tender. There is also a scoring process which goes on regarding the track record of the company that is tendering; the number of apprenticeships and traineeships they have; their ability to bring projects in on budget; and their financial capacity, particularly for larger jobs. All these are weighted and brought into the equation and, I am advised, at the end of the day, the successful tenderer was the best tenderer for the job.

Regarding any further detail, I am not sure who I should refer to. Mr Bree?

Mr BREE: Mr Wood, the responsibility for this department is, as we said earlier, the process that has been followed, and the decision-making in the recommendation, is with DPI. This process was checked and all the proper methodologies were followed. With regard to the way the decision is made, as the minister says, it is a combination of a number of factors provided in the tender documents. The non-price components and the price is addressed at the end, after that information has been tallied.

Dr BURNS: I am not sure whether Mr Irvine wants to give more details about how those considerations and weightings are made, because there is sometimes confusion about price and its place in the whole equation.

Mr WOOD: I thank Mr Irvine, I did get a briefing from the procurement board, but I am happy to revisit it.

Dr BURNS: If you have had that briefing, it is probably unnecessary for ...

Mr WOOD: It was probably after that briefing I became more concerned. I know you have a value for money tender assessment criteria but, surely, with a contract as big as this one, it was \$10m above what the government had set. I admit there were issues like GST and whether the price the government set for this particular project was really accurate. That might all come into it as well, but they were even \$6m above the lowest tenderer, which was not an unknown company - Laing O'Rourke took over from one of our local companies, which name I have forgotten. It has been around for years in the Territory, in another form, so you were not dealing with companies that did not have experience. I was trying to find out how the non-price considerations, which is what you were talking about before, add up to the equivalent of the \$6m extra taxpayers have to pay ...

Dr BURNS: But you are not taking the median. You are taking one end of the spectrum, and the other

end of the spectrum, so instead of \$6m difference, we are looking at \$3m between each price and the median, and there were other tenderers around that median level. As a former Infrastructure minister, I can tell you sometimes the lowest price - and I am not reflecting on Laing O'Rourke at all, but I am saying because someone has the lowest price does not mean, first, that they can deliver that project at that price; or second, they can deliver the same quality, engineering or innovation within the design as someone else.

I am trying to move away from this specific job. I am saying that price is a consideration, but it is one factor which is brought in. There is a weighting system which determines whether someone is above the median price, or above the price which has been determined through a more detailed look at the project by Planning and Infrastructure. There are weightings for those above and those below, and that is taken into the equation, as are all the other parameters I mentioned. But Mr Irvine might want to speak specifically about price, and how it enters into the equation.

Mr IRVINE: Price is not weighted in tender evaluations. The non-price factors combine the full 100% of the weightings, and they are allocated according to the priorities such as timeliness, capacity, past performance, all of those key criteria. It is the sum of the parts which is then scored upon the weighted criteria, and then that score is looked at in context of the price. It is the score for each tenderer and what their price is which one comes out with what would appear the best value for money.

Mr WOOD: Minister, I am worried about the playing field being level at the beginning. If someone offers a better project - they say 'We can do this, this and this', which was not in the tender, nor was it asked for - do you have a level playing field? If someone says: 'For an extra couple of million, because our contract is a little higher, we will put tinted windows in the building', or something that might help reduce the cost of energy; that may not have been a requirement in the contract. So, are those things taken out of the equation so each tender is actually looked at from exactly the same basis?

D BURNS: I will let Mr Irvine respond to that question.

Mr IRVINE: Mr Wood, it is totally at the discretion of the tenderer as to how innovative or how complete they wish to make their bids. The tender documents typically specify the requirement. In building projects, in particular, they stipulate standards right down to, in some cases, materials. Tenderers may look at that and suggest there is a better way of doing it and they can price that into it. So, there is no ceiling, if you will, which is at the discretion of the tenderer as to how they believe they can meet the requirement, if not exceed it.

Mr WOOD: But, minister, if someone actually bids - as this company has - the highest amount, and has said: 'We can build this building a better way' but, in actual fact, you are not getting it any cheaper, it is actually more expensive. That is the bit I cannot work out. It may have been a more innovative building, and it might have been built faster, but it might still have been well within the guidelines which were required. I am trying to work out how a lower company, which might have fitted all the criteria, would not have got the tender. If they did everything which was in the tender document, but, perhaps, was not as innovative, and that innovation is costing the taxpayer maybe an extra \$6m; it does not seem to me to make sense.

Dr BURNS: You have mentioned some innovations which can save the taxpayer money in the longer term, member for Nelson. I am advised there was a probity auditor on this particular project, so I take what you are saying, but I cannot respond anymore than I already have on the issue. It is an important issue, and people have raised questions about it, but I can only give the answers which have been given. Thank you for raising the issue, member for Nelson.

Mr WOOD: A couple of other questions in relation to it; I have not quite finished. There were reports the architect who was involved with the tenderer also worked for the government. Is that true or false?

Dr BURNS: I am advised that is not true.

Mr WOOD: I have been approached by various people in relation to this matter. The other thing which was raised was the speed with which the tender was approved. I gather there was a locking up of people over a certain number of days but, normally, a big job like this might take a couple of weeks. Can you give us some idea how much it cost to pay people to be locked up for a weekend or so to go through all these tender documents? And why was that done?

Dr BURNS: That was part of a DPI process, so I cannot really comment, I am afraid, member for Nelson.

Mr WOOD: One other procedural matter. This job was originally priced, according to the *NT News*, at \$48.8m, and the tenderer tendered at \$59.3m. Regardless of whether it was \$10m or \$6m, it was much higher than was originally budgeted by the department. What is the role of the minister in approving that kind of variation?

Dr BURNS: The agency and the agency minister works with the Treasurer in that regard – I am talking in general principles now – and there has to be really good justification as to why there might be that type of variation. But, having said that, and being a former Infrastructure minister, it is the bane of Infrastructure minister's lives, particularly from approximately 2003 to 2007-08 up to the present time, with the escalation in building costs; namely, the cost of materials rose, particularly steel. There was an astronomical increase in the price of steel and there was a lot of building activity going on at the time. Getting major construction companies came at a premium, as it does in a supply and demand situation. The cost of labour also increased during that time. It was a real problem to get things to come in at the money that might have been attributed, say, the year before, which was the case in this particular project, because of those escalations.

There are two alternatives for a minister then. One alternative is to seek further funding to cover the cost escalations; the other one is to look at the scope of the works and at innovations to try to provide the same product at a lesser price. It is a very difficult thing, and I can tell you, member for Nelson, that was a period of very large cost escalations. Hopefully, now building activity has slowed to some degree - and the feedback I am getting from construction companies is their books now have gaps in them they did not have before, and they are looking for money. This where the stimulus package is so vitally important, not only for the wellbeing, say, in schools with the wellbeing of our students and investing in education, but also in our economy. That is why the government is very intent in rolling out the stimulus package as soon as possible.

Mr WOOD: Thank you, minister. When you mentioned the variation in prices, that, I would have thought, is more reason for thoroughly investigating the lowest price. I know the lowest price is not always taken, but there were four other companies between this company and the top company, so it is not as though there was not choice along the line here. We have gone straight to the top company, which is very unusual. You would think when you have companies like Hindmarsh, Norbuilt, Sitzler, and Laing O'Rourke - Hindmarsh, Norbuilt and Sitzler were in between; in fact, Sitzler was \$4m cheaper, and that is a Territory company.

The question I ask, from a taxpayer's point of view: how come? I understand the variation in prices; steel has been going all over the place. If the government is going to go out there and picking the highest tender, then I believe it needs to come out with some pretty good reasons.

Dr BURNS: Well, I could give one reason. You have mentioned companies. I am not going to mention companies except to say all the companies you have mentioned, plus the one you have not mentioned that got the successful tender ...

Mr WOOD: They are a good company.

Dr BURNS: ... are all great companies, and all have great reputations. In relation to the successful tenderer, my recollection is the successful tenderer performed really well in delivering the Darwin Middle School on time and on budget - it could have even been before time. Given the fact that the

Rosebery school is such an important project for the people of Palmerston - the parents and children - the fact they were able to deliver on time - or even before time - and on budget a large and difficult project would have counted in their favour; as well as their track record, their financial capacity and the fact they would have been able to demonstrate through the process - and I have not seen the scorings as it is not appropriate for me to see them - of their apprenticeships and trainees. However, basically, they were delivering on those aspects as well.

Mr WOOD: Thanks. Minister, I do not have anything against the highest tenderer. Halikos does a very good job, but this is about process and that is why we are here. All I was saying is you have companies which have built many schools in the Northern Territory previously, and many projects, so it is not exactly as though one company is necessarily outstanding from that point of view.

I did have one other question in relation to this - the weighting. The weighting is done by the department. Does the probity auditor look at the fairness of the weighting?

Mr Tollner: Was there a probity audit?

Mr Wood: He said there was.

Dr BURNS: Good question, member for Nelson. It is my understanding the weightings for construction are fairly standard. They may vary if it was a very peculiar or specialised construction project like a convention centre. However, for something like a school, I am advised they are fairly standard weightings. That is the first thing. The second thing is the Chief Minister undertook, at the meeting held upstairs early this year, that weightings would be public or made available to the tenderer. In other words, the tenderer sees all the criteria and can ascertain this criterion is worth 20%, that criterion is worth 15%, or whatever. So, the proponents are able to see exactly what the weightings are. That is fantastic, and had to happen because I do not believe it helped the process that the proponents not knowing what the weighting is.

I hark back to my days as an academic. Students would not abide by the fact if you said: 'You are going to have three exams and there are going to be different weightings for your final result, but I am not going to tell you which ones are worth 20, which one is worth 30 and which one is worth 50'. For people to understand what the work is worth and how much work they have to put into a particular area, they need to be aware of how much weighting you are putting into it. That is what happens now; the proponents are aware of the weighting, and that makes a fairer and more level playing field.

Mr WOOD: In this particular case, was there a probity audit at the beginning, and went right through the process?

Dr BURNS: I am advised that is so.

Mr WOOD: Just one other question on another tenderer ...

Mr Tollner: I thought that was your last.

Mr WOOD: Sorry. That is what you said, member for Fong Lim.

On 25 March this year, in the *Northern Territory News* there was an article by Nigel Adlam regarding the prison project. I will read it out:

The Territory government was yesterday accused of advertising for a project leader on a new \$300m prison even though it had already chosen a company for the job.

The tender was called on March 12th with a cut-off date of only one week later.

Do you know anything about that particular tender, and how accurate that article is?

Dr BURNS: Treasury is the lead agency in this particular project. I ask Mr Irvine to enlarge on what he knows about it.

Mr IRVINE: Treasury undertook a tender to identify a project manager, which was done through a public tender process.

Mr WOOD: Is there anything unusual about having a cut-off date of only one week, or is that not accurate?

Mr IRVINE: My recollection of that particular exercise was the board approved a shortened tender period because it was based on a capacity statement by a consultant engaged in the construction industry.

Mr WOOD: That is what is written here, actually. Okay. You have to make sure, just checking the accuracy.

Mr CHAIRMAN: Thank you. There is a point of clarification the member for Fong Lim wishes to seek regarding a question taken on notice, No 4.7, which the minister tabled an answer to.

Mr TOLLNER: That is correct. I asked you for stimulus dollars that have been through the government procurement process. You have given me a nice list - thank you very much, I appreciate that ...

Dr BURNS: Any schools in Fong Lim?

Mr TOLLNER: There are schools in Fong Lim, but I do not think they have gone through the procurement process. What I was asking you for was ...

Dr BURNS: I will endeavour to get the answer. Can we hear the amended question?

Mr TOLLNER: No, it is not an amended question. The question always was that I wanted to know what stimulus dollars ...

Mr CHAIRMAN: The original question remains on notice, and that was No 4.7.

That concludes consideration of Output 1.3. Minister Burns has made a statement clarifying specific budgetary matters for which he has portfolio responsibility, and minister Hampton will be available to answer policy questions on I and CT when he appears on Thursday, 18 June.

Output 1.5 - Office Leasing Management

Mr CHAIRMAN: We will now be proceeding to Output 1.5, Office Leasing Management. Are there any questions?

Mr TOLLNER: I have a couple of questions. Minister, how much office space is leased by the NT government which is currently vacant? You might want to take that on notice.

Dr BURNS: You wanted ...

Mr TOLLNER: I want to know how much office space leased by the Northern Territory government is currently vacant? You might want to take it on notice.

Dr BURNS: Mr Symons.

Mr SYMONS: Very little. I cannot give an exact figure, but it is very little.

Mr TOLLNER: Can you get back to me on that?

Question on Notice 4.8

Mr CHAIRMAN: For the purposes of *Hansard*, member for Fong Lim, can you please repeat the question?

Mr TOLLNER: How much office space leased by the Northern Territory government is currently vacant?

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate the question No 4.8.

Mr TOLLNER: I am not trying to be rude, but very little is not exactly an answer. Probably enough for me to live in; I need a big space.

Dr BURNS: Let us keep moving; we still have Tourism.

Mr TOLLNER: We will get to that. What leasing plans have been made for the Casuarina business centre?

Dr BURNS: The Casuarina business centre? Is that Ethos House?

Mr TOLLNER: I imagine so.

Dr BURNS: I am not sure. That is really MVR and Housing, is it not?

Mr TOLLNER: Will you take it on notice?

Mr CHAIRMAN: The minister is seeking some advice.

Dr BURNS: We are not aware of a Casuarina business centre, member for Fong Lim. Is it in Budget Paper No 3?

Mr TOLLNER: I am trying to find where I spotted it. Look, I will not say it is not important. There was a reason I asked it, but I cannot think of it now, so we will move on. I have one more question for you under this output group, minister.

Can you advise which offices you have struck leases on, where they are, and who they house, and those spaces that do not have certificates of occupancy?

Dr BURNS: I am not sure certificates of occupancy are within our purview.

Mr TOLLNER: What? You do not check whether you have a certificate of occupancy before you move in?

Dr BURNS: Mr Gleeson, please speak to the issue of certificates of occupancy.

Mr GLEESON: John Gleeson, Director, NT Property Management. The Department of Planning and Infrastructure has advised us of a range of certification issues that apply to leased property, and they all apply to office fit-outs which have been completed, some of which apply to work done years ago. We are currently reviewing the validity of that list and striking off the issues as we work through them.

Mr TOLLNER: Could we get a copy of that list tabled?

Dr BURNS: Okay.

Mr CHAIRMAN: Do you have that list on you, or is that a question on notice?

Mr GLEESON: I do not have it with me, but I could certainly table it today.

Dr BURNS: At this stage, I am advised by Mr Symons the list is not complete and is still being compiled.

Mr TOLLNER: That is all right. Yes, I am happy with an incomplete list.

Mr CHAIRMAN: For the purposes of *Hansard*, member for Fong Lim, could you please repeat the question?

Mr TOLLNER: I do not know whether he is too happy about this.

Mr CHAIRMAN: All right, sorry.

Dr BURNS: I will give you an undertaking, member for Fong Lim, when it is completed we will brief you on it.

Mr TOLLNER: A briefing?

Dr BURNS: A briefing. You have time, have you not?

Mr TOLLNER: Can you not take the question on notice and have it put on the public record?

Dr BURNS: It is between agencies. I need to get to the bottom of this.

Mr TOLLNER: I would much rather it was on the public record, I do not want a personal briefing. Put it on the public record, come on.

Dr BURNS: If you want to write to me, I will write back to you.

Mr TOLLNER: No, I have just asked you a question now. You can take it on notice.

Dr BURNS: Also, there are some things that have already been addressed; I believe there would be a range of issues that have to be addressed ...

Mr TOLLNER: But hang on, you have a list.

Dr BURNS: If you write to me, that might be the best way, member for Fong Lim.

Mr TOLLNER: No. I just asked you a question here, which is the same deal. Just take it on notice and provide it back to *Hansard*.

Dr BURNS: What I will do is undertake to correspond with you on this particular issue.

Mr TOLLNER: It is not quite the same, minister, you know that.

Dr BURNS: It is on the public record, so that is what I will do.

Mr TOLLNER: Well, that is not actually on the public record. That is the response?

Dr BURNS: That is my undertaking - I will respond back to the member for Fong Lim. I understand it is a very complex undertaking.

Mr TOLLNER: Like finding the number of forms you have in your department.

Dr BURNS: I will correspond with the member for Fong Lim about it; it could extend over the past 25 years.

Mr TOLLNER: If that is the best I can get out of him; that will do.

Mr WOOD: Looking at the variation between 2007-08 and 2009-10, property leases have gone from 143 to 195. Can I get some idea why we have that extra number of property leases?

Dr BURNS: That is a good question. In 2008-09, I believe it was about \$51m. Is that right? Going to 2009-10, it is \$53m ...

Mr WOOD: This is the number of leases?

Dr BURNS: Just in value. As well, in the budget books, so it is the same question really. The full year effective increased commercial property leases for Health, Community Services and Community Safety, including programs funded under the Australian government Intervention, also reflects rental cost increases across the Northern Territory due to increased demand for commercial properties.

So, there has been an increase in the budget also, member for Nelson. There has been an increase in number and an increase in what government has to pay, for those reasons. I am not sure whether Mr Symons wants to add to that?

Mr SYMONS: Just a little more detail, Mr Wood. We are engaged in a process at the moment of both lease acquisitions and relinquishing leases, which are connected and go over two financial years. It is a bit messy. However, what we can say is the nett additional amount of office space leased in that package of measures is about 3%. The main areas were Health and Community Services, and Housing associated with the SIHIP staff and associated people - they were the biggest items of increases.

Mr WOOD: Is it possible to get a list of all the property leased by the government?

Dr BURNS: The member for Fong Lim has asked that question, so that will come to the committee.

Mr WOOD: In relation to statements which have been made as part of the generic questions about carbon omissions, I believe your department and some other departments have said they are going to partition off some rooms which do not need full air-conditioning. You may have said you might try to rationalise how much floor space you need within your department. Will that mean you will have less areas leased, or will you have buildings you are not actually using, but paying rent for, just to reduce your carbon omissions?

Dr BURNS: That sounds like something out of *Yes, Minister*, Mr Wood.

Mr WOOD: Well, you are the minister.

Dr BURNS: I am not aware of the partitioning aspect you talked about, but ...

Mr WOOD: The Police actually said that yesterday.

Dr BURNS: Did they? I must have missed that. Basically, we are having a green leases program.

Mr WOOD: Now it sounds like *Yes, Minister*. What is a green lease?

Dr BURNS: It is very important. We are trying to work with the property industry to bring energy efficiencies into the buildings government lease. Some of the buildings we lease are quite old and some of the air-conditioning plant and air-conditioning methods are quite ancient and very inefficient. That is one aspect, but there is a whole range of aspects we are doing.

We have engaged with the industry because this will be a cost impost. In essence, we are looking at existing buildings and what can be done to make them more energy efficient. We are also talking to industry, because we have heard today in the future there will be a need for more commercial office accommodation. We believe there will probably be more buildings go up in Darwin and, hopefully, in Alice Springs as well. So, we are saying to property owners, potential developers, and the Property Council we want those buildings to be energy efficient and to come up to certain codes.

That involves an investment on the part of building owners. There was a bit of negotiation in there but, I believe, everyone now is clear about the way in which government wants to go. We have given undertakings about reducing our greenhouse emissions. Do you want to comment, Mr Bree?

Mr BREE: I will not go over what the minister has said, but that is the guts of one part of our strategy. The other one is, in fact, the space itself. As we renew leases, we look to get closer to the government policy space size - I believe it is 16.5 m² per person. We are working towards that and have made some moves towards that. So, no, it is not about artificially cutting off space, it is about real changes.

Mr WOOD: Which, in theory, should give you a smaller area?

Mr BREE: That is correct. The other part of that approach to having an environmentally smaller footprint is we are actually looking at where our staff are working and living, which is also a big part of it.

Dr BURNS: We also have to take into account there are some public service staff or professional staff who do need space - for example, those in counselling or child protection - who have to have a confidential, secure area to carry out interviews, etcetera. It is not a one-size-fits-all; we are prepared to be flexible. However, we believe we can reduce our greenhouse impact by taking the steps Mr Bree has outlined.

Mr WOOD: I presume you are talking about the section on page 156 of Budget Paper No 3, where it talks about the area of leased commercial property accredited for energy efficiency under NABERS 4-star or better.

Dr BURNS: That is it.

Mr WOOD: Does that mean we have to rely on air-conditioning? It is the same with the 5-star rating; it is really based on buildings down south being heated, and up here, cooled. Are we looking at some designs? I know offices cannot always be open to the breezes, otherwise half the paperwork ends up

outside, but are we designing buildings which can be used without air-conditioning at certain times of year? I am not just talking about Darwin. If you were living in Katherine at this time of year in the Dry Season you certainly would not need an air-conditioner. Are we just sticking to a particular down-south code, rather than trying to adapt one for the Northern Territory?

Dr BURNS: That is a technical question which I will defer to Mr Bree.

Mr BREE: I am not sure I am totally competent to answer about air-conditioners in technical terms but, broadly speaking, we have to ensure our buildings are useful for the whole year round so, inevitably, provision for air-conditioning is going to be part of it. Modern designs of air-conditioning take into account outside air temperature and the use of fresh air more and more - that is part of the overall design we see in NABERS ratings. So, for people to get higher and higher ratings, they need to be doing things which might be regarded as innovative now, but are becoming more and more best practice.

Mr WOOD: Finally, in relation to Mr Bree's comments that we are looking at having office space close to where people live, has there been any discussion with government about the new city of Weddell, and whether we should be putting office blocks in that area, for the reason Mr Bree outlined?

Dr BURNS: My response is the same as Mr Bree's. It is a bit early yet but, obviously, it will be considered. There are many offices at Palmerston and I believe we need to be flexible in that regard. So, I cannot give you an iron-clad undertaking. I am with you; I think the closer people live to their work the better. Visiting people in the payroll section at Palmerston last week, I was asking where they live, and the majority of them come from Palmerston and the rural area, and they are very happy about that. That is the policy of the department and, Mr Symons particularly, has been encouraging that, and people have jumped at the chance. They enjoy living in the Palmerston area and working close to home, which is fantastic.

Mr CHAIRMAN: Thank you, member for Nelson. That concludes consideration for Output 1.5.

OUTPUT GROUP 2.0 – BUSINESS DEVELOPMENT
Output 2.1 - Business Development

Mr CHAIRMAN: The committee will now proceed to Output Group 2.0, Business Development, Output 2.1, Business Development. Are there any questions?

Mr TOLLNER: No, I want to get to Tourism, same as the minister.

Mr CHAIRMAN: Member for Nelson?

Mr WOOD: You had a fair go on Output 1.3. Yes, Output 2.1, Business Development. In the 2009-10 Budget, there were 100 business and industry associations provided with financial assistance, which is 50 fewer than 2008-09. Do you know how much that difference is in dollar terms? Is there any reason for a reduction in the number of associations given financial assistance?

Dr BURNS: I might get Mr Phillips to the table. Which page of Budget Paper No 3?

Mr WOOD: Budget Paper No 3, page 156. I am just trying to find the figure I am referring to. I hope my figures are right.

Dr BURNS: I cannot see it here in Budget Paper No 3, but ...

Mr WOOD: No, I cannot.

Dr BURNS: ... if you reiterate your question ...

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Mr WOOD: I might pass over that question at the moment. I cannot see it either, but I will just check in the previous ...

Dr BURNS: I will defer to Mr Bree or Mr Phillips.

Mr WOOD: I have to go back to the 2008-09 Budget, sorry. It mentions 150 as the number of Territory businesses and organisations provided with financial assistance, and this year it is down to 100.

Mr BREE: Mr Wood, the reason for that is, in the setting up of the new agency, the Aboriginal Regional Development Grants Program was transferred to the Department of Regional Development, Primary Industry, Fisheries and Resources. That is, essentially, it.

Mr WOOD: Okay. A couple of other things. In relation to some of the grants, there was a grant for \$143 000 to the International Business Council under the Industry Development Support Program. Could you say exactly what that was about, or why the International Business Council needed \$143 000?

Dr BURNS: The IBC is a very important conduit and representative body of those people in the Northern Territory who do business internationally, and they are very active. However, in the specifics of your question, I might defer to Mr Bree, or other officers at the table.

Mr PRINCE: Ian Prince, Acting Executive Director, Business and Industry Development. That is a standard operating grant which is provided under the Industry Associations Grants Program. That has been an ongoing feature for many years, and provides the additional operational requirements for that particular business council.

Mr WOOD: Thank you. Minister, the Northern Territory Industry Capability Network - \$550 000. Maybe an explanation of who they are and if they come under government, or are they an independent body?

Dr BURNS: They are an independent body. They are associated, as I understand it, with the Northern Territory Chamber of Commerce. Their brief is to showcase both the capacity and capability of Northern Territory businesses, and they have been doing that for some time. They have been involved in major projects, specifically now coming into the INPEX project. INPEX has agreed the NTICN should be the major conduit by which INPEX will ascertain capacity and capability of local companies, although it is true to say the ICN also has a national network. That is part of the arrangement, that INPEX can see what is available nationally, particularly at a higher level of capacity and capability. ICN is playing a crucial role. It is headed by Mr Kevin Peters and, as I said earlier, they do extensive work ascertaining whether a Territory business is actually a Territory business and how they are presented within the framework of the ICN. I only hear good reports about the ICN from businesses. I hope that answers your question.

Mr WOOD: On industry development grants, there was \$430 000 to the Centre Bush Bus Pty Ltd. Can I get an explanation of who they are and what that money was for?

Dr BURNS: That money was all about transport to remote Indigenous communities, and was made through the previous DBERD. For the details of what that grant entails, I defer to Mr Bree.

Mr BREE: Mr Wood, the grant was, as I understand, specifically given to Centre Bus, which is a private company, to extend its routes and timing of its services between a number of Indigenous communities and Alice Springs. It was a specific request from government to expand their routes and this was a payment for it. It is in our books, largely, because it was associated with Indigenous Economic Development and Regional Development. As I understand it, in future budgets it will be handled through another area.

Mr CHAIRMAN: That concludes consideration of Output 2.1.

Non-Output Specific Budget Questions

Mr CHAIRMAN: Are there any Non-Output specific Budget Questions? No?

At this point, I am going to hand over the Chair of the committee to the member for Nhulunbuy, but we will not going pause the committee. We will continue on to Data Centre Management and Management (Business Line). Thank you, member for Nhulunbuy.

**DATA CENTRE SERVICES
OUTPUT GROUP 1.0 - DATA CENTRE MANAGEMENT (BUSINESS LINE)**

Madam DEPUTY CHAIR: Are there any questions on Data Centre Management?

Mr TOLLNER: Pass.

Mr WOOD: Minister, I might give you these three questions at once. What regions have access to the mainframe? Do remote areas need access to the mainframe? How many consultancies were used in this area?

Dr BURNS: That is technical so we had better call someone to the table. Graham will be able to answer that.

Mr SYMONS: The mainframe is based in the Data Centre at the Chan Building, as you know. Access is available in a number of areas across the Territory depending on the telecommunications capacity that link those centres. Chris Hosking might like to amplify on that.

Mr HOSKING: Chris Hosking, Director, Data Centre Services. That is correct. The mainframe systems are available in all regional centres and most remote localities which have access to the government-wide area network - police stations and nursing clinics out in the bush, etcetera. It is the type of connection you can get over quite rudimentary telecommunications links, and is available practically anywhere you are connected to the government computer network.

Mr WOOD: How many consultancies where used in this area?

Dr BURNS: Mr Hosking.

Mr HOSKING: I have the information in front of me. In this area, we use contract labour which is specialist IT technical skills - people like programmers and database administrators. These people are engaged through public tendering processes and are recorded in the general ledger as consultants. However, they are not a consultancy *per se*, where a consultant comes in and writes a report or does a job. We use that method to enable us to compete with market rates in the IT field.

Dr BURNS: I have, Mr Hosking, a document I would like to table, to facilitate the process. I hope this answers your question, member for Nelson.

Mr HOSKING: This will detail those employed, and we can also provide a breakdown of local versus interstate contracted people.

Madam DEPUTY CHAIR: This now concludes consideration of this Business Line.

**GOVERNMENT PRINTING OFFICE
OUTPUT GROUP 1.0 - PRINTING AND PUBLICATION SERVICES (BUSINESS LINE)**

Madam DEPUTY CHAIR: The committee will now proceed to Output Group 1.0, Printing and Publication Services (Business Line).

Mr TOLLNER: Again, several questions, but I will pass.

Mr WOOD: I will be quick. Is the government going to sell the printing office?

Dr BURNS: I know from time to time there have been proposals to sell the Government Printing Office. The last time I can remember was when Mike Reed was Treasurer in the last CLP government. They wanted to sell both NT Fleet and the Government Printing Office. This is a concept which comes around from time to time.

If you are asking my personal view, it is this: I believe the Government Printing Office does a great job, and a very important job for government. I do not have any intention - my own personal view is what I have stated to you - but we have to remember that technology moves on. There is substantial investment here, so government really has to balance the work of the printing office with what is required.

The system, as I understand it at present, is the Government Printing Office actually triages much work out to external printers for various reasons. That is a system I would like to continue with. These proposals come around from time to time, but it would have to be a very good argument to win the day, in my mind. I am being very direct with you here, member for Nelson.

Mr WOOD: Yes, that is okay. Is the government actually putting its money where its mouth is ...

Dr BURNS: There has been no formal ...

Mr WOOD: No, I mean is it upgrading the Government Printing Office, or is it ...

Dr BURNS: I believe there have been investments in the printing office over time, but we know printing now is a high-tech industry. I have not been able to visit the Government Printing Office with the portfolio hat this time. I certainly did the last time I had it. I know they were receiving new equipment. I visited a number of local printing businesses in the Darwin area, and I was amazed at their equipment. They are making commercial investments at a very high level. We need to look at the Government Printing Office and the very special niche it occupies and what work it does or does not undertake.

Mr WOOD: Is it mandatory for all agencies to use the Government Printer?

Dr BURNS: No, I do not think it is mandatory. Graham?

Mr SYMONS: Agencies are supposed to go through a GPO for sourcing, so the Government Printing Office may well source externally on behalf of agencies.

Dr BURNS: I know people who have worked in the Government Printing Office for many years; they have given great service. It has a good family atmosphere about it. They are a great team and I am looking forward to visiting as soon as I can. I have given you my personal view, member for Nelson, I hope it suffices.

Mr WOOD: I had some more questions, but I will drop them off. Thank you, Madam Deputy Chair.

Madam DEPUTY CHAIR: That now concludes consideration of this business line.

NT FLEET

OUTPUT GROUP 1.0 - MANAGEMENT OF THE GOVERNMENT VEHICLE FLEET (BUSINESS LINE)

Madam DEPUTY CHAIR: The committee will now proceed to Management of the Government Vehicle Fleet. Are there any questions?

Mr TOLLNER: I will opt not to ask questions on that.

Mr WOOD: I will ask some.

Mr TOLLNER: You can't help yourself.

Mr WOOD: That is my job. I asked if it is mandatory for government agencies to use the government printer. Is it mandatory for government agencies to use NT Fleet?

Dr BURNS: Mr Symons.

Mr SYMONS: In simple terms, yes. That is for both government vehicles and also short-term hire. So, NT Fleet will arrange short-term hire for agencies.

Mr WOOD: You have some agencies in the government that have to run, to some extent, in a commercial fashion. Are they allowed to look around for cheaper options, or at least competitive options?

Mr SYMONS: An organisation like Power and Water Corporation, because it is a government commercial entity, would have the option of going its own way. They choose to use NT Fleet.

Mr WOOD: But there are a range of other government agencies which are meant to, at least partially, pay their way?

Mr SYMONS: The GBDs are required to go through NT Fleet for their general vehicles.

Dr BURNS: You do not like NT Fleet?

Mr WOOD: No, I do not mind NT Fleet, it looks after my vehicle well. However, you are asking people in the government to be as efficient as possible, and then you say: 'You must go here and you must go there'. Then, there is no room for any incentive to run their business a bit cheaper, if possible. At what age are vehicles changed these days?

Dr BURNS: Mr Symons?

Mr SYMONS: The general rule for passenger vehicles is two years or 40 000 km. That does vary slightly, but that is the general rule of thumb.

Mr WOOD: And four-wheel drives?

Mr SYMONS: Can be a bit more, for heavy duty four-wheel drives.

Mr WOOD: Any idea what a monthly lease fee would be for a four-wheel drive four-cylinder diesel?

Mr SYMONS: If you are happy, I will ask Mr Malcolm Garner, the Director of NT Fleet. He probably knows that off the top of his head.

Dr BURNS: Member for Nelson, in the interests of time, I am more than happy to offer you a briefing on this.

Mr WOOD: Yes, that is probably so it never gets into the public arena. All right, but if you can give me the answer, I will just see whether ...

Dr BURNS: Okay. Mr Garner.

Mr GARNER: Malcolm Garner, Director, NT Fleet. The average, heavy duty, four-wheel drive vehicle is leased round about \$1100 to \$1200 a month, but it very much depends on the options fitted to that vehicle.

Mr WOOD: Is that competitive with private industry, do you think?

Mr GARNER: It is competitive; we do have a competitive pricing regime.

Mr WOOD: And servicing of vehicles, you tender that out, do you?

Mr GARNER: All of our repairs and maintenance is contracted out.

Mr WOOD: There was another question, but we will let it go. Thank you for that. I am not against NT Fleet, they do a good job, but I believe there should be a bit of competition for some agencies.

Madam DEPUTY CHAIR: That now concludes consideration of this business line.

LAND DEVELOPMENT CORPORATION

OUTPUT GROUP 1.0 – INDUSTRIAL LAND DEVELOPMENT

Output 1.1 - Industrial Land Development

Madam DEPUTY CHAIR: Are there any questions for Output Group 1.0, Industrial Land Development, Output 1.1, Industrial Land Development?

Mr TOLLNER: In the interests of time, I will keep my question very brief. Maybe, minister, you could take this one on notice. Could you outline the types and nature of businesses which have intimated interest in the Defence Support Hub, and the number of businesses?

Dr BURNS: I will defer to Mr Coleman.

Mr COLEMAN: John Coleman, General Manager, Land Development Corporation. My understanding of the expressions of interest lodged through the Department of Business and Employment is they are businesses such as repair shops that can cater for repairs to tanks, and all the things to do with likely repairs for Defence. I do not have a list. We have four which are fairly definite, and there is another one in the wings.

Mr TOLLNER: Four which are fairly definite?

Mr COLEMAN: Yes.

Mr TOLLNER: The types of these companies? Are they multinational, Territory-based businesses, or large prime contractors?

Mr COLEMAN: At the moment, they are all local businesses. We have been speaking with one large company which has been looking at repairs for trailers in the past. We have also been talking to a guy who is looking at relocating a business out of Winnellie into this hub. That has not come to fruition yet, but we are still talking to them.

Mr TOLLNER: When does the LDC expect to come to an arrangement on the Defence hub?

Dr BURNS: Mr Coleman.

Mr COLEMAN: With the individual companies?

Mr TOLLNER: Development arrangement, yes.

Mr COLEMAN: We are proceeding through a planning process this week. There is a hearing on Friday when the first part of the internal subdivision is going through. Following that, we will be proceeding with some civil works to provide access to at least four of the blocks. We will be looking at going to tender in July/August, with civil works being undertaken almost straight after that.

Mr TOLLNER: We would see work happening out there by the end of the year?

Mr COLEMAN: Absolutely.

Mr WOOD: That is in the magnetic anthill Defence hub - the one with the water? John knows about that.

I am happy the hub is up and running. Through the minister, has the government looked at any money for the upgrade of that road? It is a local road, a Litchfield council road, but it is probably the second busiest road in the shire. You are going to put in a Defence hub which, if Hallmark Trailers come in, there will not be light loads on that road. Could the local council expect some assistance with an upgrade of that road?

Dr BURNS: Mr Coleman.

Mr COLEMAN: Yes, in the first instance we would be looking at widening the road at the intersection for turning in. However, there are designs to create a long turn-in lane, because there will be heavy vehicles when the hub finally eventuates. That will include lighting and safety measures for that stretch of road.

Mr WOOD: Will there need to be any upgrades on the Palmerston side, which is Tulagi Road? Do you think we will get an increase in long, heavy vehicles? I know long vehicles are already coming out of the Army base, but would you be adding to that? I do not know if there have been any long-term planning to look at the results of this increased traffic, and the type of traffic.

Mr COLEMAN: We have been talking to Litchfield Shire Council and their engineer about what we need to do. We will do what we need to do to bring the hub to fruition.

Mr WOOD: A broader question. I have been approached by people in business who say the price and availability of industrial land in the Darwin region is quite short on and also the price is too high. Does the government have plans to open up more industrial land - not just around the port, but in general?

Dr BURNS: I will take that question initially, Mr Wood. We did discuss this to some degree in parliament last week. I foreshadowed there are two elements or two entities involved in this. One is DPI and their plans for the release of industrial land; and the Land Development Corporation has very specific focus on releasing industrial land associated with the port; namely, oil and gas developments and other port-related developments and, of course, the Defence hub. That is, essentially, the answer. The answer given during parliament last week was, comparatively, the land within the port area is - I am not going to say cheap - equitably priced. Companies do have to be able to fulfil the criteria that they are associated with the oil and gas industry or the port. I am not sure whether Mr Coleman has anything to add to that.

Mr COLEMAN: Yesterday, the Chief Minister announced an additional subdivision we are undertaking to turn off another 20-odd lots. Following that work, in the subsequent year, we will be turning off another 11 within the Darwin Business Park. We are expanding the business park to take account of the businesses that are approaching us.

Mr WOOD: The area around Tivendale Road up to Berrimah Road is nearly all in what they call the East Arm Area Plan; basically, from the Stuart Highway to the port. Is that the area in which you are working?

Dr BURNS: Go ahead, Mr Coleman.

Mr COLEMAN: It is difficult without a map to define which areas but, basically ...

Mr WOOD: Between Palmerston and Darwin, the land that is not in local government?

Mr COLEMAN: Right up to where Tivendale Road intersects Wishart Road ...

Mr WOOD: It is actually further over.

Mr COLEMAN: The Darwin side of that is Land Development Corporation's property; the other side of it is largely Strangways Development, I believe.

Madam DEPUTY CHAIR: That now concludes consideration of Output Group 1.1, Industrial Land Development.

Non-Output Budget Related Questions

Madam DEPUTY CHAIR: Are there any Non-Output Budget Related Questions. Member for Nelson?

Mr WOOD: No.

Madam DEPUTY CHAIR: On behalf of the committee, I thank the minister and all the officers from the Department of Business and Employment who have provided advice to the minister.

Dr BURNS: Hear, hear! I thank everyone involved.

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Madam DEPUTY CHAIR: We will now progress to the next portfolio, which is Tourism NT.

Dr BURNS: Madam Deputy Chair, I will start with my statement to kick things off. I introduce Maree Tetlow, Chief Executive, Ms Noelene Biddell, Chief Financial Officer, and other officials who are also with us will be introduced as they come to the table.

I did have an opening statement but, in the interests of time, I will dispense with that and go straight into it.

Mr TOLLNER: Would you like to table it?

Dr BURNS: Yes, I do not mind tabling it. I will keep it by me in case I have to refer to the major elements. If Terry wants to bring a copy back to me, that would be good.

Mr ELFERINK: It might make questions on the tabling statement a little difficult.

**AGENCY SPECIFIC (WHOLE-OF-GOVERNMENT RELATED QUESTIONS)
BUDGET AND FISCAL STRATEGIES**

Madam DEPUTY CHAIR: It will indeed, so in that case we will call for questions on Agency Specific Budget and Fiscal Strategies Item 1.

Mr TOLLNER: Item 1, very good. Minister, can you tell me, how many people have qualified for a reward under the Tell 20 campaign?

Dr BURNS: It is under Territory Discoveries, which is an output area, I am advised.

Mr TOLLNER: I did not notice Territory Discoveries had a marketing budget.

Dr BURNS: The viral campaign, as I ...

Mr TOLLNER: Sorry. Who paid for the Tell 20 campaign, Territory Discoveries or Tourism NT?

Dr BURNS: Territory Discoveries.

Mr TOLLNER: They paid for it? I am sorry, I just ...

Dr BURNS: In the interests of time, we will try to dispense with this now. I ask Ms Tetlow to answer the question you have asked, even though we are jumping around a little. I do not want to have a blue.

Mr TOLLNER: No. Looking at the budget papers, and there are marketing expenses for Tourism NT, but there is no mention of marketing or advertising, that I can see anywhere ...

Dr BURNS: I will defer to the Deputy Chair, if she wants to keep it in output areas, but I am more than happy to answer the question; I am not avoiding it.

Madam DEPUTY CHAIR: Member for Fong Lim, we are jumping around, we have gone straight to Territory Discoveries. The initial agenda item is dealing with questions on the Agency Specific Budget and Fiscal Strategies, and if there are no questions there we will move on to Output 1.

**OUTPUT GROUP 1.0 – TOURISM
Output 1.1 – Marketing**

Mr TOLLNER: There are plenty of them. We will skip that question. First, can you tell me what the total marketing budget is for Tourism NT?

Dr BURNS: By way of background, member for Fong Lim, the budgets and the marketing budgets for Tourism NT have increased by approximately 55% since 2001, so there has been a large increase. In the specific allocation for marketing within Tourism NT, I will defer to Ms Tetlow. There are a number of elements there, and I will let Ms Tetlow answer that question.

Ms TETLOW: Maree Tetlow, Chief Executive. Was that for 2008-09?

Mr TOLLNER: Yes.

Ms TETLOW: Under our marketing output we have spent \$30.754m.

Mr TOLLNER: Was that \$30.754m. No worries.

Dr BURNS: And destination is \$11.382m, making it a total of \$42.1m.

Mr TOLLNER: Destination Development, I suppose that would constitute marketing as well in some regard?

Dr BURNS: I will let Ms Tetlow define Destination Development.

Ms TETLOW: The \$11.382m refers to our development function which relates to industry development, support for infrastructure, etcetera.

Mr TOLLNER: Thank you for clarifying that. Can you give me some idea of the outcomes from the *Australia* movie campaign?

Dr BURNS: I will kick that off; they are hard to quantify. When international visitors fill out their entry card, there is not a box they can tick to say 'I came here because of seeing Nicole Kidman or Hugh Jackman'. It is hard to quantify; it depends on the market. I can tell ...

Mr TOLLNER: What was the budget for it? What was spent on it?

Dr BURNS: What? On *Australia* the movie? You would have to ask Baz Luhrmann that question.

Mr TOLLNER: No, I am sorry, the Territory government's campaign? He knows exactly what I mean.

Dr BURNS: Just while we are getting that figure, it does vary from market to market. The advice I had when I was in Japan was there was not a lot of response there to *Australia* the movie, whereas in the USA it stirred up a lot of interest. I know my predecessor visited there.

I am advised there was \$600 000 for a campaign launch in September 2008 - a campaign leveraging *Australia* the movie. I am not sure whether Ms Tetlow has any information about *Australia* the movie and how many international tourists it may have attracted to the Territory, or Australia.

Ms TETLOW: Tourism Australia, who were the main sponsor and leveraging of this movie, have advised more than 20 million people have seen the movie around the world. They have done some initial tracking which indicates the people who have seen the movie are much more predisposed to visiting Australia as a result of that, than those who have not seen it. A general indication we are receiving from our industry is there is an increased awareness and interest in the Top End of Australia. We are just assuming, to some degree, that is a result of this activity in market.

Mr TOLLNER: Same question for *Share our Story*? How much has been spent and what have been the outcomes?

Dr BURNS: I believe *Share our Story* is a different story in that this is a campaign which has been developed; it has a theme. The conversations I have had with industry indicate they are very happy with the *Share our Story* theme and campaign. However, in what we have spent exactly, and what data there might be to support the *Share our Story* campaign, I will leave to Ms Tetlow.

Ms TETLOW: *Share our Story* is the main underpinning and branding for what we do with the Northern Territory. In 2008-09, we spent a total of \$12.954m on marketing communications, of which \$4.9m was in advertising and media partnerships, and most of that would have been underpinned by the *Share our Story* campaign slogan and overall branding.

Mr TOLLNER: Can you give me an idea how many tourists would have turned up because of that? That is hard to quantify?

Dr BURNS: Ms Tetlow.

Ms TETLOW: I have to look in my folder, but what we do track is interest in the Northern Territory from quarter to quarter and year by year, and their understanding of what the Northern Territory's key attributes are, as underpinned by the *Share our Story*. Those attributes are positive, in that people have a greater understanding of what we are saying about the Northern Territory being adventurous and a positive place to visit. You cannot absolutely define that every person who has been to the Territory was due to *Share our Story*, but indications are that interstate holiday visitors for the year ending March 2009 were 300 000.

Mr TOLLNER: Overseas, do you have figures for that?

Ms TETLOW: Yes. International holiday visitors, year ending March 2009, was 289 000 visitors.

Dr BURNS: Which was a decrease of approximately 5% from the previous year which, given the global financial situation, while it is not a pleasing result, is still a solid result. I have said publicly, on a number of occasions, we have had incremental increases in tourism numbers over the past five years or so, and it has been patchy, but the overall trend has been up. If we can hold our numbers as much as we can during this current economic circumstance, we will be doing well. That is also the aim of the industry.

Mr TOLLNER: All right. In relation to things global, can you tell me the locations of Tourism NT posts around the world?

Dr BURNS: Yes, there is a range of posts. I was fortunate enough to meet them when they visited Darwin at a recent conference. From memory, there are locations in the United States, Japan, Singapore, Germany, the UK, Italy, France, and China, of course. You have met the Chinese representatives.

Mr TOLLNER: I was going to ask you about China, minister. Can you please explain what the arrangement is in China?

Dr BURNS: The contractual arrangement?

Mr TOLLNER: The contractual arrangements; what is set up and where?

Dr BURNS: I have not had the opportunity to visit our representative in China, as you have, member for Fong Lim. I have certainly ...

Mr TOLLNER: My understanding is the main office is in Beijing. Is that correct?

Dr BURNS: No, that is not so. Obviously, when dealing with China, one does have to deal with Beijing because that is where the political administrative centre is. I believe we both agree Shanghai is the market for the Territory. However, in negotiations with the Chinese government and things that need to happen, we need to keep an eye on Beijing as well. In our marketing, Shanghai is it; but in arrangements for that particular office, I will leave that to Ms Tetlow.

Ms TETLOW: Our trade representative is actually based in Shanghai. To the minister's point, we do some work in Beijing, primarily from a tourism point of view. We had quite a heavy relationship with CCTV, which is Chinese Television – obviously, government-owned ...

Mr TOLLNER: They are the biggest channel in the world, are they not?

Ms TETLOW: They are huge, yes, the Chinese-owned television. We have been fortunate enough to develop a documentary series last year, and we are in discussion and planning for another series with CCTV. That means, when we go to Beijing, we are meeting with those officials. That is our primary

activity when we are in Beijing. A lot of the travel trade is actually based in Shanghai, and that is why Joseph Sze, who is our trade representative, is based in Shanghai.

Mr TOLLNER: Could you explain the work hours of Joseph Sze?

Ms TETLOW: Joseph Sze is a contracted representative. I will have to get for you how many hours a week; he is not full-time.

Mr TOLLNER: I am aware of that.

Ms TETLOW: I have just been advised three days a week is the arrangement.

Mr TOLLNER: Three days a week. He is in Shanghai, a city of 25 million people, a big tourist market, and he is working three days a week.

Dr BURNS: I can respond to that, member for Fong Lim. Obviously, the Chinese market is an emerging market for the Northern Territory, and it has great potential. We will put resources in as required.

You are probably aware the Shanghai World Expo is on next year, and the Territory is a foundation partner in the Australian exhibit there. Seven million people go through that exhibit, and we will be heavily promoting it. There will be a big presence for that and we will ramp up our activity and reap the benefits of that world expo in tourism to the Northern Territory. I take your point. At this stage, it is very much in its fledgling stages.

I am not sure under which Tourism minister we put a representative? It was the former Chief Minister, Clare Martin. Also, there have been a number of visits to China and Shanghai, in particular, by ministers. The CCTV show which is going to air will excite more interest. They are also working through various newspaper publications to lift the profile of the Territory. With tourism, we are also ensuring the agents in China are well equipped and have the connections and know what the products are within the Northern Territory. I will let Ms Tetlow respond further.

Ms TETLOW: Thank you, minister. The other point to this is Joseph looks after the travel trade, which is only one component of how we generate business from a market like China, especially in this new and emerging era. For example, with CCTV, we are working with Soho.com which is an online travel agent. Much of our work is also pushing the consumer direct, because that is what consumers want; not just going through a travel agent or travel wholesaler. There is more than one component to that, and we are in the midst of contracting or tendering for a public relations agency over there.

Mr TOLLNER: I have a mile of questions on this, but I am aware of time, so, I might move onto another area. I do not know if you have seen today's *Northern Territory News* - the front page of the *Business Week* lift-out. I do not know whether you have seen that story, minister. I know you have been in here since early this morning; you might not have had a chance to glance at it. There is a story written by Nigel Adlam:

A filmmaker who is investing millions of dollars in an online tourism venture yesterday accused the Territory government of using taxpayers' money to set up in competition to him.

How do you respond to that, minister?

Dr BURNS: I did read that earlier this morning. One of the first functions every day for me is to read the *NT News*. Anyway, it is certainly an enjoyable read, and now I have the Business portfolio ...

Mr ELFERINK: Did you like last week then, did you?

Dr BURNS: It comes and goes, member for Port Darwin. I do, now with the Business portfolio, read Nigel Adlam's business section carefully. I did read that article, and saw what Mr Curl had to say. I saw minister Anderson responded well to Mr Curl's concerns. Mr Curl is very passionate about what he does and how he presents the Territory. He has approached me on a number of occasions and, I am sure, a number of people around this table. I took notice of what the minister said, and I thought it was an adequate response to Mr Curl's concerns. We are certainly not out to crush private enterprise; in fact, quite the opposite, we support private enterprise. I know when I had Tourism before, they have engaged Mr Curl at various stages and used some of his material in promotions of the Territory, particularly some of his still shots. I am not sure if Ms Tetlow has anything to add to that.

Ms TETLOW: The only point of clarification is the particular works referred to in that article do not relate to us, they are an NRETAS tender.

Madam DEPUTY CHAIR: Member for Fong Lim, we are on Output 1.1, Marketing.

Mr TOLLNER: What is your point?

Madam DEPUTY CHAIR: Just be aware we are straying, but that is fine, if you have another question. I am trying to keep the tabs on the agenda.

Mr TOLLNER: I have several more questions.

Dr BURNS: Come on, let us get on with it.

Madam DEPUTY CHAIR: Feel free to ask more questions.

Dr BURNS: I am ready, member for Fong Lim.

Mr TOLLNER: Of course, you are. Can you tell me how much the government so far has put into preparing its two tenders for the West MacDonnell's Online Visitor Centre?

Dr BURNS: Once again, I am advised that is an NRETAS tender, so you would be better to ask minister Anderson.

Mr TOLLNER: All right. How much money, including in-house employment, has Tourism NT put into assisting interstate and overseas film crews in the Territory, and how much in-kind support have they created for these crews? I have asked you a different question.

Dr BURNS: This is not just still films, this is moving films?

Mr TOLLNER: Yes. How much has Tourism NT contributed? How much in-house employment have they contributed?

Dr BURNS: We were speaking about *Australia* the movie before, and I am advised any funding or support they may have received for that movie came through Chief Minister's Department and not Tourism NT. You have drawn a blank in film crews and support by Tourism NT. The CEO does have a response.

Mr TOLLNER: I am asking how much money Tourism NT spends with interstate and overseas film crews to promote the Territory?

Dr BURNS: I can put it this way. Part of the routine of tourism is what they call 'famils' - familiarisation trips. Often you get a journalist and a photographer, who may be a still photographer. I am not sure if it was at the behest of Tourism NT, but there was a commercial television show the other week which showed the barramundi farm down the track. I was talking to the bloke who runs it at the markets on

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Sunday and he was so pleased at the publicity he got from that. There is a whole range of things that happen, but in support in dollar terms, I will defer to Ms Tetlow.

Ms TETLOW: Until May 2009, we spent \$722 519 on familiarisations. That does not include moving footage, that is also journalists, still photography ...

Dr BURNS: Travel agents?

Ms TETLOW: No, that is just on the media side. That included 138 familiarisation tours - 69 were domestic, 69 were international – which resulted in \$102m in estimated advertising value for the Territory - which was \$8.5m in domestic media, and \$93.5m in international media.

Dr BURNS: As you can see, member for Fong Lim, through an investment in the familiarisations we are able to leverage a great deal of exposure. I have been on international flights and seen articles about the Territory which are, obviously, due to familiarisations.

Mr TOLLNER: We are getting nowhere here. Gerry, marketing.

Mr WOOD: Yes, marketing. You may have answered this, but how many consultancies have been used in marketing? What were they for, and how many were with interstate companies?

Dr BURNS: I will table this document. According to this document, over \$142 000 has been allocated to consultants. The main company which has half the four consultancies is Access Economics, who do a lot of work and we get a lot of benefit from that. I will table it for the benefit of members.

Mr WOOD: Thank you, minister. My understanding is industry brochures for 2010 were completed earlier this year. Is that right?

Dr BURNS: I will have to defer to Ms Tetlow.

Ms TETLOW: Yes.

Mr WOOD: Is your agency now working on the 2011 year?

Ms TETLOW: Yes, as soon as one year is finished we then move on – this is more under a Territory Discoveries Output ...

Mr TOLLNER: Are we talking Territory Discoveries?

Ms TETLOW: ... but they start contracting with the operators, those suppliers that contract, so they can be put into brochures.

Mr WOOD: Minister, thank you very much for fulfilling your promise to remove those concrete signs all around Litchfield Shire ...

Dr BURNS: It took a while, Gerry.

Mr WOOD: It did. I remember you making a promise they would come down one day. It is like the Berlin Wall; it eventually came down.

Dr BURNS: Did you say hip hip hooray?

Mr WOOD: I did. I actually took some photos where they used to be. What campaign do you now have for the Litchfield area? Has the Outer Darwin concept gone away?

Dr BURNS: I defer to Ms Tetlow.

Ms TETLOW: Basically, Litchfield is incorporated as part of Darwin and Top End, depending on which audience we speak to. We incorporate Litchfield and its surrounds in Darwin because, when people go online or through other marketing methods, people want to know what is around the main gateway they enter - as far afield as Kakadu, for example.

Sorry, the second part of that question?

Mr WOOD: What have you replaced the Outer Darwin concept with?

Ms TETLOW: We do not use the term Outer Darwin. So, to your point in previous estimates, we talk about the specifics of attractions in the area.

Dr BURNS: And, of course, it is promoted by Tourism Top End which is funded by the government.

Mr WOOD: Do you know what happened to the signs, minister? I need a culvert. Who actually ordered them to come down?

Dr BURNS: I do not know. Maybe it is going to the Gobi Desert.

Mr WOOD: It could be. But you do not know who ordered them down? They were tourist signs.

Dr WOOD: I defer to Ms Tetlow.

Ms TETLOW: Yes, we decided after these conversations over years, that it was time. We asked for them to be taken down because they were no longer relevant and referred to – I think you made this point in previous years – old marketing materials. DPI did that as part of their regular works.

Mr WOOD: I am waiting for the phone call from Doug Bardon now; I believe Outer Darwin was his concept in the beginning.

In the rural area or rural parts of the Territory - the parts you do not always see in the brochures - how much effort do you put into promoting those off-the-track type places? I will give you a couple of examples: Davenport National Park and Gregory National Park - some of the off-the-beaten-track places. How much effort do you put into them?

Dr BURNS: That is a very important question, member for Nelson. Part of where we are headed with policy and strategy in Tourism NT is to see some joint developments in national parks with Indigenous interests; and those two areas you mentioned are some of my personal favourite areas.

Signature lodges and wilderness lodges are very popular features amongst the high end of the market. I believe there is a real opportunity for Indigenous people to benefit from that, and possibly go into partnership with commercial interests. It is early days yet, but Tourism NT is talking with Parks and Wildlife, as I call them, and I am speaking with the minister. I would like to see some developments get off the ground. So, watch this space.

Mr WOOD: All right. With the Katherine region - I always wonder whether it is the Katherine region - you have a highlight for 'delivered Stepping Stones Workshops to Indigenous groups in the Daly River area'. Having lived in the Daly River area, we never felt we were part of Katherine - perhaps Darwin - but that is the way tourism people look at it.

Dr BURNS: Tourism Top End has taken a much higher profile in the Katherine region. People in the

Katherine or Daly region have a view about where they belong. The meeting I attended in Katherine for Tourism Top End was a very warm meeting. Of course, Sylvia Wolfe is very well-known in that region. There is a lot of confidence in her and Tony Clementson to take some really big steps in marketing Katherine. There was a launch of 'Katherine, She's Gorgeous', when I was there. Katherine is gorgeous.

Mr WOOD: What were the Stepping Stones Workshops, which was really the question?

Dr BURNS: I do not know. I thought you were talking about physical stepping stones.

Mr WOOD: No. It is called the Stepping Stones Workshops to Indigenous groups in the Daly River area.

Dr BURNS: Ms Tetlow.

Ms TETLOW: It was done with the Indigenous community in the area to help them determine their level of interest in getting into the tourism business.

Mr WOOD: I used to actually run a small tourism operation at Daly River a few years ago. Has there been any move by the community since these workshops have occurred to move into the tourism industry?

Ms TETLOW: Apparently, my officer has said there are two outstations which have shown strong interest, but they are still working through what exactly they would like to do and what the requirement for them to do that would be.

Mr WOOD: Are you referring to something facing south, on the other side of the Daly? I believe there is potential for Daly itself, around Nauiyu. There is enormous potential. There are miles of history, because I used to take people on history tours. Then, if you add in Aboriginal cultural awareness you have a great mix there. Plus you have the fishing, of course. But I am no good at fishing; I belong to the barra eating association. I do not know whether there are options there for increasing Aboriginal involvement in tourism, because employment certainly is a problem in those areas

I do not have any more questions on that area.

Madam DEPUTY CHAIR: That concludes consideration of Output 1.1.

Output 1.2 – Destination Development

Madam DEPUTY CHAIR: The committee will now consider Output 1.2, Destination Development. Are there any questions?

Mr TOLLNER: I have a mile of questions on that but, since we only have 10 minutes, I wanted to ask specific questions on Territory Discoveries.

Dr BURNS: That is in this output area.

Madam DEPUTY CHAIR: No, it is not, it is the next one. Do you have any questions, member for Nelson?

Mr WOOD: I have, I will try to be as quick as I can. There was a decrease in funding for the aviation hub. Do you have any idea how much that will affect the tourism industry?

Dr BURNS: No, that was one-off funding for the aviation hub. That is actually part of another portfolio; it was in DBE.

Ms TETLOW: Can I ask for clarification of what you are looking at there?

Mr WOOD: I am just looking at a question written on my page here.

Dr BURNS: I believe it was actually part of DBE, and it was one-off funding as part of the aviation hub agreement.

Mr WOOD: Minister, does this agency lobby the Planning and Infrastructure Department on the benefits of capital funding to the tourism industry, and what has been the result of any lobbying?

Dr BURNS: Through the Cabinet process, tourism puts its views and, as minister, I put those views around the Cabinet table. So, at a level of executive government, we are certainly advocating any submissions which come before government and their impact on tourism. However, in specific links with Planning and Infrastructure, I will turn over to Ms Tetlow.

Ms TETLOW: Thank you, minister. We have been working with the Parks department in regard to their parks infrastructure package. They were successful in securing an additional \$8m in funding, which will help to improve some of the boardwalks, toilet blocks, fencing to protect parks from feral animals, improved access roads, and solar lighting, as well as other new infrastructure projects such as \$1.5m for the West MacDonnell's Visitor Centre, \$1m for redevelopment of Litchfield National Park, and \$1m for upgrade of utilities at Nitmiluk National Park.

We are quite active, in particular with parks, because parks are such an important part of our infrastructure for tourism.

Mr WOOD: Do you have private sector developers? I have a question here about 12 private sector developers helping influence tourism infrastructure development. Is there a group of private people out there who are giving you feedback on what infrastructure development is needed?

Ms TETLOW: Is that particularly around parks, or just generally?

Mr WOOD: No, just in general.

Ms TETLOW: My officer here actually liaises with private developers and assists to facilitate other types of development around the Territory. They are not all, obviously, in parks; some of them are in the middle of the city looking at hotel development, or whatever it might be. We are in constant contact with those people.

Mr WOOD: The estimate of 45% success in attracting business tourism events has not changed from 2007-08 to 2009-10. The footnote says this is travel undertaken for the purpose of attending or participating in a convention meeting, exhibition, or incentive. Why has this estimate not changed in four years given the numerous changes to the national and global situation? Could you also explain what the 45% actually means, or what it is of? It is on page 189 of Budget Paper No 3?

Dr BURNS: Ms Tetlow.

Ms TETLOW: The actual output relating to that is the success in attracting business tourism events, but also as it relates to the number of leads we get and how we convert those leads. In our annual report we estimated 45%, and the actual success in attracting those business events - which is business, tourism, meetings, conventions - is 61%.

Mr WOOD: What page are you on?

Ms TETLOW: That is in the annual report on page 36.

Mr WOOD: Is it possible the report matches the budget? I was trying to match the two together.

Ms TETLOW: This is an actual versus the estimates.

Mr WOOD: All right, I have it now. That is okay, thank you.

Madam DEPUTY CHAIR: This concludes the consideration about Output 1.2.

TERRITORY DISCOVERIES

Madam DEPUTY CHAIR: The committee will now proceed to Territory Discoveries.

Mr TOLLNER: Thank you. Minister, can you tell me how many people at Territory Discoveries are employed under the terms of the *Public Service Act*?

Dr BURNS: There is nil.

Mr TOLLNER: Nil?

Dr BURNS: That is my advice. Generally, all through Tourism NT there is an enterprise bargaining agreement which, generally, mirrors public service conditions. However, specifically in Territory Discoveries, people are on performance-based contracts. It is very interesting. As I have said to you before, maybe you could visit TD and have a look at the work they do in Alice Springs. Ms Tetlow might add to that?

Ms TETLOW: No, minister.

Mr TOLLNER: There is no one working for Territory Discoveries who can possibly be a member of NTGPASS?

Dr BURNS: I will let Ms Tetlow answer.

Ms TETLOW: Yes, we do have one officer who is a member of NTGPASS, but not employed under the *Public Sector Employment and Management Act*.

Mr TOLLNER: How did that person end up as a member of NTGPASS?

Ms TETLOW: He was transferred from a previous NT government agency, but is employed under our enterprise bargaining agreement.

Mr TOLLNER: When somebody leaves the public service and goes to a private company, they can no longer retain their NTGPASS. How is that possible?

Dr BURNS: That is probably a question best addressed to the Minister for Public Employment. I have prepared material for what I thought we would be discussing about Territory Discoveries and where it fits into the equation and the viral campaign, etcetera. I was not ...

Mr TOLLNER: I am trying to work out, minister, for your own illumination, what the cross-over is between Territory Discoveries and the Northern Territory government. I am aware Territory Discoveries quite often uses the Northern Territory government logo on job advertisements and the like. People could be forgiven for thinking they are applying for a government job, given the fact the government logo is on much of the advertising.

I am interested to find out what relationship there is between the Northern Territory government and

what, for all intents and purposes, should be a private business?

Dr BURNS: We have spoken about this in parliament, and it is a difficult issue. I know the arguments regarding why some people consider TD should be a private entity. The feedback I get from industry in the Northern Territory is they are very satisfied ...

Mr TOLLNER: Sorry, minister, I was not asking about that. I hear what industry is saying. It depends who you talk to. I am sure if you talked to Penny Tastula you would not get the same response as you do from a small bushwalking tourism operation. I am absolutely certain of it, but we will not go there at the moment.

Can you tell me how much of the \$30.754m Tourism NT uses for marketing is directed to marketing Territory Discoveries?

Dr BURNS: Yes, we have that answer, member for Fong Lim. Ms Tetlow.

Ms TETLOW: For marketing and promotion, as at the end of 31 May, we had spent \$1 367 253m on marketing and promotion.

Mr TOLLNER: When you say we?

Ms TETLOW: That is Territory Discoveries specifically; they have their own budget ...

Mr TOLLNER: Yes, but the question I asked was how much of the \$30.754m Tourism NT spends on marketing is used to promote Territory Discoveries?

Ms TETLOW: It is the same answer. The only variation to that would be where Tourism NT and Territory Discoveries go into a cooperative marketing arrangement; for example, travel/trade type activity.

Mr TOLLNER: I follow that, but Tourism NT will expend money on advertising and the like, quite often directing people to Territory Discoveries.

Ms TETLOW: Yes, in some instances. We have a service level agreement with Territory Discoveries where we advertise a phone number and the phone number is our call centre with our consultants answering it in Alice Springs.

Mr TOLLNER: That is right, yes. Wearing your Territory Discoveries hat, what other tourism wholesalers and retailers receive the same level of support from Tourism NT, to have their phone numbers marketed? What I am asking is what assistance do your competitors receive from Tourism NT?

Dr BURNS: Ms Tetlow.

Ms TETLOW: When we advertise our phone number, if it is general *Share our Story* advertisement, we highlight or include a phone number. There is also our website which is often the main call to action. However, some people like to telephone, and the service level agreement is so people can phone in and they are answered on that hotline, which is not highlighted as Territory Discoveries in the advertising. Often, they are answering things like sending out maps and so forth, and that is part of the service. That is what the service level ...

Mr TOLLNER: And they will be directed to Territory Discoveries to answer those questions?

Dr BURNS: The main point here, member for Fong Lim, is the tourism industry in the Northern Territory has some larger players, but it also has smaller players. I believe the intention ...

Mr TOLLNER: I am aware of that, minister, I am aware of that.

Dr BURNS: No, this is relevant, please let me continue - and I will be brief. Basically, it is a balancing act. Government, to some degree through Tourism NT, in the most transparent way we can, gives support to Territory Discoveries so it can support those smaller operators. We know some people and interests would want to privatise Territory Discoveries, and some equivalents have been privatised interstate. Those commercial interests pick the eyes out of it and leave the smaller operators to languish. We are not going to do that, if that is where you are going, we are not going to go ...

Mr TOLLNER: No, I am not. I am going to ask one more question.

Madam CHAIR: Member for Fong Lim, it is 1 pm, you cannot ask any more questions.

Mr Elferink: You can ask the question, but you will not get an answer.

Mr TOLLNER: How many people turned up for the Tell 20 campaign?

Madam DEPUTY CHAIR: This section now concludes, member for Fong Lim. On behalf of the committee, I thank the minister and officers from Tourism NT who have provided advice for the minister today. This committee will recommence at 1.30 pm.

Dr BURNS: I thank all officers who have been here today, and all members of the committee for what I have just experienced - a lively estimates.

Mr ELFERINK: Before you go, that Data Services material in relation to accessing websites, has that become available? Remember? You promised during the Data Services, about accessing particular types of websites?

Dr BURNS: That will involve other agencies, so that agency has to talk to all the other agencies. Anyway, I will get it when I can.

Mr ELFERINK: So, it is not available yet?

The committee suspended.

Mr VATSKALIS: Thank you, Mr Chairman. Allow me to make a brief statement in relation to my responsibilities as Minister for Health and Minister for Alcohol Policy. With me, I have Dr David Ashbridge, the Chief Executive Officer of the Department of Health and Families; Ms Jenny Cleary, Executive Director of Health Services; Dr Barbara Paterson, Chief Health Officer and Executive Director of Health Protection Division; Mr Peter Beirne, Acting Executive Director of Acute Care Services; Dr Len Notaras, General Manager, Royal Darwin Hospital; and Vicki Taylor, General Manager of Alice Springs Hospital. As we progress, I will introduce other people who may be required for individual output areas.

As Health Minister, I am very pleased to state this government is committed to Health and Families. This commitment is demonstrated by the record budget we have this year which is in excess of \$1bn.

I will be taking questions for the general outputs and whole-of-agency outputs for the Department of Health and Families, as well as the output areas of Acute Care, Admitted and Non-admitted Patients, Community Health Services and Public Health Services, Environmental Health Services, Disease Control, Alcohol and Other Drugs, and Health Research.

In relation to the role of Minister for Alcohol Policy, my responsibilities cross two agencies. Questions related to Alcohol Treatment Services, rehabilitation and other measures fall within the Alcohol and

Other Drugs Output Group in the Department of Health and Families.

Within the Department of Justice, I have responsibility for the Output Group Licensing, Regulation and Alcohol Strategy, which manages and monitors Northern Territory regulatory regimes, including alcohol. Questions related to alcohol management planning can be put during this output group. I am happy to take questions related to government strategic approach to alcohol in either portfolio areas. However, questions relating to output specific issues should be put during consideration of the relevant output, and under the relevant portfolio.

My colleague, minister McCarthy, will be taking questions tomorrow of the outputs relating to the division of Northern Territory Families and Children, as well as the output areas of Mental Health and Aged and Disability Services.

2009 has been a year of significant achievements, including the opening of the Palmerston after-hours service, further commitment to Northern Territory hospitals with additional beds, enhancement of the Patient Assisted Travel Scheme, and increasing renal dialysis services. In 2009-10, further investment in health include additional resources to address dental waiting lists, and expansion of the Palmerston after-hours services, additional resources to accelerate the implementation of e-Health in the Northern Territory, and the opening of the Radiation Oncology Unit. All these investments are on top of this government's substantial increase in the funding for health services for Territorians over the last eight years.

I am happy to answer any question from the committee relating to my responsibilities as the Minister for Health.

Mr CHAIRMAN: Are there any questions relating to the opening statement?
Agency Specific (Whole-of-Government Related Questions)

Mr CHAIRMAN: I now call on questions relating to Agency Specific Whole-of-Government Related questions.

Mr CONLAN: Mr Chair, I seek clarification. Maternity services, what output group would that fall under, minister?

Mr VATSKALIS: Dr David Ashbridge.

Dr ASHBRIDGE: Dr David Ashbridge, Chief Executive, Department of Health and Families. There are aspects of maternity being covered under the Acute Care sector, and there are also aspects of maternity services being covered under the Community Health area as well.

Mr CONLAN: Breast screening?

Dr ASHBRIDGE: Breast screening would be covered under the Community Health output.

Mr CONLAN: We have some generic questions ...

Mr WOOD: Can I ask what palliative care comes under?

Dr ASHBRIDGE: Palliative care comes under the Acute Care sector.

Mr CHAIRMAN: Member for Greentree.

Mr CONLAN: Mr Chair, thank you. We have some generic questions which we have been asking throughout the course of Estimates, so we will continue these with Health.

Carbon emissions: minister, how much are they producing in kilowatt hours or tonnes of CO₂?

Mr VATSKALIS: As you know, our hospital is an energy hungry establishment, and our carbon footprint is quite large. The Department of Health and Families was responsible for 44% of the Northern Territory government building energy use, contributes 38% of the Northern Territory government greenhouse gas emissions, totalling 47.3 kilotonnes of CO₂ which represents a 4.3% increase in emissions since 2004-05.

Mr ELFERINK: 47 000 tonnes?

Mr VATSKALIS: 47.3 kilotonnes. The hospital accounts for 88% of the Department of Health and Families building energy use, and 33% of the total emissions. As I said, it is energy hungry because of its nature and it produces a great deal of CO₂ emissions. On the other hand, the Gove District Hospital had a 14% reduction, the Royal Darwin Hospital had a 2.5% increase, the Alice Springs Hospital a 7.7% increase, the Katherine Hospital an 11% increase, and Tennant Creek Hospital had a 27% increase in its emissions.

Mr CONLAN: I accept they are energy hungry facilities, but we are seeing a small increase in Alice Springs, as well. What strategies are in place to reduce some of those emissions, and what time frame have you set for that?

Mr VATSKALIS: We are trying to meet our efficiencies. The program for us to reduce emissions is overseen by the Department of Planning and Infrastructure, with the assistance of a dedicated steering and working group, with membership from (inaudible) agency, and also the Department of the Chief Minister.

At Royal Darwin Hospital, two new ultra-high efficiency magnetic bearing chillers are currently being commissioned. Funding application has been submitted for \$309 000 for lighting energy efficiency upgrade, which will save 10% to 14% of the lighting energy in the five Royal Darwin Hospital buildings. Other funding applications are currently under development to find ways to reduce our emissions and to reduce our consumption of energy.

In Alice Springs Hospital, an energy audit and co-generation scoping study are under way; the findings will be delivered and implemented as quickly as possible from August 2009. Other energy saving opportunities will be progressively prioritised and pursued in 2009-10.

Mr CONLAN: Utilities, minister, the effect on the bottom line for Health with water, sewerage and electricity over the next 12 months. What is your forward estimate there?

Mr VATSKALIS: As I said before, hospitals are energy hungry and they consume a lot of electricity. The projected increase in the Department of Health and Families electricity expenditure in 2009-10 compared to 2008-09 is \$900 000. This estimate is based on average of 5.8% tariff increase for Royal Darwin Hospital, Alice Springs Hospital and Katherine Hospital. Because these sites are trans 1 to 3 contestable customers, it is considered they already pay cost reflective tariffs. However, an increase of 18% for the remainder of the Department of Health and Families sites in accordance with the earlier announced tariff increases, are a result of the findings of the Reeves Report. Electricity in all hospitals projected increase in 2009-10 compared to 2008-09 is \$400 000. Water will have \$130 000 increase, and sewerage will have \$65 000 increase.

Mr CONLAN: Minister, with staffing, the number of graduates and apprentices who have started with the department in 2007, 2008 and 2009.

Mr VATSKALIS: It is a good story. I am pleased to say the department gives opportunities to young Territorians to have an apprenticeship, or a job, or a cadetship, and the good thing is people who train in the Territory stay in the Territory. In 2007-2009, the department recruited a total of 51 new

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

apprenticeships of whom 29 are still employed with the department; of the 29 apprentices, 12 remain under the Aboriginal Health Workers Apprenticeship Program; two are employed by other government agencies, and there have been a total of 90 separations during the period 2007-2009.

During the same period we had a total of 13 cadets. Of these, one cadet has resigned and another has been terminated. In 2007, we had one cadet in nursing; in 2008, we had six cadets in nursing, social work and applied science; and in 2009, we had six cadets in nursing, physiotherapy, social work, psychological science, psychology, criminology and physiology. The department currently has 15 cadets.

Mr CONLAN: I think you may have answered this: how many of those graduates and apprentices are still with the original department?

Mr VATSKALIS: I said to you before: we have 13 cadets, two of them have left; one was terminated and one has resigned.

Mr CONLAN: Of the whole lot, how many are still with the Northern Territory government?

Mr VATSKALIS: There are approximately 11.

Mr CONLAN: Moving on to some of the discipline matters, minister; the number of reports of improper use of computers in the Health department?

Mr VATSKALIS: There was only one, and that was storage of personal files of a contractor onto a computer, and it has been rectified now.

Mr CONLAN: What action was taken?

Mr VATSKALIS: The department spoke to the contractor's employing organisation who took disciplinary action against the contractor.

Mr CONLAN: What was stored on the files?

Mr VATSKALIS: Personal files. I am not aware what kind of personal files.

Mr CONLAN: Obviously, improper personal files?

Mr VATSKALIS: It is supposed to be used for work purposes; could be music, could be photographs, could be documents, but I am not aware what kind of files they were.

Mr CONLAN: How many credit cards have been issued to Health department staff?

Mr VATSKALIS: At 16 June 2009, the department had 248 credit cards in circulation across the agency.

Mr CONLAN: How many of those transactions were for personal items?

Mr VATSKALIS: None, zero. The department has guidelines: credit cards limit to zero dollars when transactions are not fully verified within six weeks; so people would be very unlikely to use credit cards for personal use - the department will not tolerate that - but we have none.

Mr CONLAN: On to public events now, minister. Can you list the public events and conferences, or public forums which were sponsored by the Health department in the 2008-09 financial year, and what is projected for the next year?

Mr VATSKALIS: Public events for 2008-09 were the Aboriginal Health Workers Excellence Award; the Lung Foundation health activities; the Mental Health Awards; 'No Germs for Me' Hand Washing Campaign; the Northern Territory show circuit; the Northern Territory Young Achiever Awards; Nursing and Midwifery Awards; the Pedometer Challenge; the pertussis program, that is whooping cough; 'Take a Close Look at Your Feet Everyday'; women's health kits, and Cattlemen's Association.

Public events projected for 2009-10 are the Aboriginal Health Workers Excellence Award; the Mental Health Awards; the Northern Territory show circuit; the Northern Territory Young Achiever Awards; Nursing and Midwifery Awards; and the Pedometer Challenge.

Conferences in 2008-09: the Centre for Disease Control Conference; the Chronic Disease Network Conference; the General Practice Network Conference; the Hospital Falls Prevention Network Conference; the Industrial Health Officers meeting; and the National Aboriginal and Torres Strait Islanders Environmental Health Conference.

Projected events for 2009-10 include Alcohol and Drugs Conference; Centre for Disease Control Conference; and the Oceania Conference for Tobacco Control.

Public forums in 2008-09: the National Registration Accreditation Scheme Forum; and none are projected for 2009-10.

Mr CONLAN: On to advertising, minister, still part of the generics. How does the department define advertising?

Mr VATSKALIS: Within the advertising standard classification, advertising can be defined as the promotion of the Northern Territory government and department initiatives for the broadcast media, television and radio, the print media, (inaudible) signage and online advertising; the majority of which is spent on recruitment advertising.

Mr CONLAN: What is your budget for advertising?

Mr VATSKALIS: \$2.5m.

Mr CONLAN: \$2.5m?

Mr VATSKALIS: Yes.

Mr CONLAN: What was the budget for advertising in the 2008-09 reporting year, and could you break down each area of advertising; that is in the specific medium.

Mr VATSKALIS: The department does not allocate a budget down to this level of specification, consultants are under Index 7, CPI Communications Public Relations, however, advertising breakdown: newspaper design - \$4153; print - \$2 143 145; colour - \$84 842; black and white - \$2m approximately. In radio, we spent approximately \$53 000; in television - \$66 000; magazine and journals, online design - approximately \$12 500; and outdoor banners - \$8995, which brings the total to \$2 288 459.

Mr CONLAN: And the year to date, what is the expenditure on advertising up to this point of the year?

Mr VATSKALIS: That was the number I gave you.

Mr CONLAN: \$2.5m?

Mr VATSKALIS: \$2 288 459.

Mr CONLAN: Can you specify some of the advertising campaigns undertaken by the department in 2008-09?

Mr VATSKALIS: Yes. We have had a number of off campaigns. Some are in English; some are translated, depending on the type and the target. For example, with swine flu we had information translated into Indonesian, Cantonese and Thai for the Arafura Games; the written material was internal and the artwork was done with MCC. We had cervical cancer awareness; we did the written material, MCC did the artwork. Child oral health, Chlamydia campaign, Energy Management, 'Finito Mosquito', the flu vaccine, 'No Germs on Me', the Palmerston Super Clinic, including urgent care after hours service, whooping cough campaigns, and a number of other campaigns.

Mr CONLAN: You mentioned some of those were translated into other languages for the Arafura Games. Which ones were translated into other languages?

Mr VATSKALIS: The swine flu. The Arafura Games happened at the time we had the outbreak of swine flu in Australia. We provided this information to the athletes and officials, and visitors who came from other countries and other states.

Mr CONLAN: Of the Territory campaigns, how many of those were translated into local dialects?

Mr VATSKALIS: The dental clinic in Tennant Creek, and the Pine Gap Foster Care.

Mr CONLAN: For each of these campaigns, who was contracted to write the material for print, video or audio?

Mr VATSKALIS: Most of the material was done internally, apart from 'Finito Mosquito' which was done by CPR; Nursing Midwives - PA; Palmerston Super Clinic - CPR; and working with children - Adzu. The artwork was done by consulting companies which have expertise in this kind of work. For example: the Chlamydia campaign - Simon Says TV; 'Finito Mosquito' - Media Easy; No Germs on Me - Adzu; Nursing Midwives - MCC.

Mr CONLAN: With the artwork for print for each campaign, similar contracts were they, or who was contracted to do those?

Mr VATSKALIS: ... people do the artwork for printing.

Mr CONLAN: Who has the printing contract for these campaigns, minister?

Dr ASHBRIDGE: As the minister mentioned, there are approximately 40 of these advertising campaigns; a selection of them were listed. The vast majority, and the odds are 33 out of 40, were carried out internally, which is what MCC relates to; the artwork and design carried out for all the ones with MCC were done in-house.

Mr CONLAN: What current plans are in place for television advertising?

Mr VATSKALIS: We have some planned for television - 'Did You Wash Your Hands?' a hand washing campaign, a 30 second spot which goes Northern Territory-wide. There are TV commercials: 95 appearances between 21 June and 12 July 2009 on Channel 9; and 194 appearances on Channel 7 Darwin and Central Region.

Mr CONLAN: Minister, you mentioned swine flu before. Can I ask you how many cases of swine flu there are currently in the Northern Territory?

Mr VATSKALIS: As of an hour ago, there are 25 cases confirmed in the Territory.

Mr CONLAN: Are those cases being made public?

Mr VATSKALIS: We do not advertise the name and address of the person, nor small communities, however, we publicise if it is the Darwin region, if it is the northern region, or if it is the central region.

Mr CONLAN: How are they published? Is it through the newspaper?

Mr VATSKALIS: It is publicised through the department's press releases and the department's webpage. We do not keep it secret. When people ask we will provide this information freely.

Dr ASHBRIDGE: The update on the website of the number of cases of swine flu in the Northern Territory is updated twice daily at 10 am and 5 pm.

Mr CONLAN: That is the websites and media releases; are they the only outlets for making the cases public?

Mr VATSKALIS: And through the media to the public. Whenever the media contact the CDC Director, Dr Vicki Krause, she freely provides information.

Mr CONLAN: Is there some follow-up to check if the media is actually publishing these? If they see a media release they might not necessarily run with the story.

Mr VATSKALIS: In the past few days, I have not seen the *NT News* missing any of this information; it is published widely. However, the CEO can answer that one.

Dr ASHBRIDGE: It is appropriate to talk about the comprehensive nature of the information which is provided to the community.

First of all, when there are individuals who are involved, and contacts, clearly there is intensive communication about the impact and how people need to behave and what treatment and precautions need to be taken at a personal level. Second, we have moved, particularly in the remote areas, to have community consultation about the impact and consequences of swine flu. As much as possible, they have also been translated into language and delivered either by print or by verbal message. Third, as the minister pointed out, we advise the update regarding the number of swine flu via the website, but we also put media releases out for each individual case to date. I suspect, as the numbers grow, that will become a less meaningful exercise. At this point in time, we are continuing to update the public twice daily.

Mr CONLAN: Minister, is the advertising material approved by you, or the Chief Executive?

Mr VATSKALIS: The advertising material is approved by delegated officers. It is not approved by the minister's office or the minister himself. Much of this material relates to health issues, and I am neither a doctor nor a person with expertise in many areas the department covers. So I do not think it is appropriate for the minister, either for political reasons or even scientific reasons, to approve the material. All approvals are done by delegated officers and by department officers.

Mr CONLAN: What about promotion? Promoting government initiatives with health? Do you oversee any of that, or do you have any say in how the government's message is getting out there when it comes to promotion?

Mr VATSKALIS: For example, an increase in cervical cancer awareness does not come from the minister; that is, clearly, a departmental function. Yes, it is a government initiative, but the department develops the campaign and the departmental officer will approve this campaign.

Mr CONLAN: That is the scientific side of things, but what about things such as e-Health or NT Health Direct, that sort of promotion? Do you have any say in that at all?

Mr VATSKALIS: e-Health is a government initiative, but still is a departmental function. So, all this promotion will come from the department rather than from the minister.

Mr CONLAN: So, it does not come from you or the CEO. Who then?

Mr VATSKALIS: There are delegated officers within the department and the CEO can explain more about it. It certainly does not come from the minister's office.

Dr ASHBRIDGE: Let me reaffirm what the minister just said about the delegation regarding various campaigns. As the Chief Executive, I am informed of the major advertising campaigns. However, given the breadth and depth of the organisation of the Department of Health and Families, many campaigns and the information is approved by the delegated officer. I am made aware of major campaigns, which are of significance. Given the nature and the amount of information provided to the public, that is approved by the relevant delegated officer.

Mr CONLAN: How many people are in the communications department?

Dr ASHBRIDGE: It is important to note the number of staff referred to here is in the unit of Media and Corporate Communications which covers a range of functions which need to be carried out. In the media area, we have a Director, a Media Manager, a Media and Communications Officer in Alice Springs, and a Media Liaison Officer. Their levels are ECO1, AO8, AO6, and AO4.

In Corporate Communications, we have a Marketing Communications Manager at AO8; a Senior Communications Officer for the Northern Territory Families and Children's Division at AO6; a Senior Communications Officer, at AO5; a Communications Officer in Northern Territory Families and Children at AO4; a Communications Officer at AO4; a Web Manager at AO6; a Multimedia Assistant at AO4; a Senior Graphic Designer at AO5; a Publishing and Advertising Officer at AO4, and an Administration Support Officer at AO3. These are the staff I mentioned previously in Corporate Communications who are responsible for 33 out of the 40 campaigns and their design, and it is how we have been able to achieve a cost-effective production of information to the public in the Northern Territory.

Mr CONLAN: Would you be happy to table that list, minister, or provide a list at some point in time?

Dr ASHBRIDGE: Yes.

Mr CHAIRMAN: Member for Nelson? That concludes questions on this issue.

I know Output Group 1.0, NT Families and Children, will be addressed by minister McCarthy on Thursday 18 June, which means we now will be proceeding to Output Group 2.0, Output 2.1 ...

Mr CONLAN: No, I still have some more nonspecific questions. Those were my generics, the standard generics questions.

Mr CHAIRMAN: No worries.

Mr CONLAN: Minister, what proportion of the Department of Health and Families education and training activities have been carried out in-house, and what proportion are contracted out?

Mr VATSKALIS: We will take that on notice and we can bring it.

Question on Notice 5.1

Mr CHAIRMAN: For *Hansard* would you mind repeating that question?

Mr CONLAN: What proportion of Department of Health and Families education and training activities are carried out in-house, and what proportion are carried outside?

Mr CHAIRMAN: That is question No 5.1 for *Hansard*.

Mr CONLAN: What education and training activities were contracted out, and who were they contracted to?

Dr ASHBRIDGE: I seek some clarification. Many of our awards have professional training allowances which are allocated to individuals: doctors, nurses, and other professions. The expectation is they will be undertaking professional development which is relevant to their own career. That would largely be done through arrangements they have made themselves, usually in the private sector. Do you want that included in your response?

Mr CONLAN: Yes, please.

Dr ASHBRIDGE: Okay.

Mr CONLAN: On notice is it?

Dr ASHBRIDGE: Yes

Question on Notice 5.2

Mr CHAIRMAN: Just repeat that second question.

Mr CONLAN: What education and training activities were contracted out, and who were they contracted out to?

Mr CHAIRMAN: That is question No 5.2 for *Hansard*.

Mr CONLAN: Minister, when tendering for goods and services do you specify particular brands for the Department of Health?

Mr VATSKALIS: My understanding is there are certain items we need which can only be supplied by certain suppliers, especially scientific equipment. I will ask Dr Ashbridge to respond to that.

Dr ASHBRIDGE: On occasions we do go with specific brands, the reason for that being we have maintenance contracts and we have continuity of service and, if you have six ventilators in a nursery, then you would want to continue with that supplier if one of those went down. There are occasions, for consistency, safety and quality of Territorians that we would choose to go to a defined provider, rather than have a range of different technologies in a workplace which require different training and different maintenance schedules. But that is not the norm; the vast majority of our contracts would go out under specifications rather than designated brand names.

Mr CONLAN: Can you highlight, minister, perhaps through your CEO, which particular brands, some of the staple ones you stick with for the safety of Territorians?

Dr ASHBRIDGE: I do not have that list but it would include such companies as Toshiba which does our X-ray work; I cannot remember the name of the company which does our ventilators. It is often in the realm of clinical equipment that we move into the area where we want consistency of equipment. I am unable to provide that list to you, but I can give you the principle which defines when we go down that route. It is largely limited to those areas where clinical practice and safety and quality are deemed to be important factors in the decision making.

Mr CONLAN: Is there any chance of getting hold of that list?

Dr ASHBRIDGE: These arrangements, as I said, are not common. They relate to the clinical area and they are in the area of certificate of exemptions which we can talk about. The details of the names of the companies we do not have with us, but we can provide them for you subsequently.

Mr CONLAN: Thank you. Minister, I want to touch on some health funding. When was the last demographic study done for the Northern Territory population?

Dr ASHBRIDGE: I need some clarification on the question. Is this relating solely to the Health portfolio or the population? I am not quite sure because it is not broadly within our remit to undertake demographic studies of the Northern Territory. We do keep some information and we contribute to those things, but the responsibility for demographic studies does not rest within this agency.

Mr CONLAN: That is very surprising, Dr Ashbridge. Through you, minister, how do you undertake determination of future health care needs if you do not understand the demographic breakup of the Northern Territory?

Dr ASHBRIDGE: Let me just take a slight bit of exception, because the point is not that we do not use them, the question was: do we do them? We absolutely use them. The question was do we do them, and we do not take responsibility for doing them; we take absolute responsibility for using them.

Mr CONLAN: Okay, so the answer to that question is, no, you have not undertaken a demographic ...

Mr VATSKALIS: No, that is not what he said. Let us not forget there is much information about the population provided by the Australian Bureau of Statistics. We rely a great deal on the information we obtain from the Australian Bureau of Statistics, for our own purposes. For our own purposes we use registers like the Cancer Register and others, which we use for our clinical purposes. The reality is for the Department of Health to actually do a demographic study is outside our mandate. We rely very much on the centralised, federal Bureau of Statistics which provides accurate information for every five year period, and we make decisions on the best information we receive from the federal bureau.

Mr CONLAN: The ABS, minister, is essentially just a snapshot of the status quo. It does not provide many forward projections of population.

Mr VATSKALIS: That is true. However ...

Mr CONLAN: My point then: how do you plan for further health needs if you do not have a clear idea of where the population is going and where particular population groups are based?

Mr VATSKALIS: That is true, it provides a snapshot, let us say, of the population in Australia in 2005. At the same time, it provides adequate information for people to actually use it, and statisticians to use it, to provide information for future populations based on the information from the Bureau of Statistics. I will leave my CEO to expand on that.

Dr ASHBRIDGE: The minister is absolutely correct. We have perhaps the most high calibre health policy, health profile unit, which I would hold up against any in Australia in terms of its calibre. We have presented information based on other people's demographic work and overlaid on that health profiles and made determinations about what the future health profile of the Northern Territory may look like, and what that translates to in terms of needs.

In terms of portfolio areas, questions in this area would be related to the Health Protection portfolio of the Director of Health Gains Planning. We have a unit called Health Gains Planning which reports to the Chief Health Officer and that is where inputs of demography from other sources, as well as internal health information, are fed into, analysed and used for health planning purposes across the Territory.

Rather than say we are not users of information and demography, we are actually high end users of it. My response related to the responsibility of collecting one component of that, the demographic component.

Mr CONLAN: So, again, minister, the question is: how do you undertake the determination of future health care needs, particularly hospital funding ...

Mr VATSKALIS: By utilising information provided by the authorities. I have the responsibility to get this information, like the Australia Bureau of Statistics, and analyse information provided by the Bureau of Statistics so the government can actually program future activities and future programs.

Mr CONLAN: Well, as we say it, the ABS is essentially a current snapshot, what basis of future funding ...

Mr VATSKALIS: Yes, we can say that, but let us go back. If you look at the population curves, and you find that in 2001 there is an increase in an age group of, say, ages 9, 10, 14, 15-years-old, then you know five years later, or 10 years later, you are going to have an increase in birth rates, because this population which is now 10, 12, 13, 14 will be mature enough to have babies. That is a typical analysis undertaken by every department anywhere in the world where there is a centralised collection bureau. The information is then analysed by experts who predict what will happen in the future with the department.

Mr CONLAN: What is the basis of future funding, infrastructure and investment, and primary health care allocations if you are unclear of what is going to happen to the population?

Mr VATSKALIS: We are not unclear; when we find out the Australia population is aging ...

Mr CONLAN: Based on the ABS.

Mr VATSKALIS: Based on the ABS, then you realise in the next 10, 20 years there will be increased demand for services specifically targeting aged persons: hip replacements, nursing homes, these types of functions, and this is where the department analyses information to provide services in the future.

Dr ASHBRIDGE: We are actually key users of information, and we plan for services quite seriously. We have regular meetings about the future, not just about the one year business planning cycle, or two or three years, but thinking out five, 10 15 years. We do use the ABS information.

It is also true the ABS do make projections, because I sit on and chair the National Aboriginal and Torres Strait Islander Health Data Force for Australia, and there are projections made by the ABS; they calculate on fertility rates of 0.3 or 0.6 per year in growth, etcetera, so we are able to take advantage of that information. We then overlay that with our morbidity patterns and make assumptions about how that translates into health needs of the future. So the blunt answer is, we are high end users of information, but we are not the collectors of it.

Mr CONLAN: No, obviously. You rely on the ABS information, and while they do make projections into the future, they are very limited, the ABS figures. As I say, the focus of the ABS is the status quo.

What about the movements and growth of Indigenous populations, minister?

Dr ASHBRIDGE: I am pleased to inform the member that the Northern Territory has the best identification of Aboriginal people across Australia. We are renowned as a jurisdiction for identification, and every other state in Australia looks to the Northern Territory as to how they can improve their data collection. Second to us would be Western Australia and Queensland. The other jurisdictions are unable to give significant identification rates for their prediction of Aboriginal population and usage of services by Aboriginal people, compared to the Northern Territory. Our data collection at birth, death, at entry points into hospital and through our various health services means we have an identification rate which is very high. As a result, we have information which is of the highest calibre across Australia. It is reinforced by the fact we are the number one jurisdiction in terms of e-Health and utilisation of e-Health in Australia.

I am pleased to inform we have 30 000 people, remote Aboriginal people, who have enrolled on the shared electronic health record, where they have a unique identifier, so movements of Aboriginal people in remote areas is increasingly improving; it is already of a high order, and is increasingly improving with a combination of high levels of identification and being early adapters of e-Health technology.

Mr CONLAN: All right. Minister, can you tell us about Hardison and Associates. Why have you contracted Hardison and Associates? What is their role?

Dr ASHBRIDGE: I might ask if the Acting Executive Director, Acute Care, Mr Peter Beirne, to answer that question.

Mr BEIRNE: Hardison and Associates have been contracted to do some modelling of our current usage of services. They undertake this work across a number of other jurisdictions, and have done for a number of years. They are actually looking at not so much the demand, but our use of services. They are able to compare that to interstate usage as well.

Mr CONLAN: They are being contracted to look at the usage of hospitals?

Mr BEIRNE: That is correct.

Mr CONLAN: Who is using, and what particular demographics are using the health facilities? Is that right?

Dr ASHBRIDGE: This is part of our overall mission to improve evidence of our provision of services. We look at where services are being provided and how we can improve them; to do that we need to have a sense of who is using our services and how we can improve it. This is information to improve current service delivery.

Mr CONLAN: So you are gathering data and information for particular population and demographics across the Northern Territory, so you could focus services into those areas?

Dr ASHBRIDGE: Minister?

Mr VATSKALIS: Yes.

Dr ASHBRIDGE: I will just reiterate the question was about a single demographic study. I did make the point that we make significant contributions to demographic studies, and this is an example of one

of our contributions.

Mr CONLAN: Yes. You also said you do not gather data, you use it. So, essentially, Hardison and Associates are contracted by the Northern Territory government to provide some data?

Mr VATSKALIS: The function the consultants are performing can hardly be described as a demographic study. What they are actually doing is trying to find out who is using our services, and how much they use the services.

Dr ASHBRIDGE: I want to point out the difference between service utilisation data and demographic data. Service utilisation, we clearly have access to much of that information through our hospitals, our remote area clinics etcetera. That is information which has been brought into being as a result of interactions with our health service. It clearly does not look at people who do not use our health services, and a demographic picture is much broader than a service utilisation picture.

Mr CONLAN: Minister, when was the last demand and supply modelling tool for Acute Care Services commissioned?

Mr CHAIRMAN: Minister, while there is a break, can I please ask a question? There is nothing wrong with the questions, but we are currently in the Agency Specific (Whole-of-Government Related Questions); would these be better directed to the Acute Services output, which we are coming to soon? If that is the case, I suggest we finish off the whole-of-government questions and move into the Acute Services output.

Mr CONLAN: Mr Chairman, I will take your guidance on that, if you like ...

Mr CHAIRMAN: I am just clarifying.

Mr CONLAN: I will ask the question anyway.

Mr ELFERINK: In that case, I have just one very quick one. Thank you very much for tabling that document. The last time I saw a document like this it had a cost of the unit attached to it - I am talking about the communications unit. Do you have a breakdown for the cost of the communications unit? Just an employee and a program budget; so you will have an employee's expenses line. If you have an operating statement or something like that, it will be useful.

Dr ASHBRIDGE: We are happy to provide that information. From the top of my head, the personnel budget is around \$985 000.

Mr ELFERINK: No, that is fine. But there is also a component of what they produce, so your cost of staff, cost of material produced - if we can have those numbers, I would be obliged to you, Dr Ashbridge.

A little footnote for your convenience, Dr Ashbridge - perhaps just your name now - I notice you go through the title each time. Just saves you the angst.

Dr ASHBRIDGE: Thank you.

Mr ELFERINK: It is a convenience thing. I just notice it is a race call thing you have been forced to do.

Dr ASHBRIDGE: I enjoy the races, so I do take a interest in having a full ...

Mr ELFERINK: Oh, there you go. I am trying to be of assistance to you.

Question on Notice 5.3

Mr CHAIRMAN: For the purposes of *Hansard*, member for Port Darwin, if you could repeat that question about the cost of the unit.

Mr ELFERINK: Could the minister please provide the cost of running the Communications Unit, broken down by cost of staff and cost of material produced?

Mr VATSKALIS: I am happy to take that question on notice.

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate that question No 5.3.

Mr CONLAN: Mr Chairman, what are we doing? All further questions relating to funding, will they come under Hospital Funding, or are we putting it somewhere else?

Mr CHAIRMAN: You were asking questions the minister indicated were to the Acute Services Unit, and I was suggesting those questions should come under the Acute Services output. If you have other whole-of-government questions, you are welcome to ask them.

Mr CONLAN: Yes, maybe they might follow on. Essentially, that last question, which has been now bumped to another thing, was: when was the last demand and supply modelling tool for Acute Care Services commissioned?

Mr VATSKALIS: We will get to that under Acute Services.

Mr CONLAN: All right. This may be under a similar thing, it is about funding for Territory hospitals, so that perhaps might be under Acute Care as well, but I will ask the question and seek guidance. Is it the case the funding for Territory hospitals is essentially done as follows: last year's funding, plus new initiatives, plus inflation, less savings or efficiencies? And how is this linked to health outcomes? Essentially, what is the model for funding Territory hospitals?

Dr ASHBRIDGE: In terms of the funding for Territory hospitals, I presume we have moved into the Output Group ...

Mr CHAIRMAN: No, we have not yet. We will take your advice. At the moment we are at Agency Specific (Whole-of-Government Related Questions). We will take advice on that question. If you think it should belong to a different output, we will move on.

Dr ASHBRIDGE: Can I suggest it will be better asked in Output 2.1?

Mr VATSKALIS: Acute Care.

Mr CONLAN: All right. We will move to hospital reports then, minister.

Mr CHAIRMAN: Hospital reports – will that be under 2.1 as well?

Dr ASHBRIDGE: Yes.

Mr CHAIRMAN: That is pretty much the next output area.

Mr CONLAN: I do not want it to close off and miss the opportunity. It happened last year.

Mr CHAIRMAN: There is also a catch-all at the end.

Mr CONLAN: There is?

Mr ELFERINK: You will not get to the end, though.

Mr CONLAN: Well, maybe we should move to Acute Services, Output Group 2.0.

Mr CHAIRMAN: That concludes consideration of Agency Specific (Whole-of-Government Related Questions).

OUTPUT GROUP 2.0 – ACUTE SERVICES
Output 2.1 - Admitted Patient Services

Mr CHAIRMAN: We will now proceed to consider Output Group 2.0, Acute Services, Output 2.1, Admitted Patient Services. Are there any questions?

Mr CONLAN: I will go back to that question again, then?

Mr CHAIRMAN: Yes.

Mr CONLAN: Minister, when was the last demand and supply modelling tool for Acute Care Services commissioned?

Dr ASHBRIDGE: I have been advised there was a formal one done by the consulting firm, which you previously asked in the question, around 2001-02. In addition to that, we have done some modelling work internally through our Health Gains Unit, looking at the impact of chronic disease and morbidity in the Primary Care sector and we have used that to feed into the Territory 2030 Plan. So, we have done substantial amounts of work around modelling, not only around the Acute Care sector but also around the Primary Care sector, the Aged Care sector, etcetera. Commissioned, I believe in 2002; I can give you an exact date on that. In between that and the current studies we are doing, we have done substantial in-house work with the Health Gains Unit to inform our planning, not only over the next year or two, but over the next decade. That was carried out by the Health Gains Unit.

Mr CONLAN: Minister, how come it has taken so long, seven years, to commission a new supply and demand modelling tool for the Territory?

Dr ASHBRIDGE: The answer to that is a composite answer, which is essentially – returning to my previous commentary – there was a study done around 2000, and there is one happening currently, but in the meantime – and I do not want to beat the drum too much for our Health Gains Unit – we have a substantial amount of skill and expertise which is an ongoing way of providing information internally around that. I would hold them up to many an external consultant in terms of providing us with information for planning for health services. So we have ongoing information feeding into us based on your previous commentary about demography, cancer rates, smoking rates; all those things are fitted in there and analysed, and we use the information intensely, on a regular basis.

Mr CONLAN: I did not understand that answer, Dr Ashbridge. The question was why did it take so long to commission new supply and demand modelling for acute care in Territory hospitals? If the first one was in 2002, and you have another one underway at the moment - It has been seven years.

Dr ASHBRIDGE: I am basically informing you that we have a high calibre unit internally and we do not need to commission everything externally. We get much information provided by our internal unit, and we use external sources as required. So the idea it has taken seven years is a reflection of our use of external sources to provide the information; I am telling you we have information provided on a regular basis, year in year out, about where we are going. That information is coming from our Health

Gains Unit which is inside the department.

Mr CONLAN: That internal information and external information, will that be made public?

Dr ASHBRIDGE: The work the Health Gains Unit performs is, to the best of my knowledge, in the public arena and is made publicly available. I am not aware of any information they have analysed which has not been made publicly available. I will be more than happy to provide you with that information from the last six years.

Mr CONLAN: So the externals and the internal? The internal unit is called the Health Gains Unit, is that right?

Dr ASHBRIDGE: Dr Stephen Guthridge, who is a national expert, runs that unit.

Mr CONLAN: What is the makeup of that unit? There is Dr Guthridge as you said; who else is part of that unit, or how many people?

Dr ASHBRIDGE: That is actually a question which will probably be best asked when Dr Barbara Paterson is doing the outputs on health protection. It is an output which is managed by her, so perhaps you could return to that question when she is at the table.

Mr CHAIRMAN: Which output is that, Dr Ashbridge?

Dr ASHBRIDGE: Output 4.0.

Mr CONLAN: Minister, it seems to me you are gathering this information; we have a couple of external consultancies. We had one done in 2002; we have another one under way at the moment. As pointed out by your CEO, we are gathering information as we go all the time; it is an ebb and flow of information gathering so we have an idea of where we are at, the demand and supply modelling tool. Why then, minister, are we not using a casemix model for hospital funding if we have this information at hand?

Mr VATSKALIS: The casemix model is actually more appropriate when you have larger jurisdictions with significantly larger hospitals and populations. For us, while you might say it would be possible to use at Royal Darwin Hospital, it would be impossible to use in any other hospitals which are much smaller. I will let the CEO speak to you about it. The casemix model is actually one I was taught during my studies for Masters in Public Health, but one of the limitations is you need a critical mass in order to apply the casemix model.

Dr ASHBRIDGE: You will probably be aware that casemix funding was introduced into Australia in the 1990s in Victoria. Casemix was never intended to be a funding tool; it came out of the private hospital sector in the US in the 1980s and was a tool for looking at efficiencies and benchmarking between organisations, weighted separations, etcetera, then developed into a funding tool, which it was never actually intended to be. Most jurisdictions have resisted going into the pure casemix funding model because it does not pick up on the diversity of services which are provided through the various hospitals.

There is some work happening in Australia at the moment regarding activity-based funding, which is being looked at across Australia, and it may well turn out to be a variant of some form of casemix funding. From the Northern Territory's perspective, hospitals such as Gove, Katherine, Tennant Creek, and possibly Alice Springs, the idea of moving to casemix-based funding with Australian-based weightings would be highly disadvantageous to the Northern Territory. The range of services and the diseconomies of scale provided through our hospitals would probably lend those more to analysis as a Community Service Obligation funding model, rather than an activity-based funding model.

The reason being, if you are in Alice Springs and have 1500 km to go to the nearest hospital, there is a range of services provided in Alice Springs which is above and beyond what you would normally find in a hospital of that size anywhere else in Australia. As a result, the cost structure per unit is actually higher - however valuable that service is and however much we value it - than if it was carried out in a 180 bed hospital in Melbourne. So we have to be very careful in our jurisdiction that activity-based funding or casemix funding is introduced at a national level from an ideological bent, because it will be disadvantageous to the Northern Territory.

Mr CONLAN: Minister, what is the current funding for our hospitals? I said I would go back to that question. Is it done with last year's funding, plus new initiatives, plus inflation, less savings or efficiency requirements? And how is that linked to better health outcomes? How do we fund our hospitals at the moment?

Dr ASHBRIDGE: You are partially correct; the services to our hospitals are based on last year's funding. They do have a growth factor attached to them based on salaries, CPI, etcetera, but what is added on top of that is new initiatives. Those new initiatives are not drawn out of a hat; they are based on the planning function which I have just described. So, whether it is the heart health plan, or whatever, services and new initiatives are not ad hoc. They are part of a deliberative exercise around the needs of the population and government allocating resources to meet those needs. It is a combination of historical-based funding and core services which people need to have provided in the Northern Territory, be it the routine or core services a hospital provides, plus additional resources on top of that, based on the needs of the population.

Mr VATSKALIS: The reality in the Northern Territory is the real cost of funding is higher than anywhere else in Australia. In 2006-07, we spent \$1700 per person in the Territory; the average figure for the rest of Australia is \$1260; so it is very significant and that is why hospital budgets keep going up all the time.

I said in parliament, since 2001 for example, the Royal Darwin Hospital has increased its budget by 118%. When we came in, in 2001, the budget for the Royal Darwin Hospital was \$112m; in this budget it will be \$245m. Even for the small hospitals we have increased the budgets: Alice Springs, when we came in was \$53m, the budget this financial year will be \$118m. Tennant Creek has had an increase of 94%; in 2001, when we came in, the budget for Tennant Creek was \$6.2m; this financial year it will be \$12m. So the increase of hospital budgets in the past eight years has been significant, nearly double, in every hospital in the Territory.

Mr CONLAN: Am I to understand, minister, the model for funding of our Territory hospitals is exactly the same for each hospital? The same model applies for each hospital?

Dr ASHBRIDGE: Essentially, that is correct. But the nuance of what you said is related to where and how the new initiatives are applied. Not every new initiative is applied consistently across the Northern Territory. They are based on, as you pointed out, demography and clinical need; so there are different investments in different hospitals based on that information, and that is where the new initiatives are derived from. They are not always applied equally across the whole jurisdiction.

Mr CONLAN: Okay. Can I just draw your attention to the *Medical Journal of Australia* of 19 May last year. It said:

Racial disparities in infection-related mortality at Alice Springs Hospital, Central Australia, 2000-2005.

In the Northern Territory, the main contributors to this shorter life expectancy are now reported to be non-communicable diseases such as cardiovascular disease, diabetes, and malignancy, rather than infectious diseases.

However, there are regional differences in Central Australia. In fact, Indigenous patients at Alice Springs Hospital are 11 times more likely than non-Indigenous patients to die with an infectious disease.

It also says:

The contribution of infectious diseases to Indigenous mortality in Central Australia might therefore be obscured by the inclusion of data from the more populous north.

How, if we are having the same model applying across Northern Territory hospitals, are we addressing these nuances there in Central Australia? Obviously, there are some unique things for each hospital.

Dr ASHBRIDGE: At the risk of repeating myself, I made the point that initiatives are based on the needs of the population. Factors you have just described would be factored into Alice Springs; the historical service delivery in Alice Springs would, largely, reflect the profile you are taking. It is true, the analysis you have just provided is a basis of how we need to plan our services.

We are in an invidious position of having to manage infectious diseases at high rates, as well as having to deal with new conditions such as diabetes, hypertension, renal diseases, etcetera, at the same time. It is not an either/or discussion, it is how we plan for both. Do we tailor things differently for different hospitals? Yes, we do.

Mr CONLAN: Through the new initiatives, minister? Is that right?

Dr ASHBRIDGE: The new initiatives do that, but also the nuance that historical funding is the same and on the same basis across the Northern Territory is also incorrect. The basis of how hospitals are staffed is a reflection of the services they need to provide. Hospitals have not been funded by some sort of magic wand that says: 'You will have xyz'; funding has grown on the basis of the needs of the population. New initiatives are placed on top of that, and are also based on the needs of the population.

Mr VATSKALIS: The truth is that Alice Springs Hospital, in particular, is one of the best smaller hospitals I have seen around Australia. I do not believe you will find this kind of hospital anywhere else, especially in Western Australia. If you go to Geraldton, Bunbury, or even to Port Hedland you will not find a hospital so well equipped to service a population of approximately 25 000 people. I understand it is remote and far away from any other hospital, but these are the issues we take into consideration before making a decision.

Renal health in Central Australia is a significant problem; that is why we invest a lot in renal health and take it into consideration before we allocate funds to the hospitals.

Dr ASHBRIDGE: At the risk of moving into another output group and breaking the rules, one of the challenges we have across the Northern Territory is to understand the continuity of care from primary care, prevention, hospital care, rehabilitation. When you look at the list you have just described as to what the health conditions are that require priority - and I agree with that list - it does not automatically take you to a hospital service; it takes you to a health service.

To answer that question in the broad, I would need to have the opportunity to talk to you about how we have invested in community health, in primary care, in prevention, because in all those areas you have just described there are components which need to be added up to respond to that question. To particularise it down to a given hospital or even hospitals in general, is not to acknowledge there are not only areas of investment, but where in the department that investment should be made.

I will be more than willing, at the appropriate output areas, to take questions about investment in chronic diseases, renal health and the primary care sector. I am merely making the point, to particularise it down to a given hospital or even to the hospital sector, is actually selling the investment strategy short.

Mr CONLAN: I was just highlighting this report actually specified, through the hospital here, Dr

Ashbridge, and I believe it does feed back into funding for hospitals if you are seeing different people presenting with different things in our hospitals; I thought it was fair enough. But, we can get to some of that broader health and primary health stuff.

Hospital reports, minister. Since 2001, how many internal reports or consultant reports or reviews have been requested or commissioned by the Health department or its agencies?

Dr ASHBRIDGE: Can you repeat the question, please?

Mr CONLAN: How many internal reports or consultant's reports have been requested or commissioned by the Health department or its agencies?

Dr ASHBRIDGE: In relation to?

Mr CONLAN: Internal reports or consultancies, anything, everything?

Mr VATSKALIS: Since 2001?

Mr CONLAN: Yes.

Mr VATSKALIS: We will take this question on notice. I do not think we have this information ...

Dr ASHBRIDGE: I could probably answer. It is well in excess of 100, and we can give you that list. We have not come prepared to go back eight years, however, if you want to have a list of all the reviews we have done – they will be well in excess of 100, probably closer to 500 – we can do that for you.

Question on Notice 5.4

Mr CHAIRMAN: For the purposes of *Hansard*, member for Greateorex, can you please repeat the question?

Dr ASHBRIDGE: Sorry, can I seek clarification? Is that just for hospitals or everything in the Health Department?

Mr CONLAN: No, for the hospitals – hospital reviews and hospital reports and consultancies.

Dr ASHBRIDGE: We need some clarity here.

Mr VATSKALIS: Since 2001?

Mr CONLAN: I will read it to you again. Since 2001, how many internal reports or consultant's reports for Territory hospitals have been requested, commissioned by the Health department or its agencies?

Dr ASHBRIDGE: Okay, so the clarity I am looking for then is: the whole hospital or just part of a hospital?

Mr CONLAN: The whole hospital.

Dr ASHBRIDGE: You do not want the review of the Division of Paediatrics in Royal Darwin Hospital, you are interested only in reviews of the whole hospital?

Mr VATSKALIS: Of the Royal Darwin Hospital.

Mr CONLAN: Exactly.

Mr VATSKALIS: We will take it on notice and we will provide it.

Mr CHAIRMAN: For the purposes of *Hansard*, I allocate that question No 5.4.

Mr CONLAN: Minister, is the Board of Royal Darwin Hospital still planning to take legal action against the Ombudsman as a result of the recently released report into the restraint and detention of patients of RDH?

Mr VATSKALIS: It is not the minister's decision, it is the Board's decision, and so you would have to ask the Board. It is not the minister's or the CEO's decision; it is the Board's decision whether they will do it.

Mr CONLAN: Where do you sit, minister? Do you accept the findings of the Ombudsman in relation to your procedures for restraining and detaining patients?

Mr VATSKALIS: As I stated publicly at the time, I stand by my health staff. I believe what the health staff has done is appropriate. They have a duty of care; they exercised that duty of care properly. They are now working to put a legal framework around the issue, but the action they took was on the advice of the Solicitor-General.

I will say it again, it is very good to speak about human rights, but the woman who left the hospital and was found dead three months later, what human rights did she have?

It is also very clear from the statement made by the person who was treated - some people might say, against his will - for the trauma in his brain; he came to the newspaper and he publicly praised the hospital for their action. He said if it was not for the hospital's actions he would not be alive today.

Yes, I support human rights, I definitely support human rights, but there are cases and situations where action must be taken in order to save someone's life.

Mr CONLAN: Have there been any changes, minister, to the hospital's policy on this matter?

Mr VATSKALIS: The hospital is acting on the advice of the Solicitor-General, and the CEO can clarify that further.

Dr ASHBRIDGE: I believe the most appropriate person to describe the changes in practice related to this would be Dr Len Notaras. I want to reiterate the point the minister has made, that at all stages and at all times we operated under legal advice and our behaviour, as an agency, has been legally appropriate. In terms of the specifics, I will ask Dr Len Notaras.

Dr NOTARAS: Thank you, minister. Through the Chair, Len Notaras, General Manager, Royal Darwin Hospital. All actions, as the CEO has just outlined, were taken on advice of senior legal counsel and, more lately, the Solicitor-General of the Northern Territory. That said, our first priority has always been that of patient care and ensuring our patients are in a safe environment and receiving the most adequate and comprehensive care possible.

We do respect the Office of the Ombudsman and that is not a question I would consider at any time; it is an important office. We take advice, but by the same token, we are acting now on advice of the Solicitor-General, basically using common law and the imperatives of common law. That entails ascertaining how critical a particular patient is at the time, how confused they are, how imminent the

danger they find themselves in. It is not an easy decision. It is a decision quite different to that made by, say, police officers but, by the same token, the Solicitor-General and other jurisdictions use very similar assessment.

Mr CONLAN: So, essentially, Dr Notaras through the minister, the policy is the same? It is not a trick question.

Dr ASHBRIDGE: No, I believe it needs a response, because the answer is: no, it is not.

Mr CONLAN: So, there has been a change of policy since the Ombudsman's report?

Dr ASHBRIDGE: What I have asked Dr Notaras to do is describe the actual procedures in terms of actioning this common law process.

Dr NOTARAS: Thank you. At the time the Ombudsman found some disquiet with the activities at Royal Darwin Hospital, it was because we were exercising section 16 of the *Medical Services Act*. On legal advice we were told it was a section we could exercise, and it was entirely appropriate that we did so. The Ombudsman had some concern about that, but the Ombudsman failed to provide us with an alternative in situations of clinical imperative.

We have now adopted a more strictly common law approach, one that documents more clearly the detention of the individual, the process undertaken to arrive at the decision and, indeed, detain the patient where necessary in the hospital.

We have been in close liaison with other agencies, like the guardianship people and so on; but quite often those agencies are not in an acute position. In other words, they are not able to provide the very rapid response we need to address our issues.

Mr CONLAN: Minister, would this be considered a failure of legislation then?

Mr VATSKALIS: I do not think so. The fact is we are reliant on the advice of the Solicitor-General to provide us with the legal backing and legal protection required but, I can understand the position of the doctor - he has to make decisions in a very brief period of time to act in a particular way to save someone's life; that is the important issue. In some cases you cannot afford to go to a magistrate twice for the issue of a warrant to restrain someone. You might have to act within minutes or hours, and that is a decision made of medical and scientific grounds. As I said before, I fully support human rights, but dead people do not have any rights at all; and these people make sure people are not dead.

Mr ELFERINK: If the legislation is working why are you seeking comfort in the common law?

Mr VATSKALIS: My understanding of the legislation is that it works in a particular way for particular cases; like the *Mental Health Act* applies to people have mental health problems ...

Mr ELFERINK: Well, the legislation is not capable ...

Mr VATSKALIS: No, because as medicine progresses we find different definitions, like post traumatic trauma. People who suffer a trauma become irrational or act irrationally or the first thing they want to do is get out of the hospital, and when doctors suspect they have a trauma that makes them think what they are doing is all right.

Mr ELFERINK: Irrational behaviour is not a new manifestation of the human condition. What we have just heard is that you are relying on the common law. The only reason you would be relying on the common law is because the legislation is not up to the mark. The only example you gave us is you cannot go and get a warrant. Most legislative instruments that deal with warrants in these cases also

describe circumstances in which a person may act without a warrant, subject to a warrant being obtained. If that does not exist in the legislation then it is a failure of the legislation. Has this legislation not been under review? And for how long?

Mr VATSKALIS: The legislation exists. The problem is the timelines of the warrant, and how much time it takes to obtain the necessary warrant. Again, we say this is a decision which needs to be made very quickly on medical grounds. There can be devastating results if this decision is not made in time.

Mr ELFERINK: There was a timeline failure to get a warrant that was required under legislation?

Mr VATSKALIS: We are talking about minutes, we are talking about less than an hour, we are talking about an hour, and we are talking about a couple of hours. I do not think warrants foresee the circumstances relating to medical grounds.

Mr ELFERINK: So it is a failure of legislation. Back to the question in hand: when was the legislation last reviewed, and has it not been under review for some time?

Mr VATSKALIS: Again the legislation we are referring to with the *Mental Health Act* and the *Hospital Services Act*. I defer to Dr Notaras.

Dr NOTARAS: Through the Chair, the legislation we used was the *Medical Services Act* section 16. I cannot tell you, I am sorry, when that was last acted.

Mr ELFERINK: When was it introduced?

Dr NOTARAS: I suspect, during the reign of the previous government.

Mr ELFERINK: That is why I am asking, but it has been under review?

Dr NOTARAS: Not to my knowledge.

Mr CONLAN: Person in charge of a hospital?

Dr NOTARAS: Yes, that is correct.

Mr CONLAN: As in force 20 December 2006.

Mr ELFERINK: Clearly the legislation is not up to speed, if you are relying on the common law. That is just observation.

Mr CONLAN: Minister, I want to move to hospital boards themselves. How many hospitals actually have operating boards at the moment?

Mr VATSKALIS: At this stage, the Royal Darwin Hospital and Alice Springs Hospital. The Katherine, Gove and Tennant Creek Hospitals have not had functioning boards over the past few years for various reasons. One of the problems we face in small places like Katherine, Gove and Tennant Creek is difficulty attracting people to take part on the boards because of the onerous requirement by current act. That is why we are currently reviewing the *Hospital Management Boards Act*, and I am going to introduce that to parliament very soon. It will provide a different legislative framework to make it easier for the smaller hospitals to have a functioning board. I have to say, I tabled reports for Royal Darwin and Alice Springs Hospitals, and I asked the general managers of the smaller hospitals to provide an interim annual report, which I also tabled in parliament, reports for 2006-07 and 2007-08.

Mr CONLAN: When is this review going to take place, because, clearly, these hospitals are working

outside of the legislation?

Mr VATSKALIS: There is no review, as I said before. We will be introducing a new hospital board act to parliament very soon to make sure those smaller hospitals can have a functioning board by making it easier and less onerous for people to serve on these boards.

Mr CONLAN: So it will be a whole new hospital management boards act, as opposed to just an amendment to deal with those smaller hospitals?

Mr VATSKALIS: It will be a whole hospital board act, a new one.

Mr CONLAN: When can we see that introduced?

Mr VATSKALIS: In the very near future.

Mr CONLAN: When is that, minister? The reason I ask is because, currently, every day that ticks by, these hospitals are actually working outside the current act by not providing operating boards.

Mr VATSKALIS: Not because they want to. The new hospital board act will come very soon.

Mr CONLAN: By the end of the year?

Mr VATSKALIS: I would prefer to bring it in before the end of year.

Mr CONLAN: Would an amendment be easier to introduce into parliament to deal with these smaller hospitals, particularly Tennant Creek, Katherine and Gove, which are having trouble providing for hospital boards, as opposed to a whole new act?

Mr VATSKALIS: We cannot have two different standards for the smaller hospitals and bigger hospitals, so we are putting in a new hospital board act that will cover all the hospital boards throughout the Northern Territory.

Mr CONLAN: There seems to be two different standards working now. As I say, every day that goes by, these hospitals are not working properly

Mr VATSKALIS: We have to find a way to make sure there are active and functioning hospital boards in the Territory.

Mr CONLAN: So, essentially the answer is there will be a whole new management board act introduced into parliament?

Mr VATSKALIS: I will give it to you before the end of the year.

Mr CONLAN: Before the end of the year. Minister, on nuclear waste, do you know how much waste from radioactive material is produced in the Northern Territory?

Mr VATSKALIS: That actually comes under another output, Output 4.0, specifically under Environmental Health. Do you want to keep that one to ask later?

Mr CONLAN: All right. Essentially, it was going to lead me on to where is this stored, and where is this based ...

Mr CHAIRMAN: Would that not be more appropriate under the other output?

Mr CONLAN: Well, is it stored in our Territory arsenals?

Dr ASHBRIDGE: If you will give me the liberty, I will ask Mr Xavier Schobben, Head of Environmental Health, to come up here. He can answer the question of volume, and the question of storage I can also respond to.

Ms SCRYMGOUR: Mr Chair, is that going from Output 2.0, or leave it until we get to 4.1?

Mr CONLAN: All right.

Mr VATSKALIS: You can ask the question at 4.1. I am happy to take it, there is no problem. Let us continue with what we have now.

Mr CONLAN: All right. This might be more appropriate to this output group. What are the storage plans for the waste produced after the commencement of the Oncology Unit?

Mr CHAIRMAN: Is that also Output 4.1?

Mr VATSKALIS: It is actually under Output 4.1

Mr CONLAN: All right.

Mr VATSKALIS: To make it easier; there will be no waste generated by the oncology unit, because linear accelerators do not generate radioactive waste.

Mr CONLAN: Okay. There we go.

Has RDH implemented the Coroner's recommendations from the inquest into the death of Declan McConville?

Mr VATSKALIS: Member for Greateorex, I find it very hard, because health is a difficult portfolio. Everyone knows we are dealing with people at the most vulnerable time of their life; they are very sick. We have had a number of Coronial inquiries, and a number of recommendations have come from the Coronial inquiries; we have publicly said we will adopt the recommendations. As a result of this inquiry, we have changed practices and we have done four reviews recently - one was the government's review, another was the Health Complaints review, another was the safety review, and the nurses hours/patient days review. We are committed to change systems where they are identified as not working properly, and we will implement all the Coroner's recommendations. I will let the CEO add to that.

Dr ASHBRIDGE: The specific query was around the Winter coronial? Is that correct?

Mr CONLAN: No, the inquest into the death of Declan McConville.

Dr ASHBRIDGE: We obviously take Coronials seriously and look at all the recommendations. Regarding that one, which applied to Royal Darwin Hospital, I will ask Dr Len Notaras to take us through the specifics of that Coronial.

Dr NOTARAS: Thank you, CEO, and thank you, minister. As the minister noted, Mr Conlan, it is a tragic event; any such deaths are a tragic event. The second thing I would like to stress is we work very closely with the Office of the Coroner and we heed the Coroner's recommendations. We are clinically sensible and reasonable and, in most of the circumstances, we implement, or endeavour to implement, those recommendations.

The McConville Coronial revealed we needed to improve CTG training; that is, the electric monitoring of babies *in utero*. That has occurred. *Apropos* the Coroner's recommendation, 100% of midwives are now trained in that particular area. Similarly, drafted guidelines for the trials of labour where instruments might be necessary have been introduced as well so they can occur, where appropriate and reasonable, in clinical circumstance - in theatre, rather than in the delivery unit. Third, there is a heightened awareness of supervision amongst the medical specialists in obstetrics when supervising registrars, or training specialists.

Mr CONLAN: All right. Essentially, yes, they have been implemented?

Dr NOTARAS: Yes.

Mr CONLAN: Minister, can you tell us the bed occupancy rate for each of the Territory hospitals?

Mr VATSKALIS: We can provide detailed information but, as I have always said, the Northern Territory hospitals are the busiest in Australia; we have the highest hospital separation rate of 486.4 per 1000 population, compared to 217 per 1000 population for the rest of Australia. The occupancy rate changes from day to day, from month to month. The other thing we have to remember is the Northern Territory has the second highest number of public beds in Australia. We have 3.7 beds per 1000 population, second to South Australia. Where we are let down is by the private sector; we do not have private hospitals and we do not have private beds. We have the highest number of beds, we have the highest expenditure per person in the hospitals, and we have the busiest hospitals in Australia. We can certainly provide you with information about the occupancy.

Mr CONLAN: You have the lowest number of beds if you build in the private health sector?

Mr VATSKALIS: The government provides funding for public beds, not for private beds. Private beds are part of private business. I am very proud to say we are the second highest in Australia with 3.7 beds per 1000 population, second to South Australia, well ahead of New South Wales, Victoria, Western Australia, ACT and Tasmania.

Mr CONLAN: Minister, can you tell us the bed occupancy rate for each of the Territory hospitals?

Mr VATSKALIS: We can provide this information. We are extremely busy. For example, the Royal Darwin Hospital last year saw nearly the whole population of the Northern Territory, about 190 000 people; one admission nearly every half an hour. We can provide you the information.

Question on Notice 5.5

Mr CHAIRMAN: If you can repeat that question again, member for Greatorrex, for *Hansard*.

Mr CONLAN: What is the bed occupancy rate for each of the Territory hospitals?

Mr CHAIRMAN: That is question No 5.5 for *Hansard*.

Mr CONLAN: It has been reported to be in excess of 100%.

Mr VATSKALIS: We will provide this information to you.

Mr CONLAN: Thank you, minister. Can you tell us the target bed occupancy rate for each of the Territory hospitals; if you do not have the actual rate at the moment, what is your target?

Dr ASHBRIDGE: I am not sure what the question is. We do not actually have a target of beds. We try to provide the services Territorians require, and we use our beds to achieve that. Our target is to ensure we meet the needs of the population, rather than the needs of the beds.

Mr CONLAN: It sounds to me like you know it is well in excess of what is recommended, 80% to 85%. You know it is sitting on about 100% and a way to get out of that, with respect, Dr Ashbridge, is to say you do not have a target, it just has to do with caring for Territorians?

Mr VATSKALIS: Our target is to provide beds for the people who need them.

Mr CONLAN: Yes, but if the hospital is bursting at the seams; you are not able to provide the best, adequate health care for Territorians, are you?

Mr VATSKALIS: Hardly. This hospital has the RAP Unit; it has ward 3B which the CLP government closed down - an extra 30 beds. We have put more beds in both Alice Springs and Royal Darwin Hospitals; we keep adding beds, doctors and nurses to make sure Territorians receive the care they deserve. To come in and ask for our rate – actually the best rate would be 0% - nobody gets sick and we do not need to use our hospitals. But the reality is different. We have people who are sick, and our target is to provide beds for these sick people.

Mr CONLAN: It was not the best rate, minister, it was the target rate. The 2009 Report by Ray Norman stated that Royal Darwin Hospital was operating at or exceeding 100% bed occupancy most of the time. The AMA consider 80% to 85% as the optimum occupancy rate.

Dr ASHBRIDGE: I will repeat that we are here to provide services to Territorians. We have never had more doctors, nurses, or more beds in the Northern Territory than we have today.

Mr VATSKALIS: The AMA can hardly be described as (inaudible) organisation.

Mr CONLAN: Over occupancy contributes to bed block and access block, does it not?

Mr VATSKALIS: That is why I said we have introduced more beds, we have introduced hospital ...

Mr CONLAN: More beds, minister, does not ease access block. By putting in more beds it does not just ...

Mr VATSKALIS: It does more than closing down wards; it provides more beds to Territorians.

Mr CONLAN: Who is closing down wards?

Mr VATSKALIS: The CLP government closed 3B ward.

Mr CONLAN: Let us go back. Let us stay in the 21st century, minister.

Mr VATSKALIS: That was the 21st century, 2001.

Mr CONLAN: But you were in government in 2001.

Mr VATSKALIS: You were in government in 2001.

Mr CONLAN: We can go back and blame everyone. Let us stay in the present. These are Labor days.

Mr VATSKALIS: Learning from the past.

Mr CONLAN: What percentage of beds in each hospital is dedicated to long-term care, that is palliative and geriatric care?

Dr ASHBRIDGE: I will give a broad opener to that and then we will go the specifics. In our regional hospitals, the level of dedication does not apply; in Katherine, Gove and Tennant Creek there is not that level of specification. In Royal Darwin Hospital there is obviously a dedicated palliative care unit. In terms of geriatric hospital beds, people in hospital who happen to be in that age group are there because they need the service, they are there for clinical reasons. I am not sure if your question is taking us to how many people are in hospital who do not need to be in acute care, but the answer is people go into hospital because they have a need to be there, not necessarily because they are geriatric.

Mr CONLAN: All right. Are you able to provide me with that information: the percentage of beds in each hospital which are dedicated to long-term care? Is it a hard question?

Dr ASHBRIDGE: The answer is yes, it is a hard question. It is a hard question not because it is difficult to give the answer, but because there are definitional issues we need to be clear about. Some people are in hospital long term because they need rehabilitation, they need long-term care and that is highly appropriate. There are other people who are there because they have a long-term sickness. There are other people there because they were sick and have come into hospital and we are looking for placement for them to move on. So, in terms of the specifics of answering your question, we need to get down to the details of all those various components.

Mr CONLAN: Okay, thank you, Dr Ashbridge. Minister, how many assaults, that is patients assaulting staff, has staff reported to management for the 12 months to 31 May? And if you can break it down by hospitals or wards if you can?

Mr VATSKALIS: I defer to Dr Ashbridge.

Dr ASHBRIDGE: This is actually a general question, in the general area, but if you do not mind I can respond to that generally.

Mr CONLAN: Well, it is about admitted patients.

Dr ASHBRIDGE: What I have is the information by profession over the last three years. I do not have by hospital, but I do have it by profession and by year. Would you like me to go through it?

Mr CONLAN: Yes.

Dr ASHBRIDGE: In 2006-07 in the administrative category there were four physical and 12 verbal; in the nurse category there were 79 physical and 159 verbal; in the 'other' category there were 58 physical and 41 verbal; in the physical category there was 16 physical and seven verbal; and in the professional category there were four physical and five verbal; giving a total of 161 physical, 224 verbal, and a total of 385 for the year 2006-07.

In 2007-08 in the administrative category there were 10 physical and nine verbal; in the nurse category there were 104 physical and 238 verbal; in the 'other' category there were 21 physical and 47 verbal; in the physical category there were 30 physical and 16 verbal; and in the professional category there were four physical and six verbal; giving a total of 169 physical and 316 verbal, giving a total of 485 in 2007-08.

In 2008-09, this year to 30 April, the administrative staff there were three physical and 11 verbal; in

the nurse category there were 85 physical and 47 verbal; in the 'other' category there were 21 physical and 10 verbal; in the physical category there were 31 physical and three verbal; in the professional category there were two physical and four verbal; giving a total of 142 physical and 75 verbal, a total of 217.

So the time series to date this year goes 385, 485, 217. This is against a backdrop of the department running an aggressive zero tolerance program; promotes its staff not tolerate it, to go through training programs and, where appropriate, support staff through aggression management.

Mr VATSKALIS: In 2007-08 we changed the reporting the mechanism. So we had an increase from 385 to 485 because of better reporting. Most of the staff assaulted is nurses or clinical staff and, unfortunately, this is a trend observed throughout Australia - nurses and clinical staff are subjected to abuse especially in Emergency Departments. It is very unfortunate that people who care for other people are the subjects of abuse, which I find unacceptable.

Mr CONLAN: Minister, how many times have police been called to Territory hospitals in relation to these incidents? That is not police escorting prisoners to the hospital, but police called as a result of these assaults?

Mr VATSKALIS: Staff are encouraged to report all physical abuse and all verbal abuse now, and in most cases I believe the police have been involved.

Mr CONLAN: How many prosecutions have there been, and how many of those were successful?

Mr VATSKALIS: I defer to Dr Ashbridge.

Dr ASHBRIDGE: This is not information which the department keeps. Individuals take cases, we support them, but we do not keep that database.

Mr ELFERINK: The success rate of prosecutions on assaults against nursing staff - surely, as minister, if a member of staff reported an assault, you would want to know what the result was in a court case. I am very surprised to hear that answer.

Mr VATSKALIS: No. Our department encourages people to report assaults. Beyond that, it is out of our control. The police will be involved as part of the prosecution and ...

Mr ELFERINK: But you would have an interest, surely?

Mr VATSKALIS: Sure.

Mr ELFERINK: Most staff's desire to report assaults would be reflective of the chance of a successful prosecution. I would like to know, as the minister, how many are convicted and how many go to gaol. How many people have gone to gaol for assaulting nurses?

Mr VATSKALIS: The safety of our staff is paramount, that is why the department takes different action, reporting, encouraging reporting, supporting staff, up to closing down clinics, which has been done in areas when assaults have been reported and staff have been threatened - we have pulled staff out. Prosecution keeps a record of the prosecution.

Dr ASHBRIDGE: I can reiterate that we put extensive programs in place - we support education to train staff and to support them should they be assaulted. We have seen a decrease in trend over time, but we do not keep that information at this point in time, although I note with interest the recommendation that we should.

Mr ELFERINK: From my perspective, minister, there are two mindsets operating here. One mindset

is: 'We have to make sure we are covered on all of these things, because we have a responsibility to make sure we are covered'. The other mindset is: 'We actually care about what happens to the staff'. If I were in possession of that second mindset, the first question I would be asking is: 'We do everything to cover those things that matter in terms of our image, but what about what happens after that?' Surely, you would have an interest in how many people are sent to gaol for bashing up on your nurses.

Mr VATSKALIS: My concern is to prevent the assault and to support my staff. Prosecution is beyond our control ...

Mr ELFERINK: But how you show that support ...

Mr CHAIRMAN: The minister has the call.

Mr VATSKALIS: Prosecution is beyond our control. However, I note it is a good idea. The problem is, when people go to court they see punishment in different ways. Some people might see it as heavy, some people might see it as light; other people say it should not be prosecuted because of medicated circumstances. I believe what is important is to prevent assault, either through physical barriers or training the staff; to support your staff if they assaulted; and, to take appropriate action. I am happy to cooperate with the police and the courts to find out the level of prosecution and the level of success of prosecution.

Mr ELFERINK: You would not agree it is a worthwhile ...

Mr VATSKALIS: In itself, it would not do anything. Even if we find out 100% went to prison, my aim is for people not to be assaulted; either provide the physical barriers, or construct a clinic in such a way that people cannot have access to assault, rather than take someone to court. My first aim is for staff not to be assaulted.

Mr ELFERINK: I accept that. A staff member, like any other human being, will think: what is the use if nobody goes to gaol? Surely there would be some feedback; the nurses would like some feedback if they make a complaint to the police that something useful actually happens. I am sure that, from your perspective, you would like to tell the nurses: 'Mate, you make a complaint, it goes to court, and you will be guaranteed a good result'. But you do not even know what those results are, minister.

Dr ASHBRIDGE: There has never been a case where we have not supported nurses with legal support requirements. The suggestion we are not interested in the outcomes because we do not have the data is incorrect. We have supported nurses in every way - through prevention, through education, and through the prosecutorial process. The fact we cannot provide the numbers in terms of how many have been prosecuted should not be seen as lack of commitment. In fact, it is exactly the reverse.

Mr ELFERINK: With due respect, Dr Ashbridge, and to you, minister, I take issue with that particular answer. Not knowing whether people's complaints are successfully treated by the courts - I mean, these are not grey areas we are talking about. A conviction is an absolute. You are either innocent, or you are guilty. A sentence to imprisonment is an absolute. You either go prison or you do not. To not know these things indicates to me the focus is on making sure that you have covered all your duties of care, and that sort of thing, but the human aspect, the interest you personally take in what happens to the staff is somewhat absent by virtue of the fact that you do not have the answer to that question; an observation.

Mr VATSKALIS: Member for Port Darwin, it is not that we do not care about staff. The fact is ...

Mr ELFERINK: Well, do you ...

Mr CHAIRMAN: The minister has the call.

Mr VATSKALIS: ... in the past, we have probably collected this information, and I do have trouble with it; it is probably a good idea. I would rather prevent the event than go back and say: 'Okay, it happened and we will prosecute everyone who ...

Mr ELFERINK: We are of one mind on that comment.

Mr VATSKALIS: However, I will take that recommendation on board. As I said, it is a good idea; I might find out how many have been prosecuted and tell people they are prosecuted ...

Mr ELFERINK: The nurses would like to know.

Dr ASHBRIDGE: I appreciate the concern and we will look at that. I was merely pointing out there has been a very aggressive program by the department to try to look after staff and support staff through all areas of aggression; it is totally unacceptable there is any aggression towards our staff and that has been demonstrated by the reduction in episodes over the last three years.

Mr CHAIRMAN: Do you have extra questions for Output 2.1?

Mr CONLAN: Yes, I sure do. Minister, what is the status of the security measures recommended by the O'Sullivan report?

Mr VATSKALIS: The O'Sullivan report was conducted following a Coronial inquiry focused on Royal Darwin Hospital. The Health department commissioned Jim O'Sullivan to do a report for Royal Darwin Hospital, and he conducted an investigation, and the report was presented to me. I requested Jim O'Sullivan to do a report on every hospital throughout the Territory; and that report was also presented to me.

I understand 75% of the recommendations for the Royal Darwin Hospital have been implemented, and we are in the process of implementing the rest of the recommendations in Royal Darwin Hospital, and also in the other hospitals. I understand Jim O'Sullivan put a three-year period to implement the recommendations; I found that period too long, and I requested the department proceed with the recommendations as soon as practicable. I will defer to the CEO.

Dr ASHBRIDGE: Just to reiterate, the report actually highlighted that we do comply with the accreditation standards of the hospitals, which are standard for all Australia. By and large, they found by the time they did their review, many of the recommendations and improvements were in place. They made a number of recommendations over a three-year period to improve the security standard at Royal Darwin Hospital. I will ask Dr Len Notaras to come forward and talk about the specifics of Royal Darwin Hospital and security.

Dr NOTARAS: Through you, Chair, Commissioner Jim O'Sullivan, formerly of the Queensland Police and a very capable individual associated with Peter Forster and others, carried out two phases of an inquiry or a review; one being Royal Darwin Hospital exclusively, particularly some issues raised by the Ombudsman; and the second investigation was more Territory specific, as the minister and CEO mentioned, but also looked at the campus of Royal Darwin Hospital.

Commissioner O'Sullivan and Mr Peter Foster commented that by the time they commenced the investigation or the review, a lot of work had already progressed; they were quite impressed by the amount work which had actually occurred in the year or two prior to them arriving. During the time of the commissioning of the report and the work they undertook, and in the months subsequent to that, something like 75% to 80% of their recommendations – and, indeed, recommendations which had been made earlier by a chap called Lingard in his report – were actually executed and completed.

We have spent in excess of \$500 000 to date, and that includes a fairly comprehensive list which the CEO has. That list includes Nightcliff Renal Facility where we supplied and installed access control to

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

all external doors, CCTV to the rear door, and screens at their reception. From a Nightcliff Renal perspective we have spent in excess of \$45 000.

At Royal Darwin Hospital, we installed CCTV at various locations including the ambulance ramp and between Building 13 and the Lang Building; a series of door alarms at the Royal Darwin Hospice and also enhanced CCTV around the building, which is very important given the vulnerability of the clientele and staff there; the hospice has also been supplied with mobile duress alarms. The main building at Royal Darwin Hospital has now been restricted in terms of access to swipe cards, and that applies to Building 13 as well; and pathology.

Royal Darwin Hospital Pathology has had cameras and voice intercoms fitted, also mobile duress alarms for the specimen collection and main foyer. Buildings 1, 10 and 11 on the campus have had security access controls installed. Royal Darwin Hospital has installed a series of swipe cards to engineering services, bio-medical engineering offices, workshop stores; the Royal Darwin Hospital main building has increased signage around the whole campus, indicating the CCTVs are in place, not necessarily disclosing their location, but warning that people will be recorded, which they are for a period of up to 28 days on these particular cameras.

The Royal Darwin Hospital main building has protected all entrances to the tower block with bollards, including the old ambulance ramp; and the PABX room, the switch room, has been secured and alarmed as well.

Work has occurred in catering and in the other office areas throughout the hospital, and there has been a modified entrance, creating a reception area at ward 5B. Most of the activity was initially concentrated on ward 5B, which was raised by the Ombudsman of the Northern Territory. That work is all but complete within the realms of an aging facility, the Royal Darwin Hospital tower block and the demographics of that particular block.

It is worthwhile saying on top of that we have almost completed 100% criminal checks on staff employed to work in the hospital, and also tradesmen coming to visit the hospital.

Mr CONLAN: Thank you. I did not hear in that quite exhaustive list anything to do with paediatrics or the maternity ward.

Dr ASHBRIDGE: It was mentioned in terms of 5B. Dr Len Notaras, please.

Dr NOTARAS: Yes, it has been completed within the confines of where the ward is actually situated. In an ideal world, the ward might be situated differently, but given what we have to work with, a very good, substantial job has occurred in 5B. The doors have been alarmed, CCTV cameras are there, and staff have been educated in such a way to prevent incidents such as tail-coating, etcetera, occurring.

Mr CONLAN: Dr Notaras, through your minister, what do you mean by 'where the ward is situated'? You have done the best that can be done, considering 'where the ward is situated'?

Mr VATSKALIS: As Dr Notaras mentioned, it is an aging facility built in the 1970s, so there is no way you can reconfigure the ward now. However, the way the CCTV has been placed provides a full view of every corner of the ward. To describe it, there are two corridors, and one behind it, so if you put in two CCTVs you can see those two corridors, but not the one behind. They have put another CCTV camera in the other ward so now they have full view of all the corridors. There is an intercom, magnetic cards to get in and, when you get in, the nurses' station is opposite the entrance so they can see who is coming in and out.

Mr CONLAN: Are these new security implications as a result of the coronial into the assault on the five-month old baby last year?

Dr NOTARAS: Not all of them. Some of them were already in process as recognised by O'Sullivan, *et al.*

Mr CONLAN: All those recommendations have not been completed?

Dr NOTARAS: No, I rephrase that, through the Chair. A number of things which were later highlighted as appropriate had already commenced prior to the O'Sullivan report; so we had actually commenced work on them, as discovered from the Lingard report, which was a year or so prior to the O'Sullivan report. We had not been waiting for a report such as O'Sullivan's. To answer your question further, the recommendations of O'Sullivan, his words not mine, are 75% to 80% complete, already.

Mr VATSKALIS: At the time of the report.

Dr NOTARAS: At the time of the report.

Mr CONLAN: And what about at the time of the coronial?

Dr NOTARAS: At the time of the coronial – actually, it was not a coronial, it was a Health Complaints Commission inquiry - a significant amount of work had already started and been in progress well and truly before O'Sullivan and co arrived.

Mr CONLAN: Since that Health Complaints Commission Report last year came to parliament, I believe in October, to now, in June, how far down the track are we with security cameras in paediatrics?

Dr NOTARAS: The majority of the work has actually occurred. That which has been delayed, just for clarification, is a part of a process. In other words, it is the minor works which need to be done; it is not associated with funding or with an allocation for the particular work, it is associated with getting the tradesmen or, conversely, the equipment; and having it installed. And that will be installed in the next few months.

Mr CONLAN: Is some of that work still to be done CCTV?

Dr NOTARAS: No, the CCTV to the best of my knowledge is now completed.

Mr CONLAN: Fully completed throughout?

Dr NOTARAS: Yes.

Mr CONLAN: Thank you. The former Minister for Health demanded the CEO of Health allocate \$1m to implement these recommendations by the Health Complaints Commissioner. Can you please point out to me where in the budget that is? Has that \$1m been allocated?

Dr ASHBRIDGE: Let me return to public sector financing. This minor new work is an item which is managed at the level of the department; it is not something itemised in the budget. The \$1m identified for works in this program was within the minor new works program; therefore it is not a specific budget item. In terms of the expenditure to date, the list Dr Notaras just provided has a expenditure of \$629 000 this financial year on minor new works, which arose as a result of the \$1m commitment from the previous minister.

Mr VATSKALIS: The minor new works for 2008-09 was \$2 969 000, that is a lump sum at the discretion of the department and is not itemised in the budget. For 2009-10 is \$2 924 000, again it is a lump sum which appears as minor new works at the discretion of the department depending on the needs of the department. It is not itemised in the budget; it just appears as a lump sum.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Mr CONLAN: So this was a \$1m the previous Health minister earmarked for security upgrades of Royal Darwin Hospital?

Mr VATSKALIS: That came out of the minor new works.

Mr CONLAN: But it has actually come out of minor new works?

Mr VATSKALIS: Yes, because it is part of minor new works. Anything under \$200 000 is considered to be minor new works, and comes out of the minor new works budget.

Mr CONLAN: Up until that point \$600 000 had already been spent on security procedures, is that right?

Dr ASHBRIDGE: No, that is incorrect. The \$629 000 was money spent with the focus on security subsequent to the minister's commitment.

Mr CONLAN: So the \$629 000 was part of the \$1m earmarked for minor new works?

Mr VATSKALIS: Yes.

Mr CONLAN: So there is still \$370 000 to go?

Mr VATSKALIS: As Dr Notaras pointed out the money has not been spent because either you cannot find workers, or cannot buy the equipment ...

Mr CONLAN: I am just breaking it down; so that \$629 000 is part of that \$1m, but it is not highlighted itemised ...

Mr VATSKALIS: It is not itemised as minor new works because it is at the discretion of the department.

Dr ASHBRIDGE: I want to flag that I said the \$629 000 related to Royal Darwin Hospital minor new works program. Obviously the O'Sullivan report subsequently moved on to the other hospitals. If you are interested: the Gove hospital had \$156 000 of minor new works looking at cabling and electronic locks, a CCTV PA system at \$34 000, and an access control of \$79 000 to \$156 000. Katherine Hospital had \$24 000 for improved security with upgrade to CCTV. Tennant Creek Hospital had \$13 000 to supply and install proximity locks, and there was work done at Flynn Drive installing concept security Stages 1, 2 and 3 at \$29 000; giving an overall total for the Territory of \$1 052 100.

Mr ELFERINK: Minister, we just heard that the minor new works – you do not itemise anything under \$600 000, is that correct?

Dr ASHBRIDGE: No.

Mr ELFERINK: Sorry, I misunderstood. Could you re-explain what was said?

Mr VATSKALIS: \$300 000.

Mr ELFERINK: \$300 000. In that case, I misunderstood. Thank you.

Mr CONLAN: We have just heard a list of some security measures for other hospitals. CCTV throughout Alice Springs Hospital?

Dr ASHBRIDGE: For the detail of Alice Springs Hospital, I would like to introduce Vicki Taylor,

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

General Manager of Alice Springs Hospital, to provide you with information about security improvements in Alice Springs Hospital.

Ms TAYLOR: Vicki Taylor, General Manager, Alice Springs Hospital, Department of Health and Families. We received this report late in the financial year and there are a number of recommendations we have started to action to implement in the new financial year through our minor new works program.

The electronic control, the glass panel access door in the maternity ward will be put up in 2009-10, and we intend to link access control in the maternity ward to a CCTV unit. Also programmed for 2009-10 minor new works, we will be hard-wiring fire doors to the fire control panels so these doors can be secure in the event of a fire alarm; and install electronic access arrangements for authorised staff to the maternity ward. There is a register of restricted visitors which will be maintained at the ward clerk's desk at the maternity ward; and we have trial periods of visitor screening access during daylight hours in secure areas, and after hours in the maternity ward.

We are starting to consolidate our security procedures, both in the maternity ward and in the paediatric ward, so all staff are aware of what the security arrangements are. Security training is part of the orientation, but that is going to be expanded so we can provide regular security training to all staff. There are some trials occurring at the Royal Darwin Hospital for wandering alarm bracelets for the maternity ward and the paediatric ward and, pending those results, we will look at implementation in Alice Springs Hospital. Again, in the maternity ward, we will be installing CCTV covering the ward corridors which will be monitored at the nurse station; and the intention is to do the same in the paediatric ward.

The electronic doors leading to the ICU and the ICU waiting area is will be secured and we have already locked the door between the ICU waiting room and the special care nursery. There will be CCTV located in the ICU waiting area as well, which will cover the access door to maternity and ICU, as well as it being locked.

CCTV is to be installed in the lift foyer and the main corridors near the maternity ward, and hospital security training will be incorporated into mandatory staff training annually, also highlighting paediatric security arrangements.

We are looking at a software package to fully integrate the system to control and monitor CCTV, electronically controlled access doors, duress alarms and fire door systems. That is a larger project and will be reviewed over the next two financial years for implementation. We see that as being a staged implementation, as recommended by the report.

There is also, as I mentioned before, a wandering alarm system to deal with patients who may take their own leave, and we will be looking at what is going on at the Royal Darwin Hospital and assessing that for its implementation in Alice Springs.

In the paediatric ward, we are also putting in extensive CCTV. At the moment, the entrance is locked and it has an intercom system, and we will be linking that to CCTV. We are looking at changing the fencing around the paediatric play area, which is already behind a very large fence, but to put in a higher fence, a higher size again. We will be installing CCTV and sensor lighting around that perimeter fence as well.

We have reinforced the carers and provided them with information to make sure if they do go outside for any reason they ensure the door is locked when they come back in; and again, we are putting in a register so if carers or patients mention they have someone on whom they have a trespass order, or a DVO on, we have a complete list of those people at the ward clerk's desk.

I have mentioned the desk register. There is a ward copy to be developed of consolidated security procedures, including specific paediatric security requirements. We want to ensure all staff actually confirm they have received those procedures. We will be incorporating security training into the

mandatory annual training.

We will be putting CCTV in lift foyers and corridors of the hospital block, and hospital security will be incorporated in the mandatory training. The fully integrated duress alarm, CCTV, swipe card access, and fire door systems for all hospital wards will be looked at in the very near future. That will be replacing the buttons we currently have. So, there will be substantial investment over the next two years in security in Alice Springs Hospital.

Mr CONLAN: Thank you. Just to follow on: does that mean the special care nursery and the maternity ward will have CCTV in them? Is there a plan to have that implemented as a matter of urgency?

Ms TAYLOR: Absolutely.

Mr CONLAN: What time frame are we looking at?

Ms TAYLOR: We will be looking at that very early on in the financial year. We have started the estimates process now, and it will go through the normal channels for minor new works - through the Department of Planning and Infrastructure

Mr CONLAN: So in the minor new works budget for Alice Springs Hospital ...

Mr VATSKALIS: Yes, just said it.

Mr CONLAN: The answer is yes?

Mr VATSKALIS: Yes.

Mr CHAIRMAN: At that point, we are going to recess for five minutes. We will return to this output, and the member for Grotorex.

The committee suspended.

Mr CHAIRMAN: We will reconvene the Estimates Committee. We are at Output Group 2.0, Output 2.1. Member for Grotorex.

Mr CONLAN: Thank you. Minister, can you please tell us how many beds are dedicated to treating mental health patients in each of the Territory hospitals?

Dr ASHBRIDGE: Mental Health rests with tomorrow

Mr CONLAN: With respect, Dr Ashbridge, this is about beds in hospitals. I would have thought that would have come under Acute Care Hospitals.

Dr ASHBRIDGE: Incorrect.

Mr CONLAN: Mr Chairman, can I seek some clarification here? Beds are in hospitals, it is a hospital bed in one of our hospitals, and therefore it comes under hospitals, which comes under Acute Care.

Dr ASHBRIDGE: No. It comes under Mental Health program.

Mr VATSKALIS: There might be beds in the hospital; however, they come under a different program -

the Mental Health program.

Mr CONLAN: But the bed is still in the hospital.

Mr VATSKALIS: Yes.

Mr CHAIRMAN: We have Mental Health Services down as Output 3.2 for minister McCarthy on Thursday morning.

Mr VATSKALIS: Dr Ashbridge will be here tomorrow and he will probably answer this question tomorrow.

Mr CONLAN: Do you want to save us some time and answer it now?

Dr ASHBRIDGE: No.

Mr CHAIRMAN: It is 3.40 pm and we are trying to work through the outputs we have.

Mr ELFERINK: I have been wracking my brains over one of the answers we got before; it is my understanding there was an application, if memory serves me, which was mentioned in the O'Sullivan review, by the Royal Darwin Hospital, for \$1m to upgrade security. Was that application rejected or accepted?

Mr VATSKALIS: I do not believe it was an application. It was a commitment by the previous minister that \$1m will be allocated for improved security.

Mr ELFERINK: And where is that \$1m?

Mr VATSKALIS: It came through the minor new works.

Mr ELFERINK: So it has come through minor new works and it is not one project. You are saying it is a whole bunch of little projects. Can you show us the paperwork which relates to that \$1m?

Mr VATSKALIS: We just read the whole list of ...

Mr ELFERINK: Can we table that list to save us all the agony?

Dr ASHBRIDGE: We have just read that list out from beginning to end. I am happy to table it as well.

Mr ELFERINK: If we can table it that would be good. Obviously I have missed it.

Mr CONLAN: How many total beds do we have in Northern Territory hospitals?

Mr VATSKALIS: In 2006-07, the total number of beds in the Northern Territory was 655. That has risen in 2008-09 to 694. So we have about 39 more beds since 2006-07.

Mr CONLAN: Does that figure include mental health beds?

Mr VATSKALIS: Yes, it includes mental health beds.

Mr CONLAN: How many of those beds are actually dedicated for mental health, or for Dr Ashbridge's sake, how many of those beds are not dedicated to mental health?

Mr VATSKALIS: 694 beds.

Mr CONLAN: In total Territory hospitals?

Mr VATSKALIS: Yes.

Mr CONLAN: That includes mental health beds?

Mr VATSKALIS: Yes. I am advised it does.

Mr CONLAN: So, I can ask the question in another way.

Mr VATSKALIS: In another output, Dr Ashbridge will answer.

Dr ASHBRIDGE: I just happen to have tomorrow's estimate briefs here with me, so that may well be useful for you. We have 29 mental health beds in the Royal Darwin Hospital campus, as opposed to in Royal Darwin Hospital; and six in Alice Springs. Outside of that, as I mentioned previously, the general wards are used appropriately in the Gove, Katherine and Tennant Creek Hospitals. They are used as required, but there are 35 dedicated mental health beds in the Northern Territory.

Mr CONLAN: Okay, thank you. Minister, we had better move on to Output 2.2.

Mr CHAIRMAN: Before we move on to 2.2, we also have an Independent member.

Mr STYLES: Minister, it is known to me that during the Dry Season we have numbers of nurses who move here for a short period, both from Australian states and overseas. Information has come to hand recently that many of these nurses are not coming here because of the cost of accommodation - they cannot get it, it is too expensive. Does the department offer any assistance, and how much would it cost if you do have a program of assisting these people with their accommodation costs?

Mr VATSKALIS: Certainly, the department provides this to nurses, especially in places like Alice Springs, Katherine, and other places, to meet some of these costs. For example, the department in Katherine would provide subsidised accommodation in the community if there are no available houses on campus; and the same applies in Alice Springs, but, at the same time, encourages, with different measures, nurses to move out of the assisted accommodation and into the general community. I will allow Dr Ashbridge to expand on that.

Dr ASHBRIDGE: Before accepting the premise of the question which is we are struggling to get nursing numbers, I should reiterate that we have never had more nursing numbers, we have never had greater stability exist in the Northern Territory. That has to be the background when we answer this question.

If you turn to Royal Darwin Hospital, and look at nursing numbers from 2002 to 2009, so they obviously have accommodation; we go from 591 in 2002; 614 in 2004; 702 in 2007; 748 in 2008; 755 in 2008, page 26; and at page 24 of 2009, 868. In terms of the support we offer, apart from the usual human resource support which is given to people relocating to the Northern Territory, I can advise that Royal Darwin Hospital campus has 156 village units, single-bedroom; 12 two-bedroom flats; 12 three-bedroom houses; and two four-bedroom houses - for a range of staff. Occupancy rates, as you would expect, are nearly 100%. I acknowledge the high rental situation in the market in Darwin is something we need to confront. But, as I pointed out earlier, the growth in nursing numbers, we have been able to accommodate that.

In addition, there has been a \$2m refurbishment program announced by the Minister for Health in September 2008 as the first stage of a larger capital works program; and an additional \$4 m is

included in the 2009-10 capital works program for nursing accommodation or improving nursing accommodation in Royal Darwin Hospital. This program will provide refurbishment for village units, the 156 I mentioned earlier, and the tender closed on 3 June. Refurbishment will be done to eight units at a time, and will commence in July of this year. Having these eight units off-line will create further pressure on staff accommodation; however it is our view that improving the quality of the accommodation in the longer term will be of benefit in recruitment and retention. So, I acknowledge the high rental rates in Darwin are a challenge for us but, to date, they have not been reflected in our ability to recruit nurses in Darwin.

Mr STYLES: Minister, what is the annual attrition rate in nursing?

Mr VATSKALIS: As you are aware, the Northern Territory is a place where there is a big turnover, however, as Dr Ashbridge mentioned, at this time we have the highest number of nurses, and the most stable workforce of nurses - 81% at Royal Darwin Hospital and, across the Territory, an average of 78%. That means eight out of 10 nurses who were working here last year are still working with us; they have no intention of leaving. I am happy to allow Dr Ashbridge to expand on that.

Dr ASHBRIDGE: The minister's points are absolutely correct. We do have a stability rate of 80% as defined by people staying for two years or more; that has risen from 70% approximately two years ago. It is important to think of those turnover rates in terms of planned and unplanned. Some of those turnovers are actually good things - people coming for six month rotations, or whatever, for experiential things. It is split approximately 50/50 between planned and unplanned; and we are trying to drive down the unplanned as much as possible. I would like to leave you with the scope of improvement which has occurred over the last two to three years in improving our stability rate from 70% to 80%, as a result of a range of initiatives which I could explore but, at this point in time, perhaps it is better to let you know we have been successful in retaining nursing staff to provide services to Territorians.

Mr STYLES: Minister, earlier you said there is either a \$2.3m or \$2.5m advertising budget and you said much of that is spent on recruitment. Does that mean if we have a retention rate better than it was a couple of years ago; that we are spending less on advertising, or more?

Mr VATSKALIS: Advertising is done not only for nurses but also for specialists and doctors. It is an expensive exercise, especially having to advertise nationally in the newspapers. The problem is we continue to advertise constantly because of the lack of people who want to move to the Territory. For example, on 23 and 24 May in *The Weekend Australian*, we took a whole page advertisement to recruit people for different regions in the Territory, and that is quite expensive.

Our advertisements are not only for nurses, because we might get stability with nurses, but trying to attract specialists; it is well-known that it is very difficult. That is why the federal minister recently announced an incentive of nearly \$100m for doctors to move out from Ballarat or Ararat in Victoria and move to Gove or Tennant Creek. The further out you move from the urban centres, the higher the incentives becomes. Dr Ashbridge can add to it.

Dr ASHBRIDGE: It is probably useful, at this point in time, even though I spruiked the 80% rate - and it is something which we have had striven for over the years with strategies to improve nursing staff - I would suggest that next year it probably will be a lower figure. Why do I think that? Because over the last 12 months we have had a range of particularly nursing staff, coming through the AGI for two or three week periods, doing specific tasks under our employment. I would think the consequence of having turnover rates and retention rates will be significantly impacted upon. That does not reflect on the stability of the core workforce here. However, when we report next year on what has been happening through the AGI, I am expecting there will be substantial turnover - which I am going to call planned turnover because people come for three to four weeks. I am just informing you there is a broader issue around recruitment and retention rates.

Mr VATSKALIS: On the other hand, we are affected by what is happening nationally. For example, the Western Australian Department of Health said they have a significant cut to their budget, and they

are talking about retrenching 600 nurses. These nurses will be looking for a job; some of them work in the north-west of Western Australia and they would be suitable to work in our area; and the department it is focusing on different areas where we hope to get nurses. We might predict a downturn next year but, because of what is happening in other states, we will see a significant number of nurses in the Territory.

Mr STYLES: Thank you, minister.

Mr VATSKALIS: This is actually a graph that shows the degrees of the turnover of nurses.

Mr ELFERINK: We would like to see that tabled.

Mr VATSKALIS: Yes, I see nothing wrong with that.

Ms SCRYMGOUR: Member for Grotter, will you ask yours and then I will ask mine, or do you want to ...

Mr CONLAN: No, I have a couple of quick ones here. Minister, how many babies are being temporarily or permanently abandoned in our Territory hospitals by their mothers each year? Do you know?

Mr VATSKALIS: I am pretty sure that is under Children's Services. You might have to ask my colleague, minister McCarthy.

Mr CONLAN: Who is responsible for the care of an abandoned baby until a family member can be contacted?

Dr ASHBRIDGE: Can I suggest you talk to me tomorrow?

Mr CONLAN: All right.

Ms SCRYMGOUR: Minister, regarding palliative care, who is on the board and what happened to the volunteers? Do we have a list of the board members?

Mr VATSKALIS: The Palliative Care Board?

Ms SCRYMGOUR: Palliative care.

Mr VATSKALIS: We will take it on notice and provide information to you.

Question on Notice 5.6

Mr CHAIRMAN: Could you please just repeat that question for *Hansard*.

Ms SCRYMGOUR: Minister, can you please provide information in relation to the Palliative Care Board, who is on the board, the names of the members on the board, and what happened to the volunteers within the Palliative Care Unit.

Mr VATSKALIS: We will take that on notice and provide the information.

Mr CHAIRMAN: For the purposes of *Hansard*, that is question No 5.6

Ms SCRYMGOUR: My next question, minister, is in relation to aeromedical services which I think is within this unit. We saw previously a coronial in relation ...

Mr VATSKALIS: Aeromedical services are in the next output.

Ms SCRYMGOUR: No, it is not, it falls within Admitted Patient Services. It falls within this output, I have checked.

Mr VATSKALIS: Sorry, that is right. I have it in a different output.

Ms SCRYMGOUR: The issue that happened previously at Kalkarindji, which we have seen in a number of remote communities in terms of retrievals. Can you provide information about the review which was conducted externally or internally in the department to address the issues which arose as a consequence of the situation at Kalkarindji?

Dr ASHBRIDGE: Member for Arafura, can you repeat the question.

Ms SCRYMGOUR: There was an incident which happened at Kalkarindji; we all know what that incident was. I understand a review was conducted in relation to that matter. Who did that report? Is it a public report? Have the recommendations from that review been addressed? What time frame was set by the department for implementation of those recommendations which came out of that review?

Dr ASHBRIDGE: I will just make one point before I ask Dr Shane Houston to respond. There has been a recent publication in the *Medical Journal of Australia* regarding this, and the openness of the agency to consider how we can improve has been at the forefront of our thinking.

Ms SCRYMGOUR: I am not disputing the transparency of the department. I am asking what have been the steps in implementing those recommendations which came out of the review.

Dr ASHBRIDGE: I will ask Dr Shane Houston to take us through that.

Dr HOUSTON: Dr Shane Houston, Executive Director, Systems Performance and Aboriginal Policy. In respect of the outcomes of the incident at Kalkarindji, a number of issues have been addressed and a number of actions taken within the department as a whole. I suppose the most important one of those would be steps taken by the department to ensure that advice from a hospital of a returning member's journey home now requires the department to seek and obtain confirmation that the details relating to that person's travel have been received by the home community, and that appropriate arrangements are in place.

There have also been changes in respect to the PAT Scheme, which members of the committee would be aware of. There are also a number of other strategies in place which relate to the department's implementation of the government's cultural security policy. They include specific consideration of issues which fall within the cultural realm which need to be made known to the centres where Aboriginal people from remote locations may be travelling, and may have bearing on the quality of their care and their stay in the hospital setting. There are also improvements in discharge arrangements relating to people returning to remote communities being communicated to those locations. Those are some of the changes.

There are also, for instance, changes to the question of escorts for people travelling interstate, as well. All of these things have bearing on the quality of the patient's journey. There is work being undertaken at Royal Darwin Hospital, specifically around looking at the quality of patient journey and what internal steps might be taken in that facility to improve that service. I know my colleagues in Alice Springs Hospital have also spent some time looking at the questions of cultural security and how attention to those matters might also improve the patient journey for Aboriginal people from remote locations.

Ms SCRYMGOUR: Is that report which came out of that incident available publicly? If we are talking about air retrievals from remote communities, the decisions which have been made in relation to that, is that public knowledge? Do people know those steps have been taken?

Mr VATSKALIS: My understanding is that it was a coronial inquiry and there were a number of recommendations made.

Ms SCRYMGOUR: I know it was a coronial inquiry, minister. What I am asking is flowing from that coronial inquiry there was a review conducted internally in the department to implement those recommendations.

Dr ASHBRIDGE: My understanding, member for Arafura, was that we did the review and prior to the coronial findings, the Coroner used that review in his thoughts as to what the future and recommendations should be; it was not done subsequently. We provided that report in full to the Coroner, and the recommendations that came out of the Coroner's report we have also implemented. So it was not subsequent; it was prior.

Ms SCRYMGOUR: But those findings and that review were taken back to the family members in question and discussed?

Dr ASHBRIDGE: My understanding is, that is correct.

Ms SCRYMGOUR: In relation to aeromedical services and intrastate patient travel, I notice there is a decrease in your estimates for the 2009-10. Is there any reason for that? In your annual report for last year there was actually an increase, yet this year you are predicting for the 2009-10 a decrease in the number of aeromedical services or retrievals? Intrastate, David.

Dr ASHBRIDGE: There are two points to be made. One is the estimate for the previous year was an overestimate; so the reflection of the change is a downward movement from what I have been advised was an overestimate in the previous year, and in that sense it is slightly artificial. The other point is we are increasingly aiming to provide more services within the Territory and hoping the trend of people travelling less is not only a result of the higher estimate in the previous year, but also our ongoing challenge to develop services in the Territory so people are not required to leave the Territory.

Ms SCRYMGOUR: Minister, in a previous answer to the member for Grotorex you said there are 694 beds across the Territory. Can you tell me what percentage is occupied in hospitals by Aboriginal people?

Dr ASHBRIDGE: I would like to bring Dr Shane Houston to the front.

Dr HOUSTON: The numbers I can give you relate to Aboriginal people as separations from hospital. We know that, for instance, at Royal Darwin Hospital about 48% of all separations relate to Aboriginal people, and that number increases quite dramatically in our hospitals in other parts of the Territory. The latest figures I have seen indicate at Nhulunbuy, for instance, Aboriginal separations from Nhulunbuy Hospital are as high as 96%; so it is quite large. I can certainly get the other details, hospital by hospital. Overall, you would expect in our hospitals somewhere between 60% and 70% of all separations relate to Aboriginal people.

Ms SCRYMGOUR: Minister, would you provide that information?

Mr VATSKALIS: Absolutely, no problems at all.

Ms SCRYMGOUR: If I can get that information in a breakdown by hospital that would be good. Also,

within that information if I could get not just the hospitalisation, but the categories. We know renal and other chronic diseases are causes in terms of hospitalisation, but if I could get a breakdown within the hospitalisations in the five regions.

Mr VATSKALIS: Yes.

Dr ASHBRIDGE: Member for Arafura, can I just return to the question about patient travel and the decrease?

Ms SCRYMGOUR: Yes.

Dr ASHBRIDGE: To give some reassurance regarding the estimate for 2008-09, the year to date figure for patient travel is just under \$19 500, so our estimate will fall short of the \$22 500 which is here. The changes between 2008-09 and 2009-10 will be line ball, and probably our estimate will be closer to the \$20m mark.

Ms SCRYMGOUR: But it is an estimate?

Dr ASHBRIDGE: That is correct.

Mr CHAIRMAN: That concludes consideration of Output 2.1.

Output 2.2 – Non-Admitted Patient Services

Mr CHAIRMAN: Are there any questions on Output 2.2, Non-Admitted Patient Services?

Mr CONLAN: Minister, can you tell us what effect the Palmerston Super Clinic has had on the Royal Darwin Hospital Emergency Department?

Mr VATSKALIS: The Palmerston After Hours Care Clinic had a significant effect. It decreased significantly the number of people going to the Emergency Department. In the six months since the start of operations on 15 December, 5000 people have attended the clinic. Of those 5000 people, only 8% presented themselves, or were sent, to the Emergency Department. That means 90% of the 5000 did not go to the Royal Darwin Hospital Emergency Department, thus alleviating the pressure on the Emergency Department.

Mr CONLAN: Can you list now, or provide at some point, the weekly attendance average at RDH for the six months prior to the opening of the clinic, and the six months after the opening of the clinic?

Dr ASHBRIDGE: This is actually crossing a couple of output groups, but the answer is, yes, we can provide that information. We are undertaking an evaluation of the Palmerston After Hours in the coming months or so, which will give you a detailed analysis. We are seeing approximately – and this is why we are moving into the community health dimension - seeing upwards of 30 people a night at Palmerston, and a handful after hours; the majority of those are deemed to be urgent care, in other words, they needed services provided at that point in time; and a number of those people who have presented would have otherwise gone to Royal Darwin Hospital. Even though it is early days in terms of talking about the impact on Royal Darwin Hospital, and there are other reasons why services might grow in Royal Darwin Hospital, independent of Palmerston, and teasing out the impact of one intervention over a range of factors, it would be inappropriate to do that as a simple analysis.

The evaluation of Palmerston, at this point in time, is it has been well used, and the nature of the clients who go there are not going there for convenience. They are going there because they have a real need, therefore it is reasonable to assume many of these people would otherwise have gone to Royal Darwin Hospital.

In terms of the impact on Royal Darwin Hospital, we need to disaggregate the other factors, which

might relate to after hours usage of an acute care facility, relating to how many people are using Health Direct, how many people are using after hours in other areas, etcetera. We are planning to do an evaluation to try to get to the core of what you are asking, but our gut reaction is that it is impacting on Royal Darwin Hospital, and it is certainly beneficial to the residents of Palmerston.

Mr CONLAN: So, minister, you do not have that information at the moment, but you are gathering it?

Mr VATSKALIS: The department is undertaking the evaluation now so we know what the impact will be. The positive feedback will be on the Emergency Department of Royal Darwin Hospital.

Mr CONLAN: Can you please tell us, minister, how much it has cost the Northern Territory government to run the super clinic for the first six months? Wrong output group, is it? Which output group is it supposed to be?

Mr VATSKALIS: It is not a secret. The government committed \$2m a year to run the clinic.

Mr CONLAN: What output is that? Sorry, \$2m a year ...

Mr VATSKALIS: It does not really matter; it costs \$2m a year.

Mr CONLAN: How much of that operating cost goes to fly-in-fly-out doctors?

Dr ASHBRIDGE: For your edification, it is under a community health output; it is services provided in the Community Health Branch. However, in answering your question, I will ask Jenny Cleary to come up.

Mr CONLAN: Is that on today, Community Health?

Mr CHAIRMAN: In Output 3.1, Community Health Services.

Dr ASHBRIDGE: Yes, Community Health Services is Output 3.1. We can answer your question because it is a function which is provided in Community Health and not in the Acute Care sector. It is not an emergency department; it is an urgent care clinic, and that is designed to be under the output of Community Health.

Mr CHAIRMAN: I am conscious of the time, member for Grotter. If we can try to go through Output 2.2 questions, and move on to Output 3.1.

Mr CONLAN: What is your hurry, Mr Chairman?

Mr CHAIRMAN: I am just conscious of the time.

Mr CONLAN: There is a bit to get through. So, we can say that you have that in Community Health?

Mr VATSKALIS: Yes.

Mr CONLAN: I move on to renal. How many patients are undergoing renal dialysis currently in the Northern Territory?

Dr ASHBRIDGE: Can you just repeat the question, please?

Mr CONLAN: How many patients are undergoing dialysis in the Northern Territory?

Dr ASHBRIDGE: We classify this both for the Top End and Central Australia, and we also classify it in terms of haemodialysis, peritoneal dialysis, and transplanted patients. From a haemodialysis

perspective, in the Top End we have 199, and in Central Australia we have 178, giving a total of 377 on haemodialysis. On peritoneal dialysis, we have seven in the Top End and 30 in Central Australia, giving a total of 37. The other area of dialysis is transplanted patients, of which we have 26 in the Top End and 50 in Central Australia, giving a total of 76 - a total number of 490.

Mr ELFERINK: Creatinine level. I can never get the word quite right. It is creatinine level?

Dr ASHBRIDGE: Creatinine.

Mr ELFERINK: Yes, creatinine, I got it right.

Dr ASHBRIDGE: You got it right.

Mr ELFERINK: Do you have any projections based on current raised creatinine levels, in its impact on the requirement for dialysis into the future?

Mr VATSKALIS: Since this is a medical question, I will ask Dr Ashbridge to answer.

Mr ELFERINK: Mr Ashbridge.

Dr ASHBRIDGE: I am not a surgeon, sir. As I mentioned earlier, and I am not trying to be difficult, this does enter into the prevention community health primary care ...

Mr ELFERINK: All I am asking is projections, facts of the future ...

Dr ASHBRIDGE: As I mentioned earlier in our discussions about demography and planning, we have clearly looked at chronic disease, the progression of chronic disease, and the impact that has on the acute care sector. The planning of this is not just a linear projection; it does need to take into account what the impacts of intervention have on people in the primary care sector. Therefore, we need to look at the impact of people trying to prevent renal disease - obesity, birth weight, those types of things. We need to factor that into our projection.

We also need to factor in our improved access to primary health care and the substantial investments made in that area, and the earlier detection of microalbuminuria and creatinine in the system. The quality of treatment people receive in the primary care sector translates into how long people take to progress to dialysis. The hope is at least a substantial number of people will either be significantly delayed, if not deferred substantially, in moving on to the dialysis situation.

Mr ELFERINK: They have the best case and worst case scenario with that formula.

Dr ASHBRIDGE: We have a range. The good news is we are hoping the investment in primary care will slow down the progression to renal dialysis and how that spins out in terms of the numbers of people who are looking for dialysis, but we have seen a significant growth over the last number of years. The good news is, and this is good and bad news, but the good news is people who now enter renal dialysis in the Northern Territory now have exactly the same life span as anyone else with renal dialysis across Australia.

Mr ELFERINK: Thank you. That was not the question I asked, doctor. I am trying to ascertain what your projections are telling you in relation to the demand on renal dialysis into the future.

Dr ASHBRIDGE: I am responding to that in terms of the factors which you need to take into account. The point I am making is the better quality renal dialysis we provide, the more you need renal dialysis services, because people are living longer. We have a double impact of fewer people entering the system because of improved primary health care services, but we have people living longer who enter the renal dialysis program because of the better quality.

Mr ELFERINK: Have projections been done?

Dr ASHBRIDGE: We have projections and we have further investments in renal dialysis.

Mr ELFERINK: Okay. What do the projections say?

Dr ASHBRIDGE: In terms of percentage of the population, in terms of ...

Mr ELFERINK: Whatever. You have raised levels. We have now established you have projections in relation to this stuff. What are those projections? Are those projections over next year, five years, 10 years, 20 years? What are those projections?

Dr ASHBRIDGE: I will get the relevant people to come and give you that exact information. It is not information I have off the top of my head.

Mr ELFERINK: Okay. That is a question on notice.

Question on Notice 5.7

Mr CHAIRMAN: Repeat the question for *Hansard*, please, member for Port Darwin?

Mr ELFERINK: What are the projections for the effects of all the factors which relate to increasing dependency on renal dialysis, both haemo and peritoneal dialysis into the future, for the next one, five, 10 and 20 year periods. Are you capable of giving me those numbers?

Dr ASHBRIDGE: We are capable of providing you a range of numbers, because all those numbers are predicated on various assumptions and how effective they are going to be.

Mr ELFERINK: You have just described the formula. I understand.

Dr ASHBRIDGE: Any numbers we provide will have to have the caveat of assumptions around effectiveness of dialysis, primary care, prevention, etcetera.

Mr ELFERINK: I understand all of that. Best case scenario? Worst case scenario?

Dr ASHBRIDGE: Yes. We are capable of doing that.

Mr CHAIRMAN: And you are comfortable with those time frames?

Dr ASHBRIDGE: All I can say is the range, as you out further, will be broader because the assumptions become harder to verify. We do not know about changing technologies, 10 years from now, etcetera, but yes, we are capable of doing that with the high pressure.

Mr CHAIRMAN: Thank you, Dr Ashbridge. For *Hansard*, that is question No 5.7. Thank you.

Mr CONLAN: Mr Chairman, those numbers of renal patients throughout the Territory you listed before, would I be able to get a copy of that, can you table a copy of that, if you have it there?

Dr ASHBRIDGE: Yes. There is no problem.

Mr CONLAN: Good. I did not write them all down as we were going. We have established the number of patients. The question was: how many patients are undergoing dialysis across the Northern Territory? How much does it cost the Northern Territory for each of those patients per year?

Dr ASHBRIDGE: Sorry. You asked me how much it cost per patient?

Mr CONLAN: No. I have asked you another question.

Dr ASHBRIDGE: Another question? Sorry, I missed the second question.

Mr CONLAN: Okay. How much does it cost the Northern Territory government for each of those patients per year, based on the figures you have just given me?

Dr ASHBRIDGE: We have to wait for that bit of paper to come. Peter Beirne.

Mr BEIRNE: The numbers were given on the totals. I have the total dollars, so I guess you can extrapolate from that the amount per patient. But the operational budget in 2008-09 was \$24m per annum, and in 2009-10 it is projected to be \$24.72m, that is the operational budget. On top of that there is a capital infrastructure budget, and for 2008-09 it was \$2.2m, and for 2009-10 it is \$2.6m.

Mr ELFERINK: Thank you, sir. Can we have that tabled, so we can photocopy the whole paper now?

Mr Beirne: That is no problem.

Mr CONLAN: How many of those are self-care in the dialysis? Did you list that figure on there?

Dr ASHBRIDGE: I am not quite sure of the detail of the question. The answer we provided you with was the numbers of people on haemodialysis, the number of people on peritoneal dialysis, the number of people who have been transplanted. I am not sure whether that answers your question. Obviously, the transplant patients are very much independent.

Mr VATSKALIS: And the peritoneal are self-care.

Dr ASHBRIDGE: Yes.

Mr CONLAN: You did provide those figures. I did get them all. What is being done to increase resources required to cope with the numbers of renal patients, particularly the carers, the nurses and renal dialysis specialists throughout the Northern Territory? What initiatives are in place?

Mr VATSKALIS: We have increased the number of facilities. For example. we are providing a new 12 station facility for Alice Springs which I anticipate to be operational next year.

Mr CONLAN: Is that the Gap Road facility?

Mr VATSKALIS: I do not have the location. In addition, we train people to operate the machines themselves. The machines are located in certain areas in the community and people can plug themselves into the machine and know how to operate it in a secure environment; teaching people how to do peritoneal. Further information can be provided by Dr Ashbridge.

Dr ASHBRIDGE: I will just go to the specifics of Peter Beirne, the Executive Director Acute Care.

Mr BEIRNE: Some of the detail of the increased budget is within the paper that you now have and in the budget papers itself. In addition to those allocations, as the minister noted, there is a new 12 bed facility being developed in Alice Springs at present, and there is further funding planned over the next

few years as well. In addition, there is a partnership with the Australian government to expand self-care, community-based peritoneal dialysis, in particular, over six communities for self-care clients to undertake their own treatments. There has been additional funding awarded to the department in the last couple of weeks for that.

Mr VATSKALIS: Mobile dialysis bus.

Mr BEIRNE: That is right. This funding is in the 2009-10 budget because it was only recently awarded to the Northern Territory Department of Health and Families. That includes piloting of a mobile dialysis bus in Central Australia; building two further haemodialysis drop-in centres for self-care clients, one in Darwin and one in Alice Springs; and funding for three renal reading rooms to be constructed onsite in three remote community health centres.

Mr VATSKALIS: That is Milingimbi, Ngukurr and Amoonguna.

Mr CONLAN: With the push by the Northern Territory government for self-care there is concern about the allocation of more resources. There is currently a bottleneck of dialysis patients who have learned self-care but are awaiting assessment by the only self-care trainer in order to be able to go home.

Dr ASHBRIDGE: Is this an Alice Springs question?

Mr VATSKALIS: Alice Springs or the Northern Territory?

Mr CONLAN: Well, Alice Springs is in the Northern Territory.

Mr VATSKALIS: No, I am saying is this specifically for Alice Springs, or for the whole of the Territory?

Mr CONLAN: Alice Springs, which covers, as you know, a huge amount of area.

Dr ASHBRIDGE: The reason I asked that is because, to get the appropriate person to answer that question it is necessary to know which part of the Territory you are referring to, so there was no commentary around ...

Mr CONLAN: No. Alice services that huge area.

Dr ASHBRIDGE: I thought I might share with you some of the discussions I have been having around Alice Springs about renal services. As you would be aware, renal patients in Alice Springs not only arise from the Northern Territory, but also come from other jurisdictions, particularly South Australia and Western Australia. I have entered a discussion with the chief executives of South Australia and WA in convening a meeting in Alice Springs to talk about the appropriate direction for renal services in Central Australia, not just the Northern Territory. They have been very sympathetic of what that might mean in terms of investment or local response from their jurisdictions to the issue. So there will be a meeting, which I will chair, in the next month or two regarding the direction of renal dialysis and renal patients throughout Central Australia.

In terms of the specifics of your question about training, I will ask Vicki Taylor if she can tease out the nuance of the question.

Ms TAYLOR: As I understand it, there was a delay in the transfer of a patient to Ali Curung while we waited for the unit to be established, but I understand that transfer has now occurred. The training of patients to go to home dialysis is very lengthy, it takes around six months. Our training assessment officer, as I understand it, is just about to go on maternity leave, or has gone on maternity leave. Certainly, I am not aware of the bottleneck.

Mr CONLAN: Okay, but that does not mean there is no a bottleneck, necessarily?

Ms TAYLOR: It does not mean there is a bottleneck either. I would need to find out for you.

Mr CONLAN: All right. Well, I have it on good authority.

Mr VATSKALIS: To add to what the CEO said, priority one is always Territory people. It does not matter what the need is, Territory people would be looked after first. In similar situations there are formal agreements with other governments. The Western Australian government has purchased six beds which are now in Royal Darwin Hospital because they prefer to send people from, say, Kununurra and Derby to Darwin, rather than take them to Perth for various reasons. But they have purchased six beds; if they are not used by Western Australian people, they are used by Territorians, but they have put the money on the table for the six extra beds.

Mr CONLAN: All right. So, the information we are waiting on is the objections?

Dr ASHBRIDGE: No problem with that.

Mr CONLAN: No problem with that. And the costings, which you will table?

Dr ASHBRIDGE: We have given you the costings, I believe.

Mr CONLAN: They are tabled; all right. At this stage, no information whether there is or is not a bottleneck when it comes to self-care dialysis?

Dr ASHBRIDGE: My understanding is that there is not. We can check that out, but I am not aware of that being an issue, and certainly the General Manager of Alice Springs Hospital is not aware of that being an issue either.

Mr CONLAN: All right. This facility on Gap Road, the new one, is it a private or government facility?

Mr BEIRNE: That is obviously government funded, but it is ...

Dr ASHBRIDGE: It will be a private service provider.

Mr BEIRNE: That is right.

Mr CONLAN: All right. Now I would like to move on to PATS. This is one which arose this morning, minister, a bus service between Alice Springs and Tennant Creek. On the radio this morning it was stated that pregnant women and sick patients travelling to Alice Springs arrive at around 2 am and were able to wait at the Tennant Creek Hospital, and the hospital would drive them to the bus station. Apparently the new director, or the head, of Tennant Creek Hospital has stopped this service. Can you confirm this, or what is going to be done about this?

Mr VATSKALIS: Let us have a look at the situation. I heard the comments this morning on the radio; but there is always another side to the story. There are two bus services in Tennant Creek. One is the Greyhound, which is private, and the other one is a Bush Bus. The Bush Bus operates twice a week and leaves during the daytime. Unfortunately, the private Greyhound arrives at 2 am. People who come from communities are provided with the opportunity, through PATS, to stay at the caravan park which is near Greyhound. When they return, if they are people identified as vulnerable – women, pregnant women, women with children, old people, and they are from communities outside Tennant Creek - the bus pulls up by the hospital and the people stay in the waiting room.

One of the issues identified by the O'Sullivan report was better control of who comes and goes at the hospital, because of the close proximity of the wards. They did not want people who have no relationship with the health system hanging around.

I am certainly happy to have the CEO expand further on this. I am not happy about the 2 am time; it is totally unacceptable, however, it is sometimes the private choice of people living in Tennant Creek who prefer to leave at 2 am and arrive very early in Alice Springs. Again, there are two bus services in Tennant Creek. The department is providing a service already; we negotiated with Anyinginyi to provide a shuttle bus in Tennant Creek to avoid the situation. The department tried to find a better way of accommodating people in the Tennant Creek area who have been sent to Alice Springs and are returning from Alice Springs. The CEO can expand on it.

Dr ASHBRIDGE: It is clearly an inconvenience for patients, and it is not our preferred way of people moving to and from Alice Springs. However, as the minister pointed out, there are two services. Our preference, where possible, is to use the day time service, as opposed to the night time hours. That is not always possible, but we are making every effort to do that - that is the Bush Bus service. We are in discussions with Bush Bus about their timetabling and what can be done to improve the frequency and volume through that service.

We have also had discussions with Greyhound about the inconvenience of the hours; but that is an issue where Tennant Creek just happens to be in the middle of a route, and that is when they pass through Tennant Creek; it is not something they can vary in their scheduling. We were able to get Greyhound to agree to vary their route when returning from Alice Springs to Darwin so people, particularly from communities who are arriving at 2 am are able to be diverted to Tennant Creek Hospital and stay in the waiting room of Tennant Creek Hospital pending transfer to their communities next day. We have made the most of what is quite a difficult circumstance. We will continue to have negotiations with the various providers to try to improve it. As I said, there are a couple of services, and we try to use the day time service as much as possible. We have tried to make the night time service as safe and comfortable as possible. That is the state of play at the moment.

Mr VATSKALIS: Another problem which complicates things is the Bush Bus leaves Alice Springs at 8 am, which is too early for people being discharged from the hospital - they are discharged later - so they miss the bus. We are trying to do the best we can with what we have at this stage, but we are trying to find a way to accommodate people and their needs, and not have them arriving in Tennant Creek at 2 am.

Mr CONLAN: Can you provide - and I suspect it may be on notice - how many patients fly interstate or intrastate for medical treatment each year? If you have it with you, could you table it?

Mr VATSKALIS: Yes.

Dr ASHBRIDGE: I refer you to Budget Paper No 3, page 216, where you will find the answers to the question you are asking. Interstate travel in 2008-09, year to date, is 2836, with a projection next year of 3000. Intrastate travel, as I mentioned to the member for Arafura, was an estimate of \$22 500 this year; it is currently just on the \$20 000 mark, and projected to be \$20 300 for next year.

Mr CONLAN: Thank you. Minister, how many people are acquiring PATS then not turning up for their appointments? We do see this in some of the more remote regions. I know in Tennant Creek people sometimes do not turn up for their scheduled flight or their bus, therefore deliberately or accidentally missing appointments. Do we have the figure of how many - is there some sort of process to acquit?

Mr VATSKALIS: We will take it on notice.

Question on Notice 5.8

Mr CHAIRMAN: For *Hansard* if you could repeat that, member for Grotorex.

Mr CONLAN: How many people are acquiring PATS but not turning up for their appointments? Does

that make sense?

Mr VATSKALIS: We will take it on notice.

Dr ASHBRIDGE: Just so you are aware, that is often referred to as the no-show figure. We can actually ...

Mr CONLAN: What is the no-show figure?

Dr ASHBRIDGE: We have to get that for you.

Mr CHAIRMAN: Just quickly, that is Question 5.8 for *Hansard*.

Mr CONLAN: Do you have the cost, could you identify the cost for those patients inter and intrastate, and we can compare that with the no-shows versus the shows?

Mr VATSKALIS: We do not have it with us but we will get it. That is part of the question you asked before; you want to incorporate them altogether?

Mr CONLAN: Yes, okay. Can you please provide us with the cost of the no-shows and the costs of the shows; the cost and the actual numbers?

Mr CHAIRMAN: And that will be, for the benefit of *Hansard*, incorporated into questions on notice No 5.8.

Mr CONLAN: Second last one: is there a process to acquit PATS travel paid for against actual attendance for the scheduled appointment? Is there anything in place the government does for those who do not show?

Dr ASHBRIDGE: Clearly a no-show means we have a definition of people not getting on a flight, or not attending the appointment. So to answer your previous question we must have a record of people coming to the outpatient appointments or surgery, or not getting on a plane. I am not quite sure where you want to take that question.

Mr CONLAN: Essentially, if someone has been issued with a bus ticket or an airline ticket and they have not shown up for their appointment, you are going to know they have not turned up for the appointment, are you not?

Dr ASHBRIDGE: Correct. They become a no-show.

Mr CONLAN: Exactly. Is there some way to acquit that ticket? If it costs \$200, does the department chase that person and say: 'You did not turn up'? Do we get that money back?

Dr ASHBRIDGE: It depends on the mode of transport. Sometimes people are on charters, in which case reimbursing the cost of a charter is not sought. In terms of individuals who have tickets, I do not know the number, but I would imagine it is a small number of people who actually get on their transport and then do not turn up. It has not been our practice, to date, to actively follow that through.

Mr VATSKALIS: However, I have to say we always review the situation with PATS, and that could be part of the review we are doing. And there are different reasons why people do not turn up.

Mr CONLAN: There might be some very good reasons; there is no doubt about it.

Mr VATSKALIS: It is not like one covers everyone. Some people might have not turned up because there is a death in the family, or cultural reasons. Others might not turn up for whatever reason, but this is one of the reviews we do with PATS. We review PATS regularly and as part of the review we increased PATS in the last budget. That is why we allow escorts to go with people on PATS, and allow people to claim for their own private use of a vehicle.

Dr ASHBRIDGE: As someone who has practised in the bush: if you refer someone and they go to town and do not get an appointment, you do not get a referral letter back; then it is a very serious discussion if they were to travel again. There is an audit or a clinical dimension to this which is usual clinical practice, in fact, standard clinical practice, that post-referral there is a discharge letter. If that was not to occur as a consequence of travel, then a clinical response is required which reinforces the need to travel, and to make sure, should there be another appointment, this is fulfilled.

Mr CONLAN: All right, it will be interesting to see those no-show numbers.

Minister, is it still the government's policy that once the oncology unit is built, patients seeking treatment in Central Australia will be required to travel to Adelaide?

Mr VATSKALIS: It is government policy that people who are currently undergoing treatment in Adelaide, or anywhere else, will continue until the ...

Mr CONLAN: No, once new patients come on board?

Mr VATSKALIS: However, all new patients will be treated in Darwin. I explained before the oncology unit is in Darwin because the federal government wanted a guarantee regarding the number of people treated, and how it can be used efficiently incorporating people from Western Australia. If we do not get the numbers, we do not get an oncology unit.

The Territory government will not only provide the oncology unit, we will provide accommodation away from home. We already have a facility worth \$2m; the old Masonic Home facility in the city. People will be provided with PATS if they travel from Alice Springs, perhaps with an escort, and accommodated in Darwin. After all, Territorians come from everywhere. If we accept different ones to travel to Adelaide for treatment, what about people who say: 'I come from Perth and I want to be treated in Perth or Brisbane'? We have a Territory facility, we are all Territorians; we will all be treated in Darwin.

Mr CONLAN: We can argue about this, and we have, and I am sure we will continue to do so in the future; but there is no case about the Perth example. There is a very strong case to allow Alice Springs residence to continue to ...

Mr VATSKALIS: My wife comes from Perth.

Mr CONLAN: There is a very strong case, minister, to allow those people to continue to travel to South Australia. I know we will continue to debate that, and it is a clear policy difference because we believe we can find the numbers in that catchment area to keep the oncology unit viable, and still allow choice for Central Australians.

Mr VATSKALIS: The oncology unit is a significant investment in the Territory's health system ...

Mr CONLAN: No doubt about it. We agree on that.

Mr VATSKALIS: ... and if we do not support it, we are not going to have it.

Mr CONLAN: No, it is not about not supporting it. It is about finding the numbers elsewhere and there are plenty of numbers in that catchment area.

Mr VATSKALIS: After all, the oncology unit will be supported by the Adelaide hospitals, so you will be receiving exactly the same care here in Darwin.

Mr CONLAN: Okay. I know we will continue to debate this, but my question is: in this review titled 'Options for Radiation Oncology Services' commissioned by the Northern Territory government in July 2004, and I can table this, it says: 'Northern Territory cancer patients living in Central Australia should retain the choice of travelling to Adelaide rather than Darwin for radiotherapy'. The report was re-released in August 2004. It is exactly the same except for that paragraph which says: 'NT Cancer patients living in Central Australia wish to retain the choice of travelling to Adelaide rather than Darwin for radiotherapy'.

Why the change? Why the discrepancy in the two reports? One released in July and again in August, exactly the same, except for that omission. It was suggested by your own report that patients continue to retain that choice; then all of a sudden we have another one which has cropped up.

Dr ASHBRIDGE: I might have a go at answering this because it is before both of our times. My recollection is the first report you tabled was a draft report - the reason it is called draft is because that is exactly what it is. Should changes be made between draft and the final product, that is a reasonable thing to occur - whether they considered more information, took more advice, I cannot answer that. All I am saying is the first report you held up was a draft report. The second report you held up was ...

Mr CONLAN: It was a draft report?

Dr ASHBRIDGE: The first - the timing of those ...

Mr CONLAN: You are absolutely sure of that?

Dr ASHBRIDGE: I am sure of that.

Mr CONLAN: Absolutely sure of that?

Dr ASHBRIDGE: 99.99% that it was a draft report when it was ...

Mr CONLAN: So we are not quite sure?

Dr ASHBRIDGE: I would say very confident, rather than not quite sure.

Mr VATSKALIS: Member for Greatorex, what is important is the quality of care that people receive, irrespective of where they are.

Mr CONLAN: As I say, minister, we can ...

Mr CHAIRMAN: The minister has the call.

Mr VATSKALIS: We can argue; I agree with you. The reality is people from Alice Springs will receive the highest quality care in Darwin; the same quality of care they would be receiving in Adelaide because there will be the same provider in Adelaide and in Darwin. This oncology unit is one of the biggest investments in our health system in the Territory for a long time. It needs our support. The government believes we will provide the best care in Darwin and, in the end, Alice Springs people will realise that coming to Darwin they will receive exactly the same care they would receive in Adelaide.

Mr CONLAN: Thank you for the speech, minister. I have heard it all before ...

Mr VATSKALIS: I have heard your speeches before and ...

Mr CONLAN: I know that. I am not talking about our ideological differences; I am talking about the difference in these two reports. That was my question. I know our debate of this will go on and on, but it was about this. So I guess now is to confirm whether that was a draft report from the very beginning, but okay.

Mr CHAIRMAN: Do you have any questions for Output 2.2?

Mr CONLAN: No, I will wait until the next output. Alice Springs ED, will that come under Environment?

Mr CHAIRMAN: That is under 2.1.

Mr CONLAN: Would the minister consider answering any questions on the Alice Springs Emergency Department?

Mr VATSKALIS: Missed out, but you are getting \$90m, not bad. \$20m for ...

Mr CONLAN: It was only \$6m last year, so what happened? You got the extra ...

Ms SCRYMGOUR: Mr Chairman, if the member for Greentree hurries up, he could put it under non-specific output ...

Mr CHAIRMAN: Yes. Good point, member for Arafura.

Mr CHAIRMAN: The member for Sanderson had questions to 2.2?

Mr STYLES: I did, minister. It has just come to my attention recently, and this is similar to a question I asked in relation to 2.1. Recently I spoke to someone who has four children, two of whom are leaving the Territory. They work in the health sector, one is a sociologist, and the other one is a chef. They are leaving the Territory because one, they cannot afford to buy a house here; and two, they cannot find anywhere to rent, and they cannot afford the rent. They are moving to Adelaide, both moving, and taking their partners with them.

What I am asking is in relation to the dollars which are going to be used to support and keep employees here: one, so we do not have to recruit them again; and two, not only have we lost a sociologist and a chef, we have also lost a mechanic and a school teacher. Can you reassure us there are dollars in the budget, somewhere, to help keep these people in the Territory?

Mr VATSKALIS: Member for Sanderson, we advertise widely for people coming from interstate, and people who come from interstate are provided with accommodation. Local people are not provided accommodation because it is expected they have their own accommodation. What has happened with rental properties and land, I do not believe it is in my portfolio, so I cannot answer that question.

OUTPUT GROUP 3.0 – HEALTH AND WELLBEING SERVICES

Output 3.1 – Community Health Services

Mr CHAIRMAN: Moving on to Output Group 3.0, Health And Wellbeing Services, Output 3.1, Community Health Services? Are there any questions?

Mr CONLAN: We will get through the rest quickly. I notice you have \$1.5m of Commonwealth money earmarked to reduce public dental waiting lists. I believe that is in the budget; I have seen it there. What is the current waiting list for public dental patients in the Northern Territory? Would you be able to provide that?

Mr VATSKALIS: We have two different stories. One story is in Alice Springs, and another is in the Top End. In Alice Springs the dental waiting list is quite small for the simple reason; in Alice Springs we have a full complement of dentists and dental nurses. While the Northern Territory is large, it is big, and we have only approximately 50% of a full complement. We cannot find doctors. However, the Territory government has now committed to put a significant amount of money to subcontract private contractors, and we have put out tenders. I believe the CEO has already been in negotiation with private contractors in order to reduce the waiting list significantly. We have committed a significant amount of money in 2009-10, and ongoing money from then to bring the waiting list down to nearly 50% what it is today. My CEO can provide further information to that one.

Dr ASHBRIDGE: I was going to make the point that we need to differentiate between urgent care and waiting lists; people who need urgent care are not put on a waiting list for the extended time periods you are referring to. Urgent care is provided, as required, through the public system. It is the final sorting out arrangements which take a long time and to which government has invested additional resources to try to reduce.

Mr VATSKALIS: We put in \$1.5m in 2009-10 and, ongoing from there, \$800 000. Our intention is to treat up to 1300 people to bring the waiting list ...

Mr CONLAN: How many, sorry?

Mr VATSKALIS: 1300 people.

Mr CONLAN: 1300?

Mr VATSKALIS: Additional. We believe we can bring the waiting lists down.

Mr CONLAN: So, 1300 on top of the current ...

Mr VATSKALIS: Additional, on top of what we are doing now.

Mr CONLAN: Yes, okay.

Answer to Questions on Notice 5.3 and 5.4

Mr VATSKALIS: I am very happy to table two answers to questions Nos 5.3 and 5.5.

Mr CONLAN: Thank you very much, minister. You can provide the dental waiting list - not the urgent - people currently on public dental waiting lists?

Dr ASHBRIDGE: We are able to provide you today with the wait times for dental services in the Northern Territory.

Mr CONLAN: We are actually looking for the number of people on the list. If you have \$1.5m earmarked to try to clear this list, you must know how many people are on it.

Dr ASHBRIDGE: I ask Ms Jenny Cleary, who has joined us as Executive Director of Health Services, and is responsible for the oral health component of the department, to answer.

Ms CLEARY: I do not have the actual numbers of people waiting in each of the five centres which provide dental care. What I do have is the fact that 1350 patients are targeted to come off the wait list

over the next 12 months, using the \$1.5m investment. That comprises about 40% of the people waiting in the Top End, Darwin and Palmerston area.

Mr CONLAN: How do you arrive at that figure? If you do not have the actual number of people on the list, how do we know ...

Mr VATSKALIS: We do not have the figure with us; we are going to get the figure today.

Mr CONLAN: All right, thank you. So, it is \$1.5m to clear 1300 people?

Mr VATSKALIS: Yes.

Mr CONLAN: Is that right? I did have a briefing on this but I just wanted to clarify in Estimates that the government is policing – for lack of a better word – or overseeing, some of these dentists to ensure the work they are doing is not fillings of gold or that sort of stuff; because dental work can cost you \$5000 or \$200.

Mr VATSKALIS: Our problem is not actually policing the dentists; it is that they have to do more emergency work than clearing the waiting lists for regular work. There is a lot of pressure for emergency work, and the other goes on backload, because the emergencies have to be seen first.

Mr CONLAN: So this is to clear the emergency, or the urgent, waiting list?

Mr VATSKALIS: We have a waiting list of people who are waiting to have dental treatment; at the same time people are coming in with emergency work - pain and everything else – and these people are seen first. So, while they are being seen, the others stay on the waiting list.

Dr ASHBRIDGE: I can reassure the member for Grotorex that public sector dentistry does not get into preventative, gold-plated treatment services. That is something we have never been accused of and, I do not believe we ever will be.

I want to return to the previous question you asked about the waiting numbers in the Northern Territory; and Jenny Cleary gave the percentage of waits. At 9 June 2009, there were 4489 people waiting in the Darwin/Palmerston area; 214 in Katherine; 103 in Tennant Creek, and 153 in Alice Springs. They are the numbers we will be continuing to address with our ongoing services but, with the additional investment, we will reduce those by approximately 1000 per year. This is an area which is problematic all over Australia, and this investment government has made will take us down to one of the leading jurisdictions in dental services.

Mr CONLAN: I know Katherine is still without a dentist. What measures are in place to fill that role? I believe 75% of dental positions are filled in the Territory, and that 25% includes the vacancy in Katherine, so ...

Dr ASHBRIDGE: Member for Grotorex, I am not sure where the information is coming from, but it is certainly not our view that there is not a dentist in Katherine. There has been a dentist in Katherine; the position has been occupied throughout 2008-09 ...

Mr CONLAN: Private or public?

Dr ASHBRIDGE: That would be a public dentist. However, one of the two dental therapist positions has been vacant, that is true; but in terms of a dentist, the advice I have received is there is a public dentist in Katherine and has been for the whole of 2008-09. We have been really challenged to recruit a permanent dental therapist, but the service levels are expected to increase in 2009-10 as a result of successful short-term locums, until a permanent can be made. As I mentioned earlier, the waiting time for general care in Katherine is in the order of eight months, whereas in Darwin it is substantially more

than that.

Mr CONLAN: That is for just a general consultation, or general dental work, not for anything urgent is it, the eight months' wait?

Dr ASHBRIDGE: No. I make the point again, urgent care is seen within a very short time period, measured in days; what we are talking about here is corrective work.

Mr CONLAN: Okay. Is there any consideration by the department to report or publish the dental waiting lists in the Northern Territory, as other jurisdictions do?

Mr VATSKALIS: I do not have a problem with publishing it. Everyone knows, I have people come to my electorate office complaining about long waiting times, and I explain. I do not have a problem tabling the waiting times. It is not a secret in Darwin it is about four or five times longer than Alice Springs.

Mr CONLAN: It is just strange we do not publish it.

Dr ASHBRIDGE: If I could just follow that up, minister. I am sure you have drilled through this for the estimates process, but the report on government services document, which is put out on a yearly basis, does report jurisdictional waiting times for dental services. There is a benchmark figure, which is a comparison across Australia, but that is not waiting numbers, it is waiting times. So, yes, we do report.

Ms SCRYMGOUR: We have talked about dental programs in Darwin, Palmerston, Katherine, Tennant Creek and Alice Springs. Minister, would you provide information on the services and programs in our remote communities, those remote clinics; and what services and programs are in our schools?

Ms CLEARY: There are a couple of different services the member for Arafura has referred to, so I will take the remote one first. Despite periods of difficulty in recruiting dentists, we prioritise remote visits above and beyond all other services, except emergency and urgent appointments. Depending upon the size of the community, there is a varying frequency of visits. In the Top End where we have fixed chairs in most of our community health centres in large communities, there may be monthly visits by the dentist, in smaller communities they might go down to three to six monthly visits; but they are regular, and everyone who needs to see the dentist is able to get an appointment.

In Central Australia we have to rely more on mobile services because there are not many fixed chairs in clinics, so the mobile services do a round of communities; and most communities have a visit once per year. However, since the Northern Territory Emergency Response and the child health checks, many more children have been identified with need for dental services and they have come under the banner of phase 2 of the Northern Territory Emergency Response and some additional funding has been provided to the Northern Territory for this financial year and, subsequently, or the next three years from the Commonwealth government's Northern Territory emergency response ...

Ms SCRYMGOUR: Sorry. Minister, does your department provide that through the NTER?

Dr ASHBRIDGE: Yes, it does.

Mr CHAIRMAN: While we are still on Output 3.1, I need to let the committee know the member for Nhulunbuy will now be chairing the committee for the next hour.

Ms SCRYMGOUR: To get through some of the other questions I have for this output, minister, could your department provide me with a report on those programs in our remote communities?

Mr VATSKALIS: Would you like a briefing?

Ms SCRYMGOUR: I know what briefings are all about, minister. I would like something in writing. Whether I write to you and ask for that report, if I could get ...

Mr CONLAN: Could I get a copy of that too?

Mr VATSKALIS: Yes I will provide the report to you.

Ms SCRYMGOUR: Under this same output, minister, could you provide information on the level of primary health care access and funding provided under the Australian Health Care Agreement by the Commonwealth government? And what plan the Northern Territory government, or the Department of Health, has for community control or establishment of regional health zones?

Dr ASHBRIDGE: The negotiation we have had under the Australian Health Care Agreement is, at this point in time, only about hospital funding.

Ms SCRYMGOUR: If the primary health care program money is separate, can I get an indication as to what that level of funding is from the Commonwealth for primary health care; and what are the plans for regional health zones?

Dr ASHBRIDGE: I am absolutely able to do that. Would you like that answered now or would you ...

Ms SCRYMGOUR: If you could provide it in five minutes or less.

Dr ASHBRIDGE: Yes, I believe I can. I always give brief answers.

Ms SCRYMGOUR: If I am not happy, I will ask you again.

Ms CLEARY: In answer to your question about funding first. In 2008-09 we have had \$8.6m worth of investment in follow-up oral health and ear health funding. That is specifically to treat children who have been identified through the child health process with problems in oral or ENT. On top of that, and I know the member for Arafura is aware of this, there is an ongoing investment in primary health care which is not linked to child health checks, but about building the capacity of the Northern Territory's primary health care system.

In terms of the investment in the department for 2008-09, we have received \$10m. The program is called Enhanced Health Services Delivery Initiative. That is funding specifically to go into service delivery, and is separate to the funding the Commonwealth government has for regionalising and moving towards community control.

The funding the Commonwealth government has put aside for regionalisation and progression towards community control, none of that is invested in our department. However, the Commonwealth has invested in the Aboriginal Medical Services Alliance NT to develop regional steering committees and health boards through its newly established Reform and Development Unit. So the Reform and Development Unit within AMSANT is the body and the funding mechanism for regionalisation.

Ms SCRYMGOUR: Are you saying the Commonwealth has not provided the government with any funding in terms of building that capacity; and the money is with AMSANT rather than with the department?

Ms CLEARY: Yes, that is correct.

Ms SCRYMGOUR: I cannot talk about the Tripartite Agreement, because that was a long time ago and it shows my age, but the discussions between the Commonwealth, the Northern Territory and

AMSANT regarding the funding which goes towards remote or regional held zones, not one cent is coming to the Northern Territory government, that investment is with AMSANT? Is that it?

A member: Yes, that is correct.

Ms SCRYMGOUR: Do you know what that investment is?

Ms CLEARY: The Commonwealth, for this year, has put aside up to \$7m for regionalisation, but we know that the Reform and Development Unit's budget is not that high. I do not know exactly what the RDU's budget is.

Ms SCRYMGOUR: My next question is: minister, can you give me a global figure across the agency as to Aboriginal Health Workers employed on a full-time basis in the department.

Mr VATSKALIS: Aboriginal Health Workers in 2002, there were 80 full-time equivalents. That has risen now in 2009, to 108 full-time equivalents - a 35% increase.

Ms SCRYMGOUR: Where is that increase? Is it remote, or is it in town? While you are at it, can you give me a breakdown of whether the 108 FTE Aboriginal Health Workers are clinic-based, or working in other programs?

Dr ASHBRIDGE: Member for Arafura, of the 108, 87 are remote area, full-time Aboriginal Health Workers.

Ms SCRYMGOUR: 87?

Dr ASHBRIDGE: 87 of that 108.

Ms SCRYMGOUR: There is a difference between FTE and full-time.

Dr ASHBRIDGE: It is 87 full-time equivalents. We are just reporting here figures for the Northern Territory government, not necessarily figures for the total Aboriginal Health Worker workforce. So there are 108 full-time equivalents in the public health system in NTG, of which 87 FTEs are in remote areas.

Ms SCRYMGOUR: And that is full-time, registered, practising ...

Mr VATSKALIS: Full-time equivalent.

Dr ASHBRIDGE: And they are registered, yes.

Madam DEPUTY CHAIR: That concludes consideration of Output 3.1. I note that Output Groups 3.2, 3.3 and 3.4 will be addressed by minister McCarthy tomorrow, Thursday, 18 June.

OUTPUT GROUP 4.0 – PUBLIC HEALTH SERVICES
Output 4.1 - Environmental Health Services

Madam DEPUTY CHAIR: The committee will now proceed to Output Group 4.0, Public Health Services, Output 4.1 Environmental Health Services. Are there any questions?

Mr CONLAN: No, Madam Deputy Chair. In the interest of time, I am happy to allow the member for Arafura to ...

Ms SCRYMGOUR: Minister, we have heard through this whole output the issue of haemodialysis and the levels of chronic disease. Can you explain, given this is probably the most important program

across the agency, and you would know being a former Environmental Health Officer, why there is a decrease in the budget for the Public Health program?

Mr VATSKALIS: The \$169 000 decrease was due to the Working Group on Aboriginal and Torres Strait Islander Environmental Health Project that finished in 2008-09.

Ms SCRYMGOUR: Sorry, minister. Can you repeat that, please?

Mr VATSKALIS: There was a reduction of \$169 000 because a project titled Working Group on Aboriginal and Torres Strait Islander Environmental Health finished in 2008-09. That is the reduction.

Ms SCRYMGOUR: With the public health programs, minister, given the Northern Territory government is embarking on probably one of the biggest housing programs in the Northern Territory, what are the alliances or connections between the public health programs and the Department of Housing in the housing programs in remote communities?

Mr SCHOBEN: Xavier Schoben, Director of Environmental Health. Through the minister and Madam Deputy Chair; member for Arafura, I am actually representing the Department of Health and Families on the Senior Officers Advisory Group which reports to the Chief Executive of Territory Housing, chaired by Fiona Chamberlain, General Manager of Territory Housing. Each of my operatives in the various zones works with their local Territory Housing branch about designs for the various houses in particular communities. It is still very early days because only a couple of leases have been signed, so we are embarking on talking with the people, particularly through Territory Housing in the town of Nguiu, as we will, with the relevant authorities in Tennant Creek.

Madam DEPUTY CHAIR: That concludes consideration of Output 4.1.

Output 4.2 – Disease Control Services

Madam DEPUTY CHAIR: The committee will now consider Output 4.2, Disease Control Services. Are there any questions?

Mr CONLAN: There are a couple, Madam Deputy Chair, but I am happy to move on in the interests of time.

Ms SCRYMGOUR: I am right too, if you want to go on.

Mr CONLAN: No, I am right, it does not matter. We must give these guys a chance.

Madam DEPUTY CHAIR: That concludes consideration of Output 4.2.

Output 4.3 – Alcohol and Other Drugs Services

Madam DEPUTY CHAIR: The committee will now consider Output 4.3, Alcohol and Other Drugs Services. Are there any questions?

Mr CONLAN: Is this part of Alcohol Policy? No, it is not, because that is next.

Mr VATSKALIS: Health Department.

Mr CONLAN: Still Health, are we not? This might be a quick one, minister, because you might need to take it on notice. What is the per person alcohol consumption rate for 2007-08 and 2008-09? How does this stand against the national average? What is the cost of alcohol abuse and overuse to Territory Health?

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Mr VATSKALIS: It is actually a Department of Justice question, but I am happy to answer it now if you want.

Mr CONLAN: You have the per person alcohol consumption rate?

Ms TOWNSEND: Joanne Townsend, Director of the Alcohol and Other Drugs Program. The Department of Health commissioned a review into alcohol-related harm measures in conjunction with the Department of Justice and Northern Territory Police. One of the things that review looked at was the apparent per capita alcohol consumption for the Northern Territory. The review found the per capita consumption for Aboriginal and non-Aboriginal Territorians was 16.9 and 14.5 litres respectively.

Mr VATSKALIS: Pure alcohol?

Ms TOWNSEND: Pure alcohol consumption.

Mr CONLAN: Per person?

Ms TOWNSEND: Per person over 14 years

Mr CONLAN: Per year?

Ms TOWNSEND: Sorry, per year. And the reference year is 2004-05.

Mr CONLAN: 16.9 litres pure alcohol, per person, per year?

Ms TOWNSEND: Yes.

Mr CONLAN: For Indigenous?

Ms TOWNSEND: Aboriginal and non-Aboriginal Territorians were 16.9 and 14.5 litres respectively. That compares to the Australian average - the corresponding figure for Australia as a whole was 19.83 litres. Sorry! 9.83 litres.

Mr CONLAN: I was going to say, we are doing all right.

Mr VATSKALIS: I hate to say, member for Grotorex, but today we made it into the *Indian Express* newspaper in Delhi which reports we are the biggest drinkers in the world. We even beat the Irish and the Czechs - they drink only 13 litres of pure alcohol a year. We are doing extremely well, we are really pickled.

Ms SCRYMGOUR: Shows where the rivers of grog are, minister.

Mr VATSKALIS: It is nothing to be proud of.

Mr CONLAN: Minister, are you able to provide the cost of alcohol, whether it is alcohol abuse or over use to Territory Health? Is there a breakdown of that identified at all?

Mr VATSKALIS: The overall cost to the Northern Territory economy for alcohol-related harm in 2004-05 from death, disease, lost productivity, and crime related costs, is estimated at \$595.9m or approximately \$2883 per person.

Mr CONLAN: \$595m?

Mr VATSKALIS: \$595.9m. That is why I am really pleased the Menzies Report reported an 18% reduction of alcohol consumption in Alice Springs; which translates to 544 fewer four-litre casks sold per day. That is how the restrictions work.

Mr CONLAN: Minister, have you seen the report by Curtin University, the National Drug Institute, their evaluation of the Menzies Report? Has anyone seen that?

Mr VATSKALIS: It is Justice ...

Mr CONLAN: I know it is Justice ...

Mr VATSKALIS: But I have seen it. I have also seen that they asked for cask restrictions.

Mr CONLAN: I am not supporting it. I am wondering if you have seen it, because you have thrown much support behind Menzies, but this is some other evidence.

Mr VATSKALIS: I have seen it, but you have to remember if you have two academics you will get two different answers. While the Menzies report says leave restrictions as they are, they are working, Mr Gray comes up and says to halve the restrictions because we want tougher penalties.

Mr CONLAN: He says tougher legislation.

Mr VATSKALIS: And tougher restrictions. It also talks about a taxation increase which is beyond the realms of our government; it is the federal government.

Mr CONLAN: Those figures, minister, would you mind ...

Dr ASHBRIDGE: I think you will find those figures are on the public record in the *Medical Journal of Australia*.

Mr CONLAN: Is there any chance the Department of Health in the Northern Territory could table those and forward them to me?

Mr VATSKALIS: We can forward them to you, yes.

Mr CONLAN: Thank you.

Ms SCRYMGOUR: Something close to my heart - the VSA. Are you still doing that?

Mr VATSKALIS: Yes.

Ms SCRYMGOUR: Minister, can I get the cost of the VSA treatment, and what is the level of young people or people seeking treatment from volatile substances; Territory-wide, both the Top End and the Centre?

Mr VATSKALIS: You want the number of people, member for Arafura?

Ms SCRYMGOUR: Yes. Admission rates into treatment centres. Have we seen an increase? Have we seen a decrease? Have young people who have gone into this treatment stopped sniffing or using volatile substances, or are we still seeing the same revolving door syndrome?

Ms TOWNSEND: There have been 117 admissions to Alcohol and Other Drug treatment services in

the last full year of data we have, which is 2007-08. Of those, 25 have been mandated through the court. We are still seeing a much higher proportion of people voluntarily. We are still seeing continued rates of referral under the legislation, and on a voluntary basis.

Ms SCRYMGOUR: So, no mandatory. You said court mandated.

Ms TOWNSEND: Sorry, I mean court mandate under the *Volatile Substance Abuse Act*.

Ms SCRYMGOUR: But no compulsory treatment?

Ms TOWNSEND: By that I mean compulsory under the legislation.

Ms SCRYMGOUR: I am following you. I am writing this down.

Ms TOWNSEND: We are still seeing continued referrals under that legislation; particularly an increase in the Top End which we think is related to the roll-out of Opal in Central Australia. As you would be aware, we are still seeing the cyclical nature of petrol sniffing by young people and older people; but we are seeing many more people through our treatment services for volatile substance abuse.

Mr VATSKALIS: You asked about the money. A total of \$2.1m was invested to support the *Volatile Substance Abuse Prevention Act*; of this money \$1.65m was spent on treatment services including clinical assessment. Of this \$1.65m, \$1.3m was spent in Central Australia, and \$353 000 was spent in the Top End. A further \$423 000 was allocated for clinical positions to assist with case management, and \$265 000 was allocated for contingencies.

Ms SCRYMGOUR: Am I able to get a copy of that, minister.

Mr VATSKALIS: We can organise to get you a copy of that.

Ms SCRYMGOUR: Through the Chair. Minister, in the Oenpelli community in my electorate we have seen quite big spikes in young people using volatile substances in previous years. The fear of the community is the Dry Season is here, Cahills Crossing is open and the spike of volatile substances will increase in that community. What is the department doing in working with communities like Oenpelli? I know there are some programs, but sometimes the foot on the pedal goes down and then we take it off again and nothing seems to be happening. I know it is not as simple as chucking money out there, but what programs is the department implementing to work with the service station to move towards Opal, and other programs in that community?

Ms TOWNSEND: Oenpelli has had, I would describe, a fairly sustained and multifaceted support from the Department of Health and Families around petrol sniffing. That is not to say ...

Ms SCRYMGOUR: What does that involve, Jo? Sorry, can you just detail ...

Ms TOWNSEND: Yes, breaking that down: there is some allocated funding for the shire to fund a youth diversion type officer - someone who works with the young people on prevention activities. There is also funding going to Kakadu Health for Alcohol and Other Drugs services and a dedicated alcohol and other drugs worker. There has been substantial advocacy on behalf of our community support team to the Australian government to help roll-out Opal, including going on a roadshow with the Australian government to show them where the petrol stations are around Oenpelli, and where the routes are. There has been a long-term process with the community of a volatile management area and plan; and they are meeting today to finalise that plan and our delegate under the legislation is in the community today.

There has also been considerable work with the health centre and the night patrol, and also the

community, to help them support the provisions of the *Volatile Substance Abuse Prevention Act*, and from that we have seen an increase in referrals. That may be interpreted as a negative thing, but it actually means people are being referred to treatment. There has been an offer of assistance, with involvement from us, from the Australian government to get people involved in petrol sniffing, voluntarily, to services in Central Australia; again, training and support, and a great deal of work with the community at community meetings. As you well know, it is a big community and this is a long-term problem, but the support we are providing will continue.

Madam DEPUTY CHAIR: That concludes consideration of Output 4.3.

Output 4.4 – Health Research

Madam DEPUTY CHAIR: The committee will now consider Output 4.4, Health Research. Are there any questions?

Members: No.

Output 4.5 – Community Benefit Fund

Madam DEPUTY CHAIR: I am advised by our Secretary, Mr Hanley, that we have under consideration Output 4.5, Community Benefit Fund. Are there any questions?

Members: No.

[Editor's Note: Committee moved to Minister for Racing, Gaming and Licensing: OUTPUT 5.0 - LICENSING, REGULATION AND ALCOHOL STRATEGY]

Madam DEPUTY CHAIR: I invite the minister to introduce officers from the Department of Justice.

Mr VATSKALIS: Madam Deputy Chair, I would like to introduce those at the table with me. The Chief Executive Officer of the Department of Justice, Mr Greg Shanahan; the Deputy Chief Executive Officer, Policy Coordination, Ms Elizabeth Morris; and the Deputy Chief Executive Business Strategy and Performance, Ms Anne Bradford. I will be joined at table by other departmental officers as required and as we move through the appropriation for the relevant outputs.

The Department of Justice reports to three ministers. It works with me as Minister for Racing, Gaming and Licensing, and Minister for Alcohol Policy. It is vital to address a range of issues for licence and regulated industries, in particular alcohol-related harm and gambling. I am responsible for the administration of the Community Benefit Fund, which is part of the Policy Coordination Output Group and the Licensing Regulation and Alcohol Strategy Output Group.

Madam Deputy Chair, I will be answering questions relating to the operational aspects of these outputs. I look forward to any questions the committee may have with regard to the appropriation of this year and, where necessary, Mr Shanahan and the team will be able to assist and provide information.

Madam Deputy Chair, as we are always aware, the minister is here to provide responses in respect of policy, while the departmental officers provide responses for technical matters and departmental matters.

OUTPUT 5.0 - LICENSING, REGULATION AND ALCOHOL STRATEGY

Output 5.1 – Licensing Regulation and Alcohol Strategy

Madam DEPUTY CHAIR: Thank you, minister. The committee will proceed to Output 5.0, Licensing, Regulation and Alcohol Strategy, Output 5.1, Licensing Regulation and Alcohol Strategy. Any questions?

Mr CONLAN: Madam Deputy Chair, in the interests of time, we only have half an hour, so would we

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

be able to table our list of generic questions? You all know what they are; it is exactly the same.

Madam DEPUTY CHAIR: Under standing orders, member for Greateorex, they have to be read. If the minister has the answers prepared, the answers can be tabled, but you are required to read through your questions.

Mr CONLAN: Would the minister be able to table the answers without me reading through the questions?

Madam DEPUTY CHAIR: Standing orders require you to read the questions.

Mr VATSKALIS: The standing orders require that you follow the process.

Mr WOOD: But he can read them and you can table them.

Mr CONLAN: Well, maybe we can get to them.

Madam DEPUTY CHAIR: For the sake of expediency, minister, do you have those answers prepared?

Mr CONLAN: How about I just ask them all in one hit?

Madam DEPUTY CHAIR: Member for Greateorex, would these same questions have not been put to the minister for the Department of Justice, minister Lawrie ...

Mr CONLAN: Yes.

Madam DEPUTY CHAIR: So, these have already been dealt with.

Mr VATSKALIS: I cannot respond to the Department of Justice questions. I can only respond to my ...

Mr CONLAN: We would just like to get the answers but, obviously, we are running out of time.

Mr VATSKALIS: No, no, but hold on.

Madam DEPUTY CHAIR: I am saying they would have been dealt with by minister Lawrie.

Mr VATSKALIS: I cannot respond for the Department of Justice; that is not my portfolio. Any response ...

Mr CONLAN: It is to do with Licensing and all that.

Mr VATSKALIS: Exactly.

Madam DEPUTY CHAIR: Yes, we are now talking about outputs around Licensing.

Mr CONLAN: Yes.

Madam DEPUTY CHAIR: What I am saying is the generic questions have already been dealt with. The Department of Justice has already appeared.

Mr CONLAN: Okay, do not look at me. I am just trying to move things along as we go.

I just want to ask a question. I have one question on Alcohol Policy before we go to shadow for licensing. It is about alcohol licence buy-backs in Central Australia. The policy has been in place for quite a while - a couple of years - and we have not seen one buy-back. Why? Are there negotiations with Treasury to come up with some sort of figure? Have there been any approaches to these licensees as to whether or not they are even interested in buying some of these back? Where are we at with licence buy-backs?

Mr VATSKALIS: Since this is clearly a government policy question, I will respond to it. Yes, the government is considering all options. That has been reinforced by the Menzies report recently completed. One of the recommendations was to consider the buy-back. We are looking at all options, either public buy-back or private buy-back. There are proposals on the table which we have considered. One of them is that the government actually buy - taxpayers buy - licences. The other is to use a different model that was used in other jurisdictions for the private sector to buy the licence. We have actively considered that. It is one of the measures that can be implemented to reduce availability of alcohol.

Mr CONLAN: Have you arrived at any figures? Has Treasury arrived at any amount of money that is required to buy back the licences?

Mr VATSKALIS: Treasury has done modelling which I cannot disclose, for obvious reasons. You have to remember that under my other hat we are doing the barramundi licence buy-back. We do not come out and flag what the price is because it removes from us an advantage. So, Treasury has done modelling, the private sector has spoken to us, we are considering all options.

Mr CONLAN: All right. Essentially, do you envisage any buy-backs in the future? Do you think that you might negotiate a buy-back within the next 12 months?

Mr VATSKALIS: I cannot give you a time period. This is one of the recommendations that came from the Menzies review. The government has already started thinking about it. We are examining different models of how we are going to do it.

Mr CONLAN: It is still well and truly government policy though, to buy back licences?

Mr VATSKALIS: Yes.

Mr CONLAN: Okay, all right. That does me.

Madam DEPUTY CHAIR: Member for Nelson.

Mr WOOD: Minister, your government complained bitterly about the \$100 alcohol buying requirement. Is it still with us? Are licensees still required to ask someone to fill in a form when buying more than \$100 of alcohol?

Mr VATSKALIS: Yes, and I have publicly stated it is a waste of paper, a waste of time, and a waste of pen. I still stick with this view despite the fact that it is a federal government decision. My understanding is that the federal government would be looking to the removal, but I do not have a time line on that.

Mr WOOD: Have you been negotiating with the government? There was a lot of noise about the previous government, by this government, in relation to this particular ...

Mr VATSKALIS: I expressed my views personally to both ministers – the minister for Health and Jenny Macklin. My understanding is it will be considered, but I cannot give a time line because I do

not know what the time line is.

Mr WOOD: Is there any penalty for licensees who do not ask people to fill it in? I have had people come to me now and ask if this is still in operation. Do you know whether there are any penalties for licensees if they do not ...

Mr VATSKALIS: Yes, there are penalties for licensees who do not comply with it.

Mr WOOD: They are still supposed to be doing it?

Mr VATSKALIS: Yes.

Mr WOOD: Okay, thank you.

Mr VATSKALIS: It is still a law of the country.

Mr WOOD: I realise that, but people have got a bit slack on it, and think it has passed away.

Madam DEPUTY CHAIR: This concludes consideration of Output 5.1.

Output 5.2 – Licensing Regulation Grants

Madam DEPUTY CHAIR: The committee will now proceed to Output 5.2, Licensing Regulation Grants. Are there any questions?

Mr STYLES: Yes, Madam Deputy Chair. Minister, what plans are in place for the introduction of indoor smoking bans, due to come into effect on 2 January 2010, and what figure is budgeted for that plan?

Mr VATSKALIS: The government has said that in 2010 we will introduce banning of smoking inside pubs. The government is proceeding with this decision and it will be implemented as promised. Currently, the government is considering its options regarding what is going to happen but we will give adequate time to all licensees to comply with the requirements.

Mr STYLES: Minister, do you have a definition for what is 'indoor' and what is 'outdoor' at this point?

Mr VATSKALIS: I point out that it does not come under Licensing; it comes under Health so you should have asked it in the previous section.

Mr STYLES: In relation to the licensing requirements - the next question I will ask you are going to probably say that is probably in Health as well. What is the budget figure for the industry in public training for this introduction?

Mr VATSKALIS: You are quite right, this is Health too.

Mr STYLES: Let us move on to something else. Minister, are you aware of the inequities that exist in relation to unsuccessful applications for takeaway liquor licences for the Tiwi and the Driver supermarkets?

Mr VATSKALIS: It depends on what you are referring as inadequacies or differences.

Mr STYLES: These people have applied for liquor licences and have been knocked back.

Mr VATSKALIS: They have not been knocked back. The government has a moratorium in place for the issue of licences. They applied for licences after the moratorium was put in place and until we

review the *Liquor Act* the moratorium stays in place. Both these supermarkets will not get a licence because there is a moratorium in place. That has been publicly known since ...

Mr STYLES: When did that moratorium come into effect, please?

Mr VATSKALIS: It is three years now, in 2006. I am well aware of the issue of the Tiwi supermarket in particular, because I spoke to the person many times and he spoke with me many times. He was caught in a very difficult situation but unfortunately there is a moratorium in place.

Mr STYLES: Would you be able to supply me with the actual date in 2006?

Mr VATSKALIS: We can provide you with details of the moratorium.

Mr STYLES: On notice?

Question on Notice 5.10

Madam DEPUTY CHAIR: Can you repeat that for the *Hansard* please?

Mr STYLES: Minister, can you please supply the actual date of when the moratorium on the issue of liquor licences came into effect in 2006?

Mr VATSKALIS: Yes, we will take that on notice.

Madam DEPUTY CHAIR: That is question No 5.10.

Non-Output Specific Budget Questions

Madam DEPUTY CHAIR: Are there any Non Output Specific questions? No.

On behalf of the committee, I thank the officers from the Department of Justice who have attended and provided advice to the minister today.

Mr VATSKALIS: Thank you, Madam Deputy Chair.

Madam DEPUTY CHAIR: We will now move on to the Department of Regional Development, Primary Industry, Fisheries and Resources.

Mr WOOD: Can I get a point of clarification for Willem and myself? I believe that last estimates we combined the outputs so resource industry development and resource industry management went together because they are so close they are hard to actually separate and the same with - I will ask the minister if the minister would allow that, it is not necessary to separate those two, because they are quite close together.

Madam DEPUTY CHAIR: I invite the minister to introduce the officials accompanying him today and if he wishes to make an opening statement.

Mr VATSKALIS: Thank you, Madam Deputy Chair. I introduce to the Estimates Committee the Department of Regional Development, Primary Industry, Fisheries and Resources officials who are here today: Mr Richard Galton, CEO of the department; Mr Bernard Ho, Chief Financial Officer; Mr Ian Scrimgeour, Acting Executive Director, Minerals and Energy; Mr Rod Gobbey, Executive Director, Primary Industry; and Ms Heather Brayford, Executive Director, Fisheries. I am responding to financial

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

issues of the department and I will, at times, be calling on these or other departmental officials where appropriate to provide information you request. I am happy to respond to questions.

Mr WESTRA van HOLTHE: As you know, minister, there are a number of generic questions which ordinarily I would have asked for responses now, but due to time I will put those ...

Mr Elferink: Unless you have the answers already prepared ...

Mr VATSKALIS: I like to answer. Ask the questions, you will get the answers.

Mr ELFERINK: Do you have the answers prepared?

Mr VATSKALIS: Are you going to read the questions? You heard about the standing orders: you read the questions.

Mr WESTRA van HOLTHE: What I will do is put these questions on the notice paper. That way we can deal with them at another time and move on to other things.

Madam DEPUTY CHAIR: For the benefit of *Hansard* you will need to record that.

Mr WESTRA van HOLTHE: That all the generic questions for Primary Industries, Fisheries and Resources go on the notice paper and I can table those questions.

Madam DEPUTY CHAIR: Thank you, member for Katherine.

The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2009-10 as they relate to the Department of Regional Development, Primary Industry, Fisheries and Resources.

Minister, I have a query from committee members as to whether you would be prepared to take questions on Output Group 1.0, Resource Industry Development with Output Group 2.0, Resource Industry Management together?

Mr VATSKALIS: I will do that.

OUTPUT GROUP 1.0 - RESOURCE INDUSTRY DEVELOPMENT
OUTPUT GROUP 2.0 - RESOURCE INDUSTRY MANAGEMENT

Madam DEPUTY CHAIR: Are there any questions?

Mr WESTRA van HOLTHE: Minister, could you tell me how many positions report directly to the Chief Executive?

Mr VATSKALIS: Directly - 535.

Mr WESTRA van HOLTHE: Directly 535?

Mr VATSKALIS: Yes.

Mr WESTRA van HOLTHE: Of those, how many report directly to the Chief Executive? So there is the next level down in the reporting regime?

Mr VATSKALIS: I defer to Mr Galton.

Mr GALTON: 13.

Mr WESTRA van HOLTHE: That is the organisational chart. It says 12 but I am not going to take issue with that. The four on the left which are the Executive Director Fisheries, the Executive Director Minerals and Energy, Executive Director Regional Development and Executive Director Primary Industries ...

Mr VATSKALIS: Five in the left.

Mr WESTRA van HOLTHE: Would it be fair to say that they capture the bulk of the functions of the department?

Mr VATSKALIS: I defer to Mr Galton.

Mr GALTON: Yes.

Mr WESTRA van HOLTHE: Can you tell me how many people there are in each of the units that report to the Chief Executive? Can I have both the number of staff by unit, sub-unit and the levels of each of those staff?

Mr VATSKALIS: I defer to Mr Galton.

Mr GALTON: There are six in the Executive group, 56 in the Corporate Management group, five in the Regional Management group in Katherine, and three in the Regional Management group in Tennant Creek. There are a total of 70 in that Executive group. In Regional Development there are 27; in Fisheries, 70; Minerals and Energy, 140; and Primary Industry, 228. This makes a total of 535.

Mr WESTRA van HOLTHE: Why is it that under Primary Industry we have bio-security, pastoral plans and policy? Why is it that they are unable to get to the Chief Executive unless through the Director? Is it the case that these sub-positions have been created to supplement for the relocation of the department to Alice Springs?

Mr GALTON: Not at all. The structure and the organisation have not changed since I moved to Alice Springs. Both the Executive Director for Primary Industries and I have recently moved to Alice Springs and the structures underneath are basically unchanged.

Mr WESTRA van HOLTHE: Minister, can you tell me how many trips the Chief Executive has undertaken from Alice Springs to Darwin, and can you include in that the number of overnight stays that he has had in Darwin, and the details of the number of nights stayed in Darwin by the Chief Executive since taking up the position?

Mr GALTON: I will answer that question more generally and provide the detail should you wish to pursue it. I have only been in the job as the Chief Executive for a month; prior to that I had been acting in the position for four months based in Darwin. It is only since that appointment that I have been trying to settle into Alice Springs and establish an office there. I would say that 60% of my time is spent in Darwin and 40% in Alice Springs.

Mr VATSKALIS: In the last month.

Mr WESTRA van HOLTHE: Right. 60%, 40%. Okay. Does that equate to the number of nights you have spent in round figures.

Mr GALTON: In round figures, yes.

Mr WESTRA van HOLTHE: I would like to get the details on that, and if that can be taken on notice, minister?

Question on Notice 5.11

Madam DEPUTY CHAIR: Could you just repeat for *Hansard* then, the question on notice, please, member for Katherine?

Mr WESTRA van HOLTHE: For *Hansard*, tell me how many trips has the chief executive undertaken from Alice Springs to Darwin, and can you include in that number the number of overnight stays that have been in Darwin? Can you please provide details of the number of nights stayed in Darwin by the chief executive since taking up the position?

Madam DEPUTY CHAIR: Thank you. And for *Hansard*, that is question No 5.11.

Mr WESTRA van HOLTHE: Minister, why does the Finance Officer, the Human Resources Officer, the IT Manager, the Risk and Audit Manager, the Director of IT, and the Director of Marketing and Communications all report to the CE? Aren't these essentially all corporate service departments?

Mr GALTON: Yes, they are all Corporate Services functions. I have inherited an organisation, and in these formative stages it is important I understand what each of these corporate areas does, so I have each of them reporting directly to me.

Mr WESTRA van HOLTHE: Is it likely that you will restructure that to represent a more streamlined reporting system?

Mr GALTON: There are already moves in hand to restructure that group.

Mr WESTRA van HOLTHE: Thank you. Can you provide the position levels of all persons, by position, who report to the Chief Executive? Can you also provide their permanent locations? Can I also have the number of trips each of these officers have taken to Alice Springs or Darwin, dependent on which is their home base?

Mr VATSKALIS: That is unexpected. We do not have this information at our fingertips, so we will take it on notice to provide this information to you.

Mr WESTRA van HOLTHE: Thank you, minister.

Question on Notice 5.12

Madam DEPUTY CHAIR: Member for Katherine, please repeat that for *Hansard*.

Mr WESTRA van HOLTHE: Can you provide the levels of all persons, by position, who report to the Chief Executive? Can you also provide their permanent locations? Can I also have the number of trips each of these officers have taken to either Alice Springs or Darwin, dependent on which is not their home base?

Madam DEPUTY CHAIR: And for *Hansard*, that is question No 5.12.

Mr WESTRA van HOLTHE: Minister, is it the case that you have three staff working for the department who do not reside in the Northern Territory?

Mr GALTON: I am aware there is one Fisheries officer who resides interstate.

Mr WESTRA van HOLTHE: Okay. I have two names which I would like to ask you about. Hassan Bajhau and Murray Barton: do they work in the department and do they live in the Territory?

Mr GALTON: Yes, that is the case, I am sorry. There are two officers who live interstate.

Mr WESTRA van HOLTHE: Thank you. Do you have any ECO2s who are not reporting directly to the Chief Executive who remain within the department? Or if I could put it another way: do you have five displaced ECO2s who remain on the books with the department but do not report to the Chief Executive?

Mr GALTON: I am not aware of any misplaced, I think, was the word you used, officers who are at the ECO2 level. The ECO2 levels, as far as I am aware, all of them reside and work in the department.

Mr WESTRA van HOLTHE: Thank you. I did not say misplaced, I actually said displaced.

Mr GALTON: Sorry.

Mr WESTRA van HOLTHE: That is all right. What about these people: Matt Darcy, Peter Stephens, Bruce Sawyer, Roslyn Vulcano and Phil Anning? What are the levels of these people and what are their positions at the moment?

Mr GALTON: I will go through them one by one. Matt Darcy, ECO2, works within Primary Industry. Roslyn Vulcano, ECO1, works within the Executive Support Group within the department. Sorry, can you refresh my memory on the names?

Mr WESTRA van HOLTHE: Sure. Peter Stephens.

Mr GALTON: Peter Stephens, ECO1, works within the laboratory areas in Primary Industries.

Mr WESTRA van HOLTHE: Bruce Sawyer.

Mr GALTON: Bruce Sawyer, an ECO1, looks after the farms within Primary Industry. He also resides in Darwin.

Mr WESTRA van HOLTHE: Phil Anning, of course, is in Katherine.

Mr GALTON: Phil Anning is in Katherine. He heads up the Regional Development Group in Katherine.

Mr VATSKALIS: They are neither misplaced nor displaced. We know where they are.

Mr WESTRA van HOLTHE: I am very pleased to hear that, minister. Is it the case that, in February this year, there was a sudden realisation that about \$2m needed to be spent within the department, and they went on a bit of a spending spree? Can you confirm that Berrimah Farm has recently had a significant amount spent on it for new carpet, painting, paving, concreting and shade cloth for executive car parks? Is that and any other work been done at the Berrimah Farm?

Mr GALTON: I am prepared to answer that question. In preparation for any rationalisation that would possibly happen at Berrimah Farm, I determined that the head building, the John England Building in Berrimah Farm, was substandard. In discussion with DPI about the repairs and maintenance priorities, I determined that some work needed to be done on that particular building. Any consolidation of the department would occur around that building. Yes, we have been spending money on carpeting, tiling and painting.

Mr WESTRA van HOLTHE: Thank you.

Mr GALTON: I am not sure if it is at the \$2m level, though. It is substantially short of that.

Mr WESTRA van HOLTHE: What about the Arid Zone station – any works done there?

Mr GALTON: Minor. There has been some minor painting of individual rooms.

Mr WESTRA van HOLTHE: Thank you. Minister, regarding the new office for the Chief Executive - the one in Alice - has the lease been signed or, if it has not, when will it be signed?

Mr GALTON: The story in Alice Springs of the headquarters of the department and the office of the Chief Executive is temporarily located in the AZRI Building, and taking up a spare room in that building. There is minor work being done or just completed in the Peter Sitzler Building on the North Stuart Highway, and the office of the Chief Executive will be moving to that building next week.

Mr VATSKALIS: Member for Katherine, the lease of accommodation is not a function of the department. It does not come under this output – it is actually DCIS.

Mr GALTON: Sorry. There are two issues there. The government-owned building at AZRI does not have a lease because it is government owned. The Peter Sitzler Building occupants are moving into an area that comes under DBE. There is an expansion. There is not an overall expansion of the total area; we are just taking up a smaller location. There is some rationalisation happening in that building. It is exactly the same area that we held before.

Mr WESTRA van HOLTHE: Okay. Who is paying for the office space at Peter Sitzler Building? Is it this department or DPI?

Mr GALTON: No, not DPI, it is leased by two leases. One of them is Regional Development; the other one is Department of Business and Employment. There is a rationalisation happening within those two leases, but it is still the same area.

Mr WESTRA van HOLTHE: Minister, looking at the IT functions of the department, are there any functions that are being duplicated by your department that should be provided by CSG? If so, which ones?

Mr GALTON: No, I do not believe there are any duplication of functions of CSG, as an outsource service provider.

Mr WESTRA van HOLTHE: Minister, can you set out for me the percentage of work that the media and marketing people undertake that is designed to support the minister and also the Chief Executive. That is, what is the proportion of time spent by the people in this unit promoting and supporting the minister and the Chief Executive and what proportion is left to promote the department, and can you set out in detail how that percentage is arrived out?

Mr GALTON: As far as I am aware, that percentage would be less than 5% in support of what the minister does. I have a list of publications and advertising we have done over this past 12 months, and very little of it involves the minister.

Mr WESTRA van HOLTHE: You said less than 5% - how do you work out where that percentage needs to lie?

Mr GALTON: That depends on the audience for the publications, whether it is a general audience, or a covering statement at the start of it. Bernard, could you help me with the number there? Is it 14? Yes.

Mr VATSKALIS: I will tell you that the total expenditure for promotions for 11 months from 31 May 2001 was \$85 800, that included brochures, articles, and magazines and events like the China Mining 2008 trade show booth, the Katherine Farm and Garden Day, the Mining 2008 trade show booth, the Phase Two Top End Secret 2 Ore Struck campaign, and Work 4 Us apprenticeships and scholarships.

With advertisements, all expenses for 11 months to 31 May was \$189 945. That expenditure related to mango fruit quality and fruit analysis; notification of exploration and mining title applications under the *Mining Act* and *native Title Act*; Northern Territory government *Gazette* notices; Recreational Fishing Survey awareness; and Work 4 Us apprenticeship and scholarships.

Publications for the 11 months from 31 May 2009 was \$141 484 and that was about the AGEST Record of Abstract booklet; the East Timor Rice disease and pest booklet; the Mango Crop Forecast Manual booklet and CD; Marine Pest Dive Cards; Top End Secret 2 Ore Struck fact sheets. That is the cost.

Mr WESTRA van HOLTHE: Thank you, minister. Can you tell me how many personnel are in the communications unit? How much is spent in their operational budget, and how much is spent on their personnel budget?

Mr GALTON: There are 10 people in the marketing communications group spread from Darwin to Alice. As for budgets ...

Mr ELFERINK: Leave it on notice, and you guys can table it, when you get it.

Mr VATSKALIS: We will have to do it.

Mr WESTRA van HOLTHE: Do you want to take that on notice, minister?

Mr VATSKALIS: Yes.

Question on Notice 5.13

Madam DEPUTY CHAIR: Please repeat the question for *Hansard*.

Mr WESTRA van HOLTHE: How much is the operational budget for the communications unit and how much is the personnel budget for the communications unit?

Madam DEPUTY CHAIR: For *Hansard* that is question No 5.13.

Mr WESTRA van HOLTHE: Minister, what is the breakdown of the 2009-10 budget allocation into the functional areas of Primary Industry? The current structure is Plant Industry, Animal Industry, Biosecurity and Policy and Administration.

Mr VATSKALIS: We will take it on notice. We do not have the breakdown for that level.

Question on Notice 5.14

Madam DEPUTY CHAIR: Please repeat that question for *Hansard*.

Mr WESTRA van HOLTHE: Minister, what is the breakdown of the 2009-10 budget allocation into the functional areas of Primary Industry? The current structure is Plant Industry, Animal Industry, Biosecurity and Policy and Administration.

Madam DEPUTY CHAIR: For *Hansard* that is question No 5.14.

Mr VATSKALIS: We can table it now. I have it in front of me.

Mr WESTRA van HOLTHE: Thank you.

Mr VATSKALIS: Save you a question.

Mr WESTRA van HOLTHE: No further questions in that part of it.

Madam DEPUTY CHAIR: Member for Nelson, we have ...

Mr Wood: I am not sure what part that was actually ...

Mr WESTRA van HOLTHE: That was the generic part.

Mr WOOD: Is the government making a representation to the Commonwealth about the loss of the solar panel rebate which was announced just the other day?

Mr VATSKALIS: I defer to Mr Galton.

Mr GALTON: No. We have not made any representation from this government.

Mr WOOD: Will it? I am getting people who are very unhappy about it and I thought the government supported ...

Mr VATSKALIS: I defer to Mr Galton.

Mr GALTON: There is still a large bucket of money under the ROPGP program that will be worked through. There is no additional money coming in but the Commonwealth government is looking at the new carbon pollution reduction scheme and putting money into that program. I am not sure, at the moment, where those programs are.

Mr WOOD: Have you had anything to do with an announcement that Tenax Energy is looking at putting a tidal energy project in Clarence Strait? I know there is an EIS going through the department, NRETAS, but have you had any involvement at all?

Madam DEPUTY CHAIR: Last question, member for Nelson.

Mr VATSKALIS: The information I got was actually through the media rather than through the department.

Mr WOOD: So you have not been involved in that?

Mr VATSKALIS: No.

Madam DEPUTY CHAIR: That concludes consideration of outputs 2.1 and 2.2.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

I note that Output Group 3.0 – Regional Development will be addressed by minister Hampton tomorrow.

Mr WOOD: I have one question on cows.

Madam DEPUTY CHAIR: We have finished, member for Nelson.

Mr WOOD: I know. It is not a good system.

Madam DEPUTY CHAIR: On behalf of the committee, I thank the minister for attending as well as officers from the Department of Regional Development, Primary Industry, Fisheries and Resources.

Mr VATSKALIS: Thank you, Madam Deputy Chair.

Madam DEPUTY CHAIR: We will reconvene at 6.30 pm.

Committee suspended

Mr CHAIRMAN: Welcome, minister. Please introduce the officials accompanying you and, if you have an opening statement, would you care to make it, please.

Mr KNIGHT: Thank you, Mr Chairman. I introduce members of the department on the front table here and, as other department officials come to the table, I will introduce them. On my right is Dr David Ritchie, Chief Executive Officer of the Department of Housing, Local Government and Sport; Karen Elligett, Executive Director of Central Services; and Dwayne McInnes, Chief Financial Officer.

Mr Chairman, the last 12 months has been a significant time for the Department of Local Government and Housing which is very well placed to continue delivering significant programs to all Territorians. Following the Local Government forum in the Territory, the first elections in the newly-created shires were held in October last year. The key focus of the reforms was to modernise our Local Government framework, create strong shire councils, and improve local government services and job opportunities in local communities

In March, we announced the *Housing the Territory* initiative, the government's comprehensive package aimed at getting the balance of housing right. It included four areas of focus: land to grow; new places to buy; new places to rent; and new public housing. This framework is driving government action on housing. In line with this focus, Budget 2009-10 delivers \$390.3m for important housing initiatives - 92% increase in funding from the previous year. The budget provides \$23.4m for more public housing including \$10m for the new 44-unit senior's village at Bellamack; \$9.4m to build new, and upgrade, existing public housing dwellings, and \$4m to upgrade old unit complexes in Alice Springs and Darwin to help tackle antisocial behaviour.

The budget also supports affordable housing initiatives. The new initiative of Homestart NT is now helping more Territorians buy their own home at an affordable price. To help meet the need for quality, affordable rental properties for low-and-middle income Territorians, an affordable housing rental company will also be established.

The Strategic Indigenous Housing and Infrastructure program has begun with works under way on the Tiwi Islands, Groote Eylandt, and in Tennant Creek. Budget 2009-10 also delivers more than \$176m to Indigenous housing and \$44.3m will be directed towards better tenancy and property management. By the end of this coming financial year, we expect 100 new homes and replacement houses to be built, and 700 houses to be refurbished and upgraded.

In the Territory's urban areas, work is well under way to upgrade 175 public housing properties and construct 22 new homes under the Rudd government's Nation Building Economic Stimulus Plan.

Those 22 homes will total \$11.2m.

In February this year, a new structure for the Department of Local Government and Housing was finalised. The new organisational design is targeted at increasing regional capacity and providing stronger support to regional offices, which will improve service delivery across the Territory. In light of significant changes in funding arrangements for delivering public and Indigenous housing, the decision was also made to disestablish Territory Housing as a Government Business Division. A key attribute of a GBD is that it delivers a significant proportion of its operating costs through user charges for services provided. The significant increase in investment in remote Indigenous housing and related infrastructure by the Australian and Territory governments, as well as non-commercial activity such as short-term and transitional accommodation and security, were not conducive to the GBD environment. This new structure is in line with the government's focus on building stronger regions and creating employment for Territorians in their local community.

I am happy to answer budget-related questions relating to remote and public housing, local government, interpreter and translator services, Indigenous essential services, water safety, animal welfare, and NT home ownership.

Mr Chair, I thank the committee for the opportunity to make these opening remarks.

Mr CHAIRMAN: Thank you, minister. Are there any questions to the opening statement?

Mr ELFERINK: One quick one, if the gentlemen here do not mind. Minister, why are you the minister for Essential Services?

Mr KNIGHT: Is that related to the ...

Mr ELFERINK: Yes. Under the Administrative Arrangements of the Northern Territory tabled in the Legislative Assembly, you are the Minister for Essential Services; however the Treasurer is the only shareholder. You have no budget lines whatsoever in relation to Essential Services delivery, generally, with the exception of Indigenous Essential Services. I presume you will not be appearing on Friday afternoon when we speak to the Government Owned Corporation. What exactly is it that you do in Essential Services?

Mr KNIGHT: I am here to answer questions about those output areas as described and the questions in relation to power and water will be answered by Power and Water on Friday. That is the arrangement.

Mr KNIGHT: The question is: what do you do?

Mr KNIGHT: We are not here to query me on my role as the Essential Services minister; we are here to answer questions under this output. I hope we can move on to those.

Mr ELFERINK: I put it to you, minister, that your sole function in life as the Minister for Essential Services is to take heat off other ministers who would otherwise be residing in the northern suburbs in relation to Essential Services. Yours is but an honorary title and fall-guy every time something goes wrong, because the damage to you electorally is less fulsome than it would be to a minister who would carry it in the northern suburbs, particularly the Treasurer.

Frankly, minister, your title of Minister for Essential Services, when you have no budgetary control, no company control and absolutely no shareholder control, is nothing but dressage. I thought I would make the point.

Mr KNIGHT: It is wrong. Let us move on.

Mr CHAIRMAN: Are there any questions to the actual opening statement? We now move on to agency specific whole of government related questions.

Agency Specific (Whole-of-Government Related Questions)

Mr WESTRA van HOLTHE: Minister, I have a number of generic questions. Hopefully you have had the opportunity to prepare for these. Carbon emissions, how much is your department producing now in either kilowatt hours or tonnes of CO₂?

Mr KNIGHT: I defer to Dr Ritchie.

Dr RITCHIE: David Ritchie, Chief Executive. Member for Katherine, the last data we have, you have probably heard already, is measured by the Department of Planning and Infrastructure and is for 2006-07 year; in that year we produced 1626 tonnes of CO₂ equivalent gas.

Mr WESTRA van HOLTHE: Why is that the most recent figure you have?

Mr KNIGHT: I defer to Dr Ritchie.

Dr RITCHIE: I understand the auditing is done for us by DPI and that is the most recent information we have from them.

Mr WESTRA van HOLTHE: Thank you. Can you tell me, minister, what individual strategies your department will implement to reduce emissions, and the time frames for these reductions?

Mr KNIGHT: I defer to Dr Ritchie.

Dr RITCHIE: Thank you, minister. If I may invite our Executive Director for Essential Services, Karen Elligett to answer as this is one of her key areas.

Ms ELLIGETT: There are a number of measures we have taken to date to achieve reductions in this area. They include rationalisation of the number of stand-alone printers, faxes, photocopiers and the use of multifunction devices. We have built in energy efficient functionality throughout our agency. We have actively encouraged staff across our different groups to adopt energy efficient practices which include turning off lights when they leave buildings, minimising after hours air-conditioning when working during the evening, weekends and public holidays. Air-conditioning in the buildings we occupy automatically turns off at 5 pm each day and has to be manually turned back on to operate after hours.

We have taken some additional energy efficiency measures which include: recycling printer toner cartridges; recycling office waste through use of recycling bins and shredder bins; timed access to after hours lighting in our buildings; we are progressively installing lighting controls to turn off all lights by 6.30 pm on weekdays; actively saving and distributing documents electronically to minimise the use of paper; and also ensuring the energy save options on copiers and printers is actively encouraged in our offices.

Additionally, under the whole-of-government fleet policy we aim to achieve a 20% reduction of emissions from our fleet over the next five years, and we have already made some inroads in this area. Over the past 12 months we have reduced our department's vehicle fleet to be up to 76% four cylinder vehicles, and the department will further reduce this number through supporting the NT government's Greening the Fleet strategy.

Mr WESTRA van HOLTHE: Minister, this coming financial year, what will be the effect on the bottom line for your individual agencies for the increase in utilities cost - water, sewerage and electricity?

Mr KNIGHT: I defer to Dr Ritchie.

Dr RITCHIE: Member for Katherine, the exact number is \$24 182.

Mr WESTRA van HOLTHE: That is power and water?

Dr RITCHIE: Yes.

Mr WESTRA van HOLTHE: Thank you. Minister, how many graduates or apprentices started with the department in 2007-08 and 2008-09?

Ms ELLIGETT: In 2007, we had two apprentices, two graduates, and two Indigenous cadets. In 2008, three apprentices, three graduates, and five Indigenous cadets. And in 2009, we have four apprentices, six graduates, and four Indigenous cadets.

Mr WESTRA van HOLTHE: Thank you. How many of those graduates and apprentices are still with their original departments?

Ms ELLIGETT: For 2007, zero apprentices, one graduate, zero Indigenous cadets. For 2008, two apprentices, one graduate, two Indigenous cadets. For 2009, four apprentices, five graduates and four Indigenous cadets. We also have two additional Indigenous cadets from the 2006 intake, and six Indigenous employment staff members from a pilot program undertaking Certificate II.

Mr WESTRA van HOLTHE: Thank you. How many of those who are not with your department are still with the Northern Territory government?

Ms ELLIGETT: For 2007, one apprentice, two graduates, one Indigenous cadet. For 2008, two apprentices, three graduates, three Indigenous cadets. This year, 2009, four apprentices, six graduates, four Indigenous cadets and, once again, six Indigenous employment pilot program staff members undertaking Certificate II.

Mr WESTRA van HOLTHE: Thank you.

Mr GILES: Can I just ask a question? Minister, how many CDEP participants are employed in Local Government?

Mr WOOD: That is really specific to Local Government.

Mr GILES: How many CDEP participants have you got, including your department?

Mr KNIGHT: The advice is we do not have any CDEP participants with the department.

Mr CHAIRMAN: I think we have strayed off the agency-specific questions.

Mr WESTRA van HOLTHE: Thank you. How many reports of improper use of computers have you had to 31 May this year, minister?

Ms ELLIGETT: We have had 28 reports of improper use of computers this year.

Mr WESTRA van HOLTHE: How many of those reports resulted in disciplinary action?

Ms ELLIGETT: To date, five have resulted in disciplinary action, and many more under investigation currently.

Mr WESTRA van HOLTHE: How many credit cards, minister ...

Mr ELFERINK: Can I interrupt for a moment?

Mr WESTRA van HOLTHE: Yes.

Mr ELFERINK: What is the nature of the misuse of the computers? What are we talking about?

Dr RITCHIE: Member for Port Darwin, we are talking about the inappropriate sending and downloading of images, basically, which are not acceptable under the code of conduct.

Mr ELFERINK: What sort of images?

Dr RITCHIE: It varies, but images of a sexually explicit nature.

Mr ELFERINK: Where did this occur? What parts of the department?

Dr RITCHIE: Within the Housing area.

Mr ELFERINK: So, we are talking about inside the department?

Dr RITCHIE: Within the department, yes.

Mr ELFERINK: Goodness gracious me, that is quite a large number.

Dr RITCHIE: It is, member for Port Darwin, and as you appreciate we take the reports very seriously and track back through the system to anyone who has been involved in that; and that number includes recipients from the original report, so it very rapidly mushrooms.

Mr ELFERINK: Yes, I appreciate that. So, five disciplinary actions so far. What has been the nature of those disciplinary actions?

Dr RITCHIE: Again, it is varied. At the moment this whole area is reported separately and across government. I have to be careful in my answer because some of these are still alive, but the disciplinary actions have included a reduction in position, in other words, demotion. They have also included dismissal.

Mr ELFERINK: Any material that has been download which is unlawful to possess?

Dr RITCHIE: No.

Mr ELFERINK: The next question I have, in that case, is: how did they get access to this material? Even I, in Parliament House - not that I bothered to get the bars lifted, which is why I notice - if I tried to get to a website which is 'naughty', I am barred from doing that because I have never applied to have that bar lifted. How do these staff members get the bar lifted?

Dr RITCHIE: Member for Port Darwin, the unacceptability of e-mails within the work context, if you like, we have a high threshold, so that context is very important. Material that might be seen to be okay coming back and forward between private e-mails and, therefore, would not be picked up by a filter, is completely inappropriate and unacceptable in a work context. So ...

Mr ELFERINK: Yes, maybe I misunderstood you, but I thought you said websites had been accessed where this material is obtained. Is that correct?

Dr RITCHIE: I am sure they must have come from a website initially, but we are talking about e-mails so, I guess, they could have come from anywhere.

Mr ELFERINK: Okay. The nature of this material, as unpleasant as these next questions will be, are we talking about Penthouse centrefold, or are we talking something more graphic than that?

Dr RITCHIE: Again, without getting specific, much of it is what you would call the inappropriate use of what would be classed, by some, as humour. It is in that vein.

Mr ELFERINK: Oh, I see what you are saying. All right, well, that is a matter of some concern. Thank you for your candour.

Mr WESTRA van HOLTHE: Minister, how many credit cards have been issued to departmental staff?

Ms ELLIGETT: We have had 20 credit cards issued to our staff.

Mr WESTRA van HOLTHE: How many transactions for personal items or services are outstanding on those cards?

Ms ELLIGETT: None, nil transactions for personal items and services outstanding.

Mr WESTRA van HOLTHE: Thank you. Minister, you could please list the public events, conferences, and public forums which were sponsored by this department for the financial year 2008-09, and the projections are for 2009-10?

Dr RITCHIE: Member for Katherine, the public events, conferences and public forums we have sponsored over the last year, 2008-09 - and I will go through them because the different areas of the department have different functions they routinely support. For Local Government, we did a civic reception for the swearing-in of the new shires; in the Aboriginal Interpreter Service, there was an Indigenous forum; we sponsored Water Safety Month; the Animal Welfare Group sponsored a pet expo and Animal Welfare Day.

Within Housing, same year, the Strategic Housing Infrastructure Project Team sponsored industry forums which were designed to brief industry about the program; they also sponsored a general Territory conference; also sponsored the Desert Knowledge Australia Conference, and the HomeNorth Xtra information evenings. The whole-of-department continues to support the show circuit in all regional centres.

This coming year, we have just had within Housing, the Northern Territory Architects Awards. We are anticipating the Indigenous Economic Development forum; the Territory Construction Association Annual Awards; the Engineering Excellence Awards, and the Housing Industry Awards. Most of those, we periodically sponsor.

Within Local Government, there is a Local Government Managers Association National Congress and Business Expo; Water Safety Month; pet expo and Animal Welfare Week and, again, the show circuit.

Mr WESTRA van HOLTHE: Thank you. Minister, how many staff in your department are dedicated to communications; that is, media and advertising?

Ms ELLIGETT: We have 12 dedicated communications staff within our agency.

Mr WESTRA van HOLTHE: Can you tell me how much the operational budget is for your communications department?

Ms ELLIGETT: Our operational budget for communication and advertising is \$163 864.

Mr WESTRA van HOLTHE: How much is your personnel budget for the same unit?

Mr KNIGHT: We do not have the information here; we will get it to you during the session.

Mr CHAIRMAN: Are you happy to take that on notice?

Mr WESTRA van HOLTHE: Yes, I am happy to take that on notice.

Question on Notice 6.5

Mr CHAIRMAN: If you can repeat the question.

Mr WESTRA van HOLTHE: Yes, for the purpose of *Hansard*: how much is your personnel budget for the communications unit?

Mr ELFERINK: Following that, can you give us a breakdown as to the positions? We have them from some other departments - a list of the positions, the rank of the person, and their job function.

Mr KNIGHT: We have that if you want it now?

Mr WESTRA van HOLTHE: Yes, that would be good.

Mr CHAIRMAN: That is a Question on Notice 6.5. Sorry, minister, does that include the cost of the unit.

Mr KNIGHT: No, that is just the positions.

Mr CHAIRMAN: So the cost of the unit is written Question 6.1. Are you happy to take that on notice?

Mr KNIGHT: Yes, but I have the second half of it.

Mr ELFERINK: That is good. Thank you very much, minister.

Mr KNIGHT: Communication – we have a Director ...

Mr WESTRA van HOLTHE: Are you going to table that?

Mr KNIGHT: I will just read it out. We have an ECO1; a Marketing Manager of Communications and Media, an AO8 position; Specialist Writer, AO8 part-time; a Web and Multimedia, AO6; Communication Consultant with Territory Housing, AO6 level; Communication Consultant with Local Government, AO6; and Communications Officer, AO5.

Also, in the Remote Housing communications area there is a Manager of Communications, AO8; Senior Communications Consultant for SIHIP, AO7; Communications Consultant for Remote Housing, AO6; Communications Officer for SIHIP, AO5; and a Communications Officer for remote housing, AO4.

Mr ELFERINK: Are you able to table that document, or is there something on it you do not want us to

see? Whilst I appreciate you are in doubt, can we just have that tabled please?

Mr KNIGHT: Yes

Mr ELFERINK: Thank you, very kind of you.

Mr WESTRA van HOLTHE: Minister, how do you define advertising?

Ms ELLIGETT: We define advertising within the advertising standards classification code. Advertising can be defined as promotion of Territory government and department initiatives through broadcast media, television and radio, print media, outdoor signage, and online advertising. The classification excludes tender and recruitment advertising.

Mr ELFERINK: This reflects the Treasury directive?

Mr CHAIRMAN: Through the minister.

Mr ELFERINK: Through the minister, sorry, yes.

Mr KNIGHT: Yes, it does.

Mr WESTRA van HOLTHE: Thank you. What is the department's budget for advertising?

Ms ELLIGETT: The department's budget is \$163 864.

Mr ELFERINK: Is that included in the operational budget for the communications section, minister, or is that separate? It is the same amount, is it not?

Ms ELLIGETT: Yes, it is.

Mr ELFERINK: So there is not duplication, it is one dollar amount? Thank you.

Mr WESTRA van HOLTHE: What is your advertising budget for 2008-09 year and, please breakdown by each area of advertising, for example: newspaper, whether it is colour or black-and-white; radio, television, community newsletters, consultants and printing.

Ms ELLIGETT: The advertising budget is \$163 864. I can break this down into specific areas, if you like, or I can give you the breakdown versus the different mediums of advertising, holistically, for the agency.

Mr WESTRA van HOLTHE: Just the breakdown of the listings.

Ms ELLIGETT: For newspaper advertising the figure is \$76 611; for television advertising \$26 605; for radio \$52 767, and other advertising \$1897.

Mr WESTRA van HOLTHE: How much is the year-to-date expenditure? Please break that down in the same way.

Ms ELLIGETT: The year-to-date expenditure is \$157 881. I do not have that broken down, so I can take that on notice.

Mr WESTRA van HOLTHE: Yes, take that on notice.

Mr CHAIR: For the purpose of *Hansard* would you please repeat the question?

Mr WESTRA van HOLTHE: Having received the year-to-date expenditure figure on advertising, could you please break that down in terms of where it is spent - on newspapers, radio, television, community newsletters, etcetera?

Mr CHAIR: And you are happy to take that question on notice, minister? You have the answer now?

Mr KNIGHT: We have the answer here; table that.

Mr CHAIR: So we do not need that question on notice?

Mr WESTRA van HOLTHE: Thank you, minister. Minister, what advertising campaigns have been undertaken by the department in 2008-09? And please specify if there are any region-specific campaigns.

Ms ELLIGETT: The advertising campaigns undertaken by our department in 2008-09 are: three water safety and animal welfare campaigns; Do Not Play in Pipes and Drains campaign - these are all Territory-wide advertising campaigns - closure of the Pool Safety Grant Scheme, and Water Safety Month. For the Local Government area: a local government shire elections campaign.

Mr WESTRA van HOLTHE: Thank you. How many of these campaigns, minister, were translated into local dialect?

Ms ELLIGETT: The campaign specifically translated into local dialect was the local government election campaign; that utilised 13 Indigenous languages.

Mr WESTRA van HOLTHE: Sorry, that was three?

Ms ELLIGETT: No, 13. Sorry.

Mr WESTRA van HOLTHE: Thank you. For each campaign, who was contracted to write the material for the print, visual or audio platforms?

Ms ELLIGETT: For the water safety and animal welfare campaign the writing was undertaken in-house by our corporate communications staff. For the local government shire elections campaign the writing service was performed by Sam McCue Writing Services. The television production of the local government shire election campaign was performed by Simon Says TV.

Mr WESTRA van HOLTHE: Thank you. Who has your printing contract?

Ms ELLIGETT: The Northern Territory Government Printing Office provides us with the holistic agency printing services.

Mr WESTRA van HOLTHE: Thank you. What plans are in place for TV advertising?

Ms ELLIGETT: The plans we currently have in the pipeline for television advertising in 2009-10 are for the Aboriginal Interpreter Service; the advertisements will include Need an Interpreter and How to Become an Interpreter. Water safety and animal welfare; there are a number of campaigns we will be looking at and planning: Be Water Safety Wise, which is an ongoing campaign we do on an annual basis, and Don't Play in Pipes and Drains. For our newly formed Government Business Division, Homestart NT, we will be undertaking a Helping Territorians Own Their Own Home campaign.

Mr WESTRA van HOLTHE: Minister, is the advertising material approved by the minister, the

minister's office or the Chief Executive?

Mr KNIGHT: The advertising is approved internally, and Karen will have some more on that.

Ms ELLIGETT: The advertising we undertake is approved by either the Executive Director responsible for the specific area undertaking the advertising, or the Director of that group. If it is a large campaign, it will be approved by the Chief Executive. Advertising material we undertake is also forwarded to the Communications Advisory Committee to ensure it has compliance with whole-of-government policy.

Mr WESTRA van HOLTHE: How do you decide who approves which piece of advertising?

Mr KNIGHT: I believe it has been quite well described. If it is a normal campaign it goes through the ED, and if it is something larger, it goes through the CEO and then up to the Cabinet sub-committee.

Mr WESTRA van HOLTHE: With respect, I hear what you are saying, but that is a fairly subjective way of putting it. Is there a financial level at which the advertising needs to be shunted upstairs for approval by a higher authority.

Ms ELLIGETT: Many of the campaigns that we undertake are quite routine annual campaigns. Those smaller, routine campaigns are approved at Executive Director level and the Chief Executive is informed at all times of those advertising campaigns. If they are new initiatives or new campaigns, they are approved by the Chief Executive. The HomeStart NT campaign, for instance, would be approved by the Chief Executive.

Mr WESTRA van HOLTHE: Thank you. They are all the generic questions I have.

Mr WOOD: Feeding back to what the member for Port Darwin said before, minister, you are the Minister for Essential Services but there is no output here. Yet I watch television and see you make announcements that your government is going to put nearly \$300m into fixing Power and Water. You were also on television announcing you were going to bring generators into the northern suburbs so the substations could be repaired. I imagine the money you were talking about is not Power and Water's money; it is a grant or an allocation from the government to Power and Water. How do we ask questions about those funds if we cannot ask you?

Mr KNIGHT: You ask the CEO of Power and Water on Friday.

Mr CHAIRMAN: If I could just comment, member for Nelson. This is not a new thing in the Estimates Committee process that we have the Government Owned Corporation appearing on the Friday for two hours; and it is not a new thing that the Minister for Essential Services is appearing before the committee and not answering these questions. He is not the shareholder minister; that goes to the Government Owned Corporation on Friday. You can ask a follow up question if you like, but I am aware of the time and what we are here for, and the relevance. With that in mind, I will allow you a follow-up question.

Mr WOOD: Minister, the money you allocate to Power and Water is not Power and Water's money; they have not got it from their own budget. The government has given them that money, the same as the under grounding of power, it is not Power and Water's money, you are giving it to them as Minister for Essential Services.

Mr KNIGHT: It is given to the Government Owned Corporation, and the CEO, as the head of that organisation, is responsible for the expenditure of that and the running of the organisation, and should be accountable to Territory taxpayers and citizens. That is why he appears before this committee; he is also answerable to the board and to the shareholding minister. I appreciate what you are saying but, as the Chair has indicated, that has been the practice and nothing has changed this year. Power and Water will be here to answer questions on Friday.

Mr CHAIRMAN: The money is provided to Power and Water through the shareholding minister, the Treasurer, who was here on Tuesday. There is an output line for payments on behalf of the Territory, where some of those questions ...

Mr WOOD: I understand that but, the face you see on television is the minister, not the Treasurer ...

Mr CHAIRMAN: He is a handsome man ...

Mr WOOD: ... and the name written here is Essential Services - which is power, water and sewerage - you would think he was the right bloke to ask the questions, not the Treasurer.

Mr CHAIRMAN: It is how this Estimates Committee process works and ...

Mr WOOD: It needs a bit of a revamp next time. I will not go any further with that because I will not get anywhere, and I am not going to waste time getting nowhere.

Mr CHAIRMAN: That concludes questions on Agency Specific (Whole-of-Government Related Questions).

OUTPUT GROUP 1.0 – LOCAL GOVERNMENT **Output 1.1 Local Government**

Mr CHAIRMAN: We will now move on to Output Group 1.0, Local Government, Output 1.1 Local Government. Are there any questions?

Mr WESTRA van HOLTHE: Minister, how many meetings have you had with the Board of the NT Grants Commission during 2008-09, and what was the nature of those meetings and the subject matter discussed?

Mr KNIGHT: I have not met personally with the entire board. I have met the chair, Bob Beadman, on several occasions, but I have not met the entire board.

Mr WESTRA van HOLTHE: Thank you. Minister, during the meetings with individuals or parts of that board, did you raise any issues related to any councils, shires, community or groups within your electorate of Daly?

Mr KNIGHT: Not at those formal meetings. The chair has been the chair for some time now and has, quite clearly, undertaken reform of the processes of the Grants Commission, as is expected of him; he is doing a great job.

Mr WESTRA van HOLTHE: I do not know that that answered my question. Did you raise any issues relating to councils or shires within the Daly electorate with any of those board members?

Mr KNIGHT: It is a local member type query. I have fielded questions as a local member, and I have passed concerns onto the chair to deal directly with the particular council you are referring to. That is as a local member. I do not cease to be a local member and, obviously, I take up issues on behalf of my constituents and my constituents' councils. I do not bring those into my ministerial role.

Mr WESTRA van HOLTHE: Can you please tell me what matters you did discuss with members of the Grants Commission in relation - to use your words - constituent issues within the Daly electorate?

Mr CHAIRMAN: Just a point of clarification here. We are here to ask questions of the minister rather than the member for Daly. I am not going to necessarily stop you, minister, if you choose to answer the question, based on relevance; but we are here to ask questions of the Minister for Local Government, not the member for Daly.

Mr KNIGHT: I am not averse to answering this question. There have, obviously, been issues relating to changes to the funding methodology; that has been around for many years. That started in the financial year 2004-05, and those affected councils have raised ongoing issues with various people. The appropriate action is to forward them on to the Grants Commission for clarification. To their credit, they always respond to those councils, but they are tasked with coming up with a methodology which is fair, reasonable and consistent, as well, not only across the Territory but with the principles established at the federal level through their legislation.

Mr WESTRA van HOLTHE: Thank you, minister. With respect, you still did not answer the question of what matters you raised with them?

Mr KNIGHT: I thought I did. I highlighted that the funding and methodology is one of the things which has been brought forward to me as local member. I have dutifully forwarded that on to the Grants Commission and asked that they deal with those councils for clarification.

Mr WESTRA van HOLTHE: Minister, at any time since taking on responsibility for Local Government, have you sought any funding for any local government council or shire, or any community group within your electorate, through the NT Grants Commission?

Mr KNIGHT: Through the NT Grants Commission; I am not aware. Again, this is a local member question, but I do not believe I have sought any funding from them. They have a role to play; they make recommendations about funding allocations. That is all. They do not actually have any money per se. They make recommendations about Commonwealth and Territory funding.

Mr WESTRA van HOLTHE: Minister, if you could answer this question then: have you, as a minister, ever made representations on behalf of the Peppimenarti Club through the Grants Commission?

Mr KNIGHT: To do what? I am not aware I have. They are an incorporated association, might even be a proprietary limited company, I am not exactly sure. There would be no reason to do it because, one, the Grants Commission does not have any money, and two, it is Local Government money they actually make recommendations for. The Peppimenarti Company is a proprietary limited company or, certainly, a private entity, not associated with Local Government at all.

Mr WESTRA van HOLTHE: Thank you. Minister, will you confirm there were three \$35 000 grants paid to Darwin City Council for playground upgrades in Fannie Bay.

Mr KNIGHT: We will have to take that on notice. Any sort of grant you are talking about?

Mr WESTRA van HOLTHE: I do not have the details of what the grants were called, but I am asking if there were three \$35 000 grants paid to the Darwin City Council for playground upgrades in Fannie Bay?

Mr KNIGHT: We will take that on notice.

Question on Notice 6.2

Mr CHAIRMAN: For *Hansard*, member for Katherine, could you please repeat that question.

Mr WESTRA van HOLTHE: Minister, will you confirm that there were three \$35 000 grants paid to the Darwin City Council for playground upgrades in Fannie Bay?

Mr CHAIRMAN: For the purposes of *Hansard*, that is question 6.2.

Mr WESTRA van HOLTHE: Minister, in 2007-08 the department was called Local Government, Housing and Sport, and boasted a staff of 270. The following year, 2008-09, still under the same moniker, staffing jumped from 270 to 350, an increase of almost 30%. In the 2009-10 Budget, the department seems to have undergone a restructure, losing Sport as part of the department to become just the Department of Local Government and Housing. Yet, in 2009-10 staffing has ballooned by a further 56% or 197 personnel, from 350 to 547. Can you please explain why a newer, slimmer department needs 197 more staff in the next financial year?

Mr KNIGHT: I have spent countless hours in the parliament and out in the public arena talking about our reform agenda. You referred to numbers changing in 2007-08 to 2008-09. We had one reform agenda on at that stage, and that was the local government reform. The next reform is the housing reform. I will pass on to David Ritchie for the change in numbers. That work is out there and it requires people to undertake this massive reform agenda which is much needed.

Dr RITCHIE: Member for Katherine, to expand on the minister's remarks, the department has been given an unprecedented new role in the Territory and over the last couple of years and its output appropriation has grown by 240%. This is largely in completely new areas which is creating a third tier of government in the Territory, and also taking on responsibility for over 6000 remote houses and the whole of the SIHIP building program which involves a massive mobilisation of people just to do the practicalities of consultation, getting the leases in place, even before we start pouring concrete. It is on a scale which, in my time as a CE, is unprecedented.

It is unusual, but to come to the specifics, the changes to the staff since last year have been: a nett loss of 49 Sport and Recreation staff to NRETAS, and 54 Library staff; we had nine new staff from DPI, and they are directly involved in the SIHIP program; we have 24 new Aboriginal interpreters, and the demand for interpreting work has been expanding because of the need for consultation in communities; with SIHIP there has been an increase of 14 staff as that project ramps up.

There is a number of Australian government funded positions; we are actually employing people who are being paid for by the Commonwealth primarily to pick up the role of managing the houses which have come to us because the NT five-year leases mean they have picked up responsibility, as owners, of all the houses which were originally part of the estates of Indigenous housing associations. They are then paying us to manage those in the interim while the remote housing reform program rolls out. The idea being, as they are upgraded to a standard that can be accepted into the Territory public housing estate, they will be transferred to the Territory. In this interim period we have been paid for an additional 50 staff to do that. That, hopefully, will give you 547. Those are the reasons.

Mr CHAIRMAN: Just to that point. I believe that was going back to an agency specific question. We have moved on to Output 1.1, but I did allow the question.

Mr WESTRA van HOLTHE: Hopefully, you will allow this one: what will the 197 staff cost the Northern Territory?

Mr KNIGHT: Member for Katherine, most of those staff have been described by the CEO, and I will get him to expand on it in a second, but they come from national partnership agreements. They are major projects and come with significant funding; contained within those programs are those staff.

Dr RITCHIE: I will refer to our CFO to give you the dollars of what the budget increase will be, but the point is, the cost to the Territory is primarily borne by the Commonwealth. We are hosting staff for programs being funded directly by the Commonwealth.

Mr McINNES: Dwayne McInnes, Chief Financial Officer. To expand on the minister's and David's response, in real terms there has been a nett reduction of two staff when you add in the 199 staff from the former Territory Housing GBD. So, in 2008-09, while there were 350 in the former department, you add in the 199 staff from that which gives you 549 as a base figure. This year, we have 547, which is a reduction of two staff. The remaining two staff is under the home ownership GBD, so there

is no real change.

In terms of dollars, there has been a reduction of about \$3m in employee expenditure, but they are related to Commonwealth agreements which will cease at the end of this year and are currently under negotiation for next year. So there is no additional cost at this time. In fact, there is a budget reduction in employee costs.

Mr WESTRA van HOLTHE: All right. Minister, perhaps I need further explanation on that. If last year's budget said the department had a staff of 350, and this coming year's budget says there is going to 547, how can that be the same number of staff, and how can that be costing the Territory less money?

Mr KNIGHT: As I alluded to in my opening remarks - the member for Port Darwin is explaining it to you maybe.

Mr WESTRA van HOLTHE: You're right, keep going, we are listening.

Mr ELFERINK: I am listening, too. I can do two things at once.

Mr KNIGHT: As I described in my opening remarks, the GBD for Territory Housing has ceased, so they become normal department staff and slot back into the department; the area of Territory Housing ceases as a GBD, was broken up in 2008-09; so the total figure for 2009-10 is 547, actually two less.

Mr CHAIRMAN: At that point again, we have moved on from agency specific questions on to Output 1.1. I have allowed some leniency, but I know the member for Nelson does have a pet love of the output and I am sure has more questions.

Mr WOOD: In this case, I understand where the member for Katherine is coming from, because he has asked a staff question, and because it covers the entire department, I suppose. I do not think he is moving into that.

Mr CHAIRMAN: Therefore, because it covers the entire department, it comes under agency specific.

Mr WOOD: Whichever way he goes, he will have trouble going the other direction as well, in another department.

Mr CHAIRMAN: But agency specific, I thought that we ...

Mr WOOD: I do not think that was the original meaning of the question.

Mr CHAIRMAN: All right, I will allow some further leniency.

Mr WESTRA van HOLTHE: I can see where you are coming from on that. Are any of these 197, or the perceived increase in staff, actually going to be in Local Government? Will there be an overall increase in the number of staff in the Local Government area?

Dr RITCHIE: Member for Katherine, one of the structural changes we have effected in the department is to try to break down the division between the staff working within the output group. To say staff will exclusively be working on Local Government issues or exclusively working on Housing in an environment where they are providing services that really relate to both in the regions, is not an accurate statement of how people work, or how the work flow happens in the bush. One of the important changes we have made is to re-establish the leadership teams within the department around regions, rather than around outputs; so staff in regional offices with particular skills at working with communities may, from time to time, be doing consultation and engagement on Housing matters, and may also be part of teams working on Local Government matters.

The answer to your question is, we may have more staff involved in both areas, but we are doing it with less staff, so there are some efficiencies. There will be fewer staff labelled as Local Government, because the specific Local Government staff will tend to be those involved directly in, say, the regulatory activities targeted at the *Local Government Act*, whereas much of the work on the ground will be done by people doing a range of tasks, some of which will be, historically, more likely to be Housing, and some of which, historically, would have been more Local Government community development.

Mr WESTRA van HOLTHE: You are saying some people will turn up to work on any given day and one day they will be working on Local Government but, tomorrow, they are working on Housing? Is that ...

Dr RITCHIE: Member for Katherine, what we are saying is there are various tasks to be done where government adds value to a community. One thing is understanding what people need, what our clients want, having the ability to talk with people, listen to people, bring information back, act on it and ensure it flows up through the organisation. Those skills are transferable. In other words, we do not want to silo people into only doing Local Government consultations or only doing Housing consultations. The reality in regional Northern Territory is that staff need to be able, from time to time, to take a holistic view, and we are encouraging staff to look at what the client needs rather than what the output is.

Mr WESTRA van HOLTHE: Minister, will that type of staffing structure not make it difficult for you to measure against your performance indicators?

Dr RITCHIE: Member for Katherine, you are correct to point this out. This is one of the reasons it is not easy to do. It is one of the challenges the department is facing, and it is one of the jobs our Chief Financial Officer has at the moment. Basically, you have to recast all the cost codes across the agency and ensure they link back to those outputs. All the financial information about outputs can still be tracked, and has to be tracked, because that is what we are paid to do.

However, your question was about staffing. The point I want to make is that our staff will be doing the job of talking to people, understanding people, and providing a service to clients that is about the people and the relationship between the staff and the client, not about the output group. We have found that organising a department around output groups for this work is less efficient than organising it around clients and clients' needs in the bush. The work in head office is then ensuring we have the cost codes and everything to allow us to cost it out properly and link it back to the output groups which, of course, we have done.

Mr WESTRA van HOLTHE: I have to admit, minister, I have some concerns about the way the staffing element is being taken care of.

Mr KNIGHT: I would rather have concerns about working with the figures back in central office than efficiencies out on the ground. Having worked out on the ground, interacted with people out on the ground, and having field staff going out there and talking about one subject alone and, then, going on and another group coming back - communities are sick to death of being flooded with people from government. It is much more efficient and sensible for departmental staff to go out there and work through a number of areas and issues the department has, and maintain and strengthen those relationships because there are fewer people coming to talk to community people than the other way. I would rather have Dwayne and others do a bit more work than community people having a weaker relationship with government, and field staff wasting more dollars on travel out bush. It certainly is in recognition of the way other organisations have worked successfully across a number of programs, and the way the people actually want it out on the ground.

Mr WESTRA van HOLTHE: If I have some further concerns - and I do - I will probably organise a briefing some time to get down to the nitty-gritty of that.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Minister, for the next financial year the Local Government budget has been slashed by nearly \$16m. What areas of the department have been cut to achieve nearly \$16m worth of reductions in budget?

Mr KNIGHT: It is not correct to say it has been slashed. The nature of local government housing in this department has been that it has received significant funds from the Commonwealth government for a range of initiatives. Many of them were initiated by the Northern Territory government and funds have been successfully won from the Commonwealth Treasury, so the department ebbs and flows between initiatives. We have seen that with the Local Government reform and now, with the Housing reform, it has changed again. There are fluctuations, but they are in response to initiatives the department is driving. Dwayne will give you a more detailed breakdown of every one of those variations of that \$15.9m.

Mr McINNES: To expand on what the minister is saying, essentially the budget has not been slashed, rather it is the cessation of some Commonwealth agreements which cease at the end of this year, and it is also distorted by some carryovers from 2007-08 into 2008-09, which obviously do not float through to 2009-10. I can go through those in detail for you now.

Mr WESTRA van HOLTHE: Unless you have them in a format you would be prepared to table to save some time, minister?

Mr ELFERINK: You said there was a carryover from the last financial year into this financial year; I presume it is unexpended money from last financial year. Was that intended, or was there some delay which produced this flow over, and what was the program?

Mr McINNES: Some of the carryovers have related to delays. I will go through a couple of those for you now. There is \$1.6m of 2007-08 funds carried forward for municipal essential services, grant funding; \$1.5m was carried forward for the Taminmin High School pool; \$990 000 carried forward for the ShiresNet project; another \$0.5m carried forward for the shire establishment; and \$300 000 carried forward for development coordinators.

Mr ELFERINK: Help me here. Those are the ones that fell over the threshold of 1 July, and they are rolled into this year's budget?

Mr McINNES: Correct.

Mr ELFERINK: Were they all delays?

Mr McINNES: Most of them are delays and some of them are timing issues rather than delays.

Mr ELFERINK: Okay. That is why I am asking, because I know there is a potentiality for one to be called a delay when one is planned. The Taminmin High School pool, minister, was that a delay or was that a carryover?

Mr KNIGHT: I thought you were going to save that question for the member for Nelson.

Mr ELFERINK: I thought I would save him the trouble. His larynx is looking awfully tired from here.

Mr KNIGHT: As people may be aware, that was an election commitment made in 2008-09. The process was that was an initial amount provided through local government for that ...

Mr WOOD: An initial amount? It is the first I have heard that.

Mr KNIGHT: I have continually referred to it as an initial amount. So the processes have been there. There have been a number of partners involved in that - Taminmin High School was one and the YMCA was another. Through the department I have funded YMCA to do a feasibility study ...

Mr WOOD: On site?

Mr ELFERINK: Do you remember the question that I asked you?

Mr KNIGHT: You were asking about that amount, and I am trying to explain why it is still sitting there.

Mr ELFERINK: It is not the question I asked you. The question I asked you was whether that was a delay or a carryover amount?

Mr KNIGHT: I was answering that question. It is a project, so obviously you just cannot go and dig a hole. You need to do a feasibility study on the actual construction of the facility and ...

Mr ELFERINK: I will take that as a delay then, shall I?

Mr KNIGHT: No, it is not a delay.

Mr ELFERINK: So it is a carryover amount. I mean, this is not so hard. Which one is it?

Mr WOOD: It should not be under this section because it says Local Government.

Mr ELFERINK: Can we table those documents that the CEO referred to?

Mr KNIGHT: He has gone through half the list already; he can finish off the second half if you like, which is ...

Mr ELFERINK: No. For the purposes of time, if we can table the document - it is a lot easier.

Mr CHAIRMAN: Are you comfortable tabling it?

Mr KNIGHT: Yes, that is fine.

Mr WESTRA van HOLTHE: According to the 2007-08 Annual Report staff separation rates or attrition went from 12% the previous year to 16%. What is the estimate for the 2008-09 attrition rates?

Mr KNIGHT: Are you talking about Local Government?

Mr WESTRA van HOLTHE: Local Government.

Mr KNIGHT: Are they in local government or whole-of-department?

Mr WESTRA van HOLTHE: My recollection from going through the annual report was that it was Local Government.

Mr CHAIRMAN: We are in Output 1.1 which is Local Government, if you can answer.

Mr KNIGHT: I will find out those figures for Local Government for that financial year.

Mr CHAIRMAN: So we are taking that on notice?

Mr KNIGHT: Yes.

Question on Notice 6.3.

Mr CHAIRMAN: If you could just repeat it, member for Katherine.

Mr WESTRA van HOLTHE: According to the 2007-08 Annual Report staff separation rates or attrition went from 12% in the previous year to 16%. What is the estimate for the 2008-09 attrition rates for Local Government?

Mr CHAIRMAN: You are happy to take that?

Mr KNIGHT: Yes.

Mr CHAIRMAN: For *Hansard*, that is question 6.3.

Mr WESTRA van HOLTHE: Minister, what strategies is the department of Local Government using to lower attrition rates in the department?

Mr KNIGHT: I will pass that on to David Ritchie.

Mr ELFERINK: You would have some input into this as minister. You would be concerned about attrition rates creeping up, wouldn't you?

Mr CHAIRMAN: Ministers are allowed to refer answers they receive to ...

Mr ELFERINK: Yes, I was wondering what he thinks.

Mr KNIGHT: The operational details, the HR details, are usually handled by the Chief Executive Officer. Having previously worked in this department, there is a turnover of staff coming and going for a range of reasons. We recruit people for specific projects and they move on. Many people advance through this department, which is a great thing to see. As far as the operational side of things, I believe the Chief Executive Officer has a far greater insight than I have.

Dr RITCHIE: The question I understand is: what are we doing to contain attrition rates within Local Government.

Mr WESTRA van HOLTHE: Or reduce attrition rates.

Dr RITCHIE: Or reduce, yes. One of the important tasks for the department is to make sure we retain staff. We have put in a lot of effort over the last 12 months dealing with what I would say are the four main areas that staff need so they feel productive and comfortable at work. As you are no doubt aware, people come to work, particularly in this area, because they want to feel their work is valuable and they are doing something important.

The department has set in place a way of operating which ensures that everyone - and this goes across the department and applies particularly to staff in the regions - clearly understands what their jobs are; they have regular feedback about how well they are doing at those jobs; they are given regular feedback about the value of their work to the community, and they have a clear understanding of a future career path within the organisation.

We believe those four elements are the bedrock for ensuring staff stay with us. We will see how this year compares with previous years, but from anecdotal evidence around the department there has

been a boost in moral, and we will see the positive benefits of this approach beginning to show statistically in the year to come.

Mr WESTRA van HOLTHE: Thank you. Minister, the only budget available for the shire councils is currently in draft form. With the end of the financial year just weeks away, why have the shire councils not produced a working budget?

Mr KNIGHT: I will flick to David in a second. The shires are developing their budgets now, as are all the councils; some are obviously setting rates, as you have seen here in Darwin. We are supporting those as best we can, with as much advice as we can in setting those. I will flick to David Ritchie for some more detail on that.

Dr RITCHIE: As I understand the question, member for Katherine, why have the shires not developed their budgets for 2009-10? Is that correct?

Mr WESTRA van HOLTHE: That is correct.

Dr RITCHIE: My understanding is, they have. They are the third tier of government, they are independent, and it is one of the requirements that they do. I can understand if the question was about some shires having difficulty finalising their bottom line because of hangovers from sorting out the previous community government councils which were incorporated within them. As I understand it, they are all in the process at the moment, and the normal deadline is 31 July. I would imagine if any of them have particular problems they will be come back to us. At this stage, I know they are all working through their various issues and, as you would expect, the department will provide assistance where we can.

Mr ELFERINK: Sorry, can I just pick up on one thing? 31 July is when they have to have their budgets ready?

Dr RITCHIE: They are independent bodies and they are required, under the *Local Government Act*, to have their budgets finalised and in a published form by 31 July.

Mr WESTRA van HOLTHE: Thank you. Minister, can you give an undertaking all the councils will have their budgets finalised and ready by that date?

Mr KNIGHT: As the Chief Executive has described, they are required to do so under the *Local Government Act*.

Mr GILES: What will be the penalties if they do not, minister?

Mr KNIGHT: How many people do we have on the panel here?

Mr CHAIRMAN: Just to confirm the process: at any one time there is a maximum of three opposition members, three government members, and one Independent member on the Estimates Committee.

Mr KNIGHT: There are obvious penalties under *Local Government Act*, and in the past there have been issues. I will just confer with the CEO.

Dr RITCHIE: Yes, member for Braitling, we will check the *Local Government Act* for you. We will have an answer shortly.

Mr WESTRA van HOLTHE: In the meantime, we will march on. Minister, what percentage of Indigenous employees is employed by the shires, either on a full-time, part-time or contract basis? How does that compare with the percentage under the old system of councils before the amalgamations?

Mr KNIGHT: For the specific breakdown, I will get some clarification on that from the CEO. It is quite a detailed question you have asked. Through the Commonwealth government conversion there has been a huge uptake of employment with the shires and, just in my travels, there are certainly many more people working in council offices both at head office and at local community level. David will have some clearer answers.

Dr RITCHIE: Member for Katherine, this is work we are still receiving data for. It will go up from this point, but we have confirmed the total number of employees - this is employees who are Indigenous and non-Indigenous - has gone up by 40%. The raw numbers we have is about 1657 people were working in the local community councils before; it has gone up to 2320. Of those, when you average it - although some are higher than others - about 75% of those are Indigenous, which is much higher than we had in the past. It has gone up in gross terms, but it has also gone up as a percentage.

Mr WOOD: May I ask a question on that, please?

Mr CHAIRMAN: Yes.

Mr WOOD: Are you comparing core local government functions, or are you comparing agencies the local governments have taken over, when you say there has been an increase in employment? It makes a lot of difference. You have taken over a lot of agencies, and we need to know whether we are comparing apples with apples when we are talking about employment. Have all the combined local governments employed any more people than were employed before in basic local government functions? Not aged care, not housing, not post office, but the basic functions of a local council?

Mr KNIGHT: I will flick to David. I am not sure if we have the exact history of those previous councils and their exact programs.

Mr WOOD: If you have not, you cannot compare.

Mr KNIGHT: We can in gross terms as far as those agencies go. However, each previous community government council was different; some had a whole range of those agency programs which was almost their mainstream work, in some ways. That is what kept them afloat; all those other programs ...

Mr WOOD: It usually kept them broke in most cases.

Mr KNIGHT: No. Sometimes it kept them afloat.

Mr WOOD: Well, that was the argument ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: David, do you have anything more to add?

Dr RITCHIE: Member for Nelson, the question was, as I understand it, are there additional Indigenous employees working within Local Government, or are they just ...

Mr WOOD: Do not worry about Indigenous at the moment.

Dr RITCHIE: Okay.

Mr WOOD: The total number of people employed in core local government functions - has it changed since the new reform agenda came into being? I take the agencies out because you cannot regard

those as core local government functions, they are things councils have taken over, but there are basic things councils are funded to do from within their own budgets. That is why I would like to know whether the old system, compared to the new system, has made a real increase in employment.

Mr KNIGHT: I will pass to David in a moment. Through the formation of the shires, with respect to those agency services councils were providing, we were able to negotiate better deals than before with the community government councils. With those agency programs the councils typically did deliver, we have substantially more funding and a better deal out of it. I will just pass to David.

Mr WOOD: I will beg to differ on that later because I have some stuff here which says otherwise. Could I ask about Indigenous employment? I went over to a council recently to have a look, and I saw very few Indigenous people in administration. Could you give us a breakdown of how many Indigenous people are working in administration?

Dr RITCHIE: Member for Nelson, as you can appreciate; there is no immediate system for the Territory to interrogate the shires about who they have and do not have as employees. The information I am giving you has been one of the key deliverables from the shire reform - an increase in Indigenous employment in the shires. We always anticipated that, in fact, some efficiencies in the amalgamations would be the expansion of real jobs for many things the shires were not being paid to do before, such as delivering Centrelink services and postal services, and one of the achievements of the reform has been to get those agencies to pay the real costs of delivering those services. So it is a meaningful figure to say the reform has increased Indigenous employment, on average, by 75% across the shires ...

Mr WOOD: Minister, through the Chair, I worked on Bathurst Island as you know; in 1974 there were three non-Indigenous people and 107 Indigenous people, that is about 90%. What you have now is a highly bureaucratic system where Aboriginal people have basically lost the control they were heading for under the smaller council system, because you are putting in systems which are so complex and driven by people, not all of them, but many of these people have come from somewhere else to run these councils. I believe that is a really important issue. Local government is about local control, and that is why I need to know how many people. Your government promised more local jobs and I would like to know how many Aboriginal people are involved in the administration of local government. Otherwise, we do not achieve anything out of local government except a system that is economically viable but, from the point of view of control, I believe Aboriginal people have lost that control.

Mr KNIGHT: You have talked about your time in the Tiwis in the 1970s, but I guess it is more relevant to look at where the councils were in 2006.

Mr WOOD: Roads still need patching, rubbish needs to be collected, lawns need mowing.

Mr CHAIRMAN: Member for Nelson, the minister is answering the question.

Mr KNIGHT: We did have councils which were on a roller coaster ride. Sometimes they operated very efficiently and had good governance, they had good service delivery - and then they crashed. Many of them crashed in that administration area. It is public money - Australian and Territory government and ratepayers' money - that goes into those councils. We talked about complexity, well, there is also accountability because it is public money. There have been instances, over time, where there have been some failures. That was one of the primary reasons for the local government reforms. Before they were just small councils, but we are moving to a new era in local government. Where before we only had 5% of the Territory actually incorporated, now we have all but 95% ...

Mr WOOD: I know all that, minister, really.

Mr KNIGHT: I will just finish. We have an evaluation process which will operate over the next 12 months and it is a key focus to increase Indigenous employment in those councils. We need to capacity build in the administration area. It is a key focus of what we are doing and was the primary reason for the reforms.

Mr GILES: Minister, what council input was there into the development of *A Working Future* document and the 20 growth towns?

Mr KNIGHT: It is probably a question you need to direct to the relevant minister.

Mr GILES: I believe you are the Minister for Local Government.

Mr KNIGHT: Yes, but you are talking about a program initiated by ...

Mr GILES: Policy by your government. I would like to know, for clarification of the question, what input did local councils have into *A Working Future*, if any?

Mr KNIGHT: I can tell you, from my point of view, I attended three forums in council offices through my own electorate. I am sure there were other forums happening across the Territory in local government council offices, with both council members and members of the public, on the development of the reform which has been mentioned and which, no doubt, the responsible minister will talk about in detail. It is something that people need to fully understand. There has been involvement of local people and local elected members into the initial formation of what became *A Working Future* policy.

Mr GILES: I understand that would mean stage 1 of the Outstations discussion paper when the previous Minister for Indigenous Affairs went around with Pat Dodson. Before the announcement of 20 new towns to be created, were the councils, to your knowledge, consulted? Prior to the announcement.

Mr CHAIRMAN: Can I make one brief point of clarification, and then, minister, you can take the question. On Thursday afternoon at 1.30 pm the Minister for Indigenous Policy will present to the committee Output 1.2 Indigenous Policy, where consultation on *A Working Future* strategy was conducted. That is where these questions should be directed. However, minister, the question has been asked and it is up to you whether you chose to answer it or not.

Mr KNIGHT: Yes, I believe there has been liberal use of the Local Government area. It is very appropriate, it is a very important subject and consultation with all groups of people and questions of the relevant minister need to be asked. Local Government is a player in that, but all community members are players in that. I am not trying to avoid it, but it is appropriate it is handled through the relevant minister.

Mr GILES: Chairman, with respect to the advice you have given, I appreciate that and I will ask questions of the Minister for Indigenous Affairs tomorrow. But in terms of local government, we have just had an announcement that 20 towns will be constructed across the Territory and they will fall into the jurisdiction of shire councils. I would like to know if the shires were consulted and what their feedback was to government about the announcement of *A Working Future* policy. Were they consulted? That is a simple question which should fall under your portfolio.

Mr CHAIRMAN: As I understand it, there is a distinction between Local Government as an entity, Darwin City Council, Barkly Shire and so on, and the Local Government department. Minister, the question has been asked.

Mr KNIGHT: It is an important question, and you should ask it.

Mr GILES: Will you answer it?

Mr KNIGHT: I am just saying it is an important question but, really, it does pertain to the Minister for Indigenous Policy and you should ask that minister.

Mr GILES: I am happy for you to say you refuse to answer it and you will leave it to me until Thursday; if that is the case, and you do not want to answer it. We know there was no consultation amongst your Cabinet about this and amongst everywhere else; but I would just like to hear you say it.

Mr KNIGHT: There was extensive consultation about the outstation policy which I participated in; the government was quite engaging in that regard. I believe you need to direct the questions to the right minister.

Mr GILES: Minister, how would you respond to ratepayers in shires who hold mining leases and do not get any services from shire councils, who are now given rates notices and say they do not want to pay the bill. Under your new model of shire servicing, people who do not receive services from shires are now being charged for rates. Should they pay?

Mr KNIGHT: With mining and pastoral leases there was a cap put on those ...

Mr ELFERINK: For the moment.

Mr KNIGHT: For the moment, yes, and like every other jurisdiction in Australia who pay their contribution to local government services, whether a truckie stops at Adelaide River and uses the rubbish bin, the park, the public toilets, everyone uses local government services somewhere in the Territory, and everyone should pay their fair share. My understanding is the Resources Council is working very closely with councils and local government. They realise people pay rates in Queensland, New South Wales, WA, so why should they not pay their share and contribution to local government services whether they are in Darwin, Alice Springs, or Katherine?

Mr GILES: I appreciate that, and I agree people should pay their fair share. Where someone lives in a local government area and pays rates for their property - they might buy a house like anyone, like you or me - but they have a mining lease in a shire zone and do not receive any council services; why should they pay council rates?

Mr KNIGHT: Because they visit other parts of the Territory and they use local government services in those areas.

Mr GILES: Isn't that covered by the household rates? I mean, do not bother paying household rates if they use those other services, is that not considered fair enough?

Mr KNIGHT: Businesses which operate in Darwin and the other local government areas contribute to the upkeep of roads, to the upkeep of parks that their staff use, they contribute to the rubbish collection their staff use. It is about everyone being in and no one being left out. It is not an unusual thing. In fact, we are the anomaly, nationally, with pastoralists and mining lease holders, who really do have the capacity to pay, paying rates.

Mr GILES: Minister, do all outstations in the Northern Territory, whether occupied or unoccupied, have to pay council rates?

Mr KNIGHT: My understanding is that many communities pay service fees at the moment, and many of the occupants of those houses, which are probably public housing, pay rent.

Mr GILES: Unless they are privately owned?

Mr KNIGHT: Unless they are privately owned, yes.

Mr GILES: So you cannot confirm that 100% of outstations pay rates, is that right?

Mr KNIGHT: No. You would be aware of the land tenure they sit on. The local government council is not able to charge rates there.

Mr GILES: Why?

Mr KNIGHT: Because it is Aboriginal Land Trust, and you cannot place a charge.

Mr GILES: So mining lessees who do not receive council services have to pay rates, but people on outstations do not have to pay rates, and the shire councils were not consulted in *A Working Future* document, which is about outstations and growth towns. Something seems not to be right in that whole mix.

Mr KNIGHT: I do not know how you are linking all those together. A great many outstations pay either service charges or general charges, or they pay rent, which is incorporated in that as a contribution to services.

Mr GILES: Is there any plan for outstations to pay rates in the future?

Mr KNIGHT: Member for Braitling, you know the people out there. They are not wealthy people. You also know that people who have mining leases have the capacity to pay; and people on outstations do pay service charges which, much of the time, add up to more than some local government areas are paying in annual rates. People are paying, some obviously are not; but those who are not paying really have very little capacity to pay and, legally, shire councils cannot charge rates on that land they are on.

Mr GILES: Minister, I find it amazing that you are undertaking an individual means-testing of people living on outstations, judging the capacity of whether they can pay rates or not. There are plenty of people on outstations who receive royalty payments and other income and would be far wealthier than people who have to pay shire rates and do not receive a service.

A member: Look at pensioners.

Mr GILES: Look at pensioners, exactly right.

Mr KNIGHT: There is ...

Mr GILES: I have not finished my question, minister. Is there any plan to rate outstations and Indigenous land for the purpose of council rates in the future?

Mr KNIGHT: As I have said about three times now, Aboriginal Land Trust land cannot legally be rated.

Mr ELFERINK: Do you know how the mechanics of that works? It is in the legislation, but do you actually know why it is in the legislation?

Mr KNIGHT: During the reform process, I had a meeting with the Central Land Council and it was something they brought to our attention. We realise the people in those outstations do receive some level of service, but it would be up to those councils how much service they actually get provided with.

Mr ELFERINK: It is actually inalienable freehold; that is the real problem underlying this, because the rateable body would be the land trust itself. If you cannot alienate the freehold that means you cannot raise any damages against it as a result of any court action to recover rates, so there is no point. If I was the owner of inalienable freehold and you tried to rate me, my answer to you would be 'go away'. You can rate me as hard as you like, take me to court, take my land away, but that cannot happen.

Just as an aside, once you go to the normalisation of rating cattle stations, what is the formula for that?

Mr KNIGHT: The process is that councils develop their own formula and they submit it to me, then it goes to the minister responsible for the *Pastoral Lands Act*, I believe, and then approval is given or not given.

Mr ELFERINK: A percentage of UCV, is that going to be how it is done?

Mr KNIGHT: It is really up to the councils to work out how they do that.

Mr ELFERINK: I saw a formula floating around somewhere which is a little more descriptive than that; perhaps you might want to ask one of your staff, but last time I saw a formula for this it was a little more prescriptive.

Mr WOOD: They are going to put a cap on it.

Mr ELFERINK: For the moment.

Mr KNIGHT: The process, which was described at the time of the reform, is councils come forward with their own formulas and their own amounts.

Mr ELFERINK: But what is the cap?

Mr KNIGHT: There is a cap at the moment ...

Mr ELFERINK: Yes, at the moment, but what will it be into the future? Are you just saying that councils can charge 10% of UCV?

Mr KNIGHT: It has to pass the test of me and other ministers ...

Mr ELFERINK: The problem I have with this is, a pastoralist in 2001 paid for their pastoral lease 1% of UCV. By the end of 2001, under your administration, they were paying 2% of UCV. Now, there is going to be a formula - and that is how this is going to work - they are going to be paying a percentage of UCV into the future, which means that if it is another 2% of UCV over a pastoral lease it is going to rack up to tens of thousands of dollars in extra charges, since 2001, for the privilege of owning a cattle station. The measure by which you think that is acceptable - you have stated it here yourself here today - is capacity to pay.

There seems to be an assumption built into government, at the moment, that cattle stations and people who have mining leases are endless fonts of cash which can be milked to a state of anaemia without so much as a moment of guilt. The truth is, many of those exploration leases are held by what I would call rock scratchers - guys with a little pick axe working on the smell of an oily rag - and these taxes, charges and fees which are being loaded onto them are becoming quite outrageous. To listen to you saying: 'What ever fancy might take me when they come to me with an application', is hardly reassuring to either industry, is it, minister?

Mr KNIGHT: As I have stated before, we have situations with pastoral property owners in the Territory who are paying nothing for their vast property in the Territory, and paying rates to the local shire just across the border. My experience in the bush with shires is there is a very cooperative relationship between pastoralists and local communities and local elected members. You may think there is a great war out there, but there is not.

Mr ELFERINK: There is not a war out there. I am saying that there is conflict ...

Mr CHAIRMAN: The minister has the call.

Mr KNIGHT: You are saying there is a divide, and I really do not see that.

Mr ELFERINK: I did not say that at all.

Mr KNIGHT: Through the reform process, obviously, we were engaged with the Cattlemen's Association ...

Mr Elferink: And they thought it was a good idea, did they?

Mr KNIGHT: ... and the Resources Council, and they accept that they are members of the community and local government plays a key role in their own communities and regions, and they need to be part of that. We did make some concessions. I will just defer to David Ritchie, who will provide some detail on the concessions we made. It does have to go through a number of hurdles before those schemes are actually approved.

Dr RITCHIE: Member for Port Darwin, there are two broad thrusts to your question, as I understand it. One is the question about rating the owners of exploration leases, and the other was about the possibility of a cumulative lease payment linked to UCV, and then a ...

Mr ELFERINK: Dr Ritchie, my comments were more policy directed. If you would bear with me, I am particularly unsatisfied with the minister's answer in relation to how much cattle stations will be rated and by what formula that will work. I was also making comment on something outside of your purview which relates to their lease payments for the possession of those pastoral leases. Whilst the minister ignored my answer, you can save your breath, because I understand the answer or the issues, and we should just get on it. Thank you for your patience.

Mr KNIGHT: I would like the CEO to finish explaining what type of concessions we made to the pastoral leaseholders, and also to the Minerals Council.

Dr RITCHIE: To clarify two things. The first is that exploration licence holders are not rateable, so no one is being rated for just holding the ground. They are only rated if it becomes a commercial operation. There is a link between leases and rates. In the design of the *Local Government Act*, and having talked this through with the NT Cattlemen's Association, what is being arranged to come into place and has been, I understand, the subject of a ministerial statement in parliament, if at the end of the cap on rates, the 0.006% cap at the end of 2012, if at that point the individual shires then raise that ...

Mr ELFERINK: Which they will.

Dr RITCHIE: Which they may well do. If they do that, then there will be an automatic reduction, commensurate with that, from the lease payable in that region, so there is an offset. There is an understanding that the lease payment will buffer any rises in rates, and that is because of the reasons you outlined, that it would be inequitable to be doing two sets at one time.

Mr ELFERINK: That is very informative. Thank you. The offset is a complete offset?

Dr RITCHIE: Yes.

Mr ELFERINK: That is very informative. Thank you for that.

Mr WOOD: Why is the government not rated, rather than the pastoralist, because they are only leasing it from the government?

Mr KNIGHT: Dr Ritchie.

Dr RITCHIE: Member for Nelson, the pastoral lease is a lease that is going to be real property and it is therefore the lessee's responsibility to pay any rates under the *Local Government Act*, because that is legislated. The lease fee serves a purpose, because pastoral land, like any finite natural resource, has to be allocated. Back in the 1890s, the government divided it into pastoral leaseholds and they were slowly taken up and the biggest cost in those days was the lease fee. In situations where demand outstrips supply, as it does at the moment, the actual lease payment is relatively insignificant; it is just a device originally set up by government and is, basically, another kind of tax. The real exchanges about pastoral leases are, of course, the exchange of the lease, and the lease is a property right and most of them are 99 years, and they exchange for something very close to the equivalent of freehold.

Mr WESTRA van HOLTHE: Minister, the federal minister, Jenny Macklin, decreed that the East Arnhem Shire is to vacate the former Yirrkala Council office by the middle of August. Where will the East Arnhem Shire Council Office be located in Yirrkala?

Mr KNIGHT: Thank you for your question. I will get David Willing to come to the table. He is the Regional Executive Director of East Arnhem and has been intimately involved in this, as I have, through this process. He will be able to give you details about what is happening with the office, staffing and accommodation arrangements for the East Arnhem Shire.

Mr WILLING: Thank you, minister. David Willing, Executive Director for Arnhem. The minister for Indigenous Affairs under the five year lease did decree the former Yirrkala community council office was to go to the new organisation created from that old council, which is the Yirrkala Dhanbul Aboriginal Corporation. The shire office is now moving to the former Landcare building. FACSIA has decreed they are going to provide some money towards the upgrade of that facility, and once that facility is upgraded that move will occur. At the moment, the former council facility is being shared by the Yirrkala Dhanbul Aboriginal Corporation and the shire staff.

Mr WOOD: Minister, could I ask a question? Executive Director of the Shire Council?

Mr WILLING: No, it is actually Director of Arnhem Region.

Mr WOOD: I was just wondering where we were coming from there for a minute, because I had some questions on that. Thank you.

Mr WESTRA van HOLTHE: Minister, does this situation with East Arnhem Shire have any implications for the other shire councils in the old community government council offices?

Mr WILLING: My understanding is it was isolated to this particular locality. Moving to the shire councils was a vast undertaking and unwinding ownership of assets was a very difficult process about who funded what, and when they funded it, and for what purpose. All credit goes to the department and the transitional committees who worked through that process; but my understanding is it was isolated to Yirrkala, and the federal minister said it was just a one-off decision.

Mr WESTRA van HOLTHE: Should that type of issue not have been sorted out before the new shire system came into being on 1 July 2008?

Mr KNIGHT: There were a few things happening at this time: the local government reform started, then the Intervention happened, then the Commonwealth had the five-year compulsory leases which had all assets vested in the Commonwealth. Ultimately, they had to make a decision, and still have to make decisions in that regard. So there were a few things running in parallel, but when you think about how many communities were involved in the local government reform and how many assets were on the ground; by and large, we did a fabulous job in resolving those issues.

Mr WESTRA van HOLTHE: I will come back to that aspect of it in a little while. Minister, when the new shire councils came into being on 1 July 2008, can you tell me how much money the new shire system cost to implement from whoa to go?

Mr KNIGHT: Perhaps I will get various people to answer this question. We received money from the Commonwealth Liberal government at the time to advance this reform. They gave us some money which was much appreciated. I believe they gave us \$5m for development coordinators, and there were various buckets of money which came over time. The figures I have here in my notes are: the establishment of the local government shires from 2006-07 financial year to 2008-09 financial year, was a budget of \$9.9m in that area, and we spent \$9.847m. The implementation of management costs - that is the support staff and the development coordinators - the budget and the actual came out at \$4.350m. The transitional support which went into that - sorry, that was actually to support those councils for the rating cap, their incapacity to actually rate, we had a budget of \$5m, and we had an actual spend of \$4.5m. Through *Closing the Gap*, we had an allocation budget of \$2.6m, and an actual of \$2.064m. To save you adding that up, it is a budget of \$21.85m and an actual of \$20.761m. I will see if my Chief Financial Officer has any more comments about that.

Mr McINNES: Essentially, the minister has covered everything budget-wise - \$21.85m and actual expenditure was \$20.7m. There is a provision for \$1.7m in the 2009-10 budget to help finalise.

Mr WESTRA van HOLTHE: Thank you. Minister, can you tell me how much the shire's IT system cost?

Mr McINNES: The budget for the Shirebiz and ShiresNet systems was \$4.5m. Expenditure as of 30 April is \$6.08m.

Mr WESTRA van HOLTHE: Thank you. Minister, was the shire IT system tested under operational conditions prior to 1 July 2008?

Dr RITCHIE: Member for Katherine, it was not tested under operational conditions primarily because we did not have operating shires at that point. Much of the work has been, and still is, being done as the shires have developed their own particular needs, and that is a subject of ongoing work.

Mr WESTRA van HOLTHE: Thank you. Can you please tell me, after 1 July 2008, how many staff at the shires did not receive their fortnightly pays on time due to the failure of shire IT systems?

Dr RITCHIE: We would have to take that on notice. There was anecdotal information that some employees were not paid initially, but the exact numbers, because it was rectified fairly promptly by manual methods, we would have to take that on notice.

Question on Notice 6.4

Mr CHAIRMAN: If you would repeat the question for *Hansard*.

Mr WESTRA van HOLTHE: Minister, can you please tell me, after 1 July 2008, how many shire staff did not receive their fortnightly pays on time due to the failure of the shire IT system?

Mr CHAIRMAN: For *Hansard*, that is question No 6.4.

Mr KNIGHT: I will just clarify, we will make an attempt to ask the shires for that information, and if we get it, we will pass it on.

Mr McINNES: Yes, what I meant by anecdotally, is only what we get told.

Mr WESTRA van HOLTHE: I would have thought that would have been serious enough to report to the department - I would be surprised you did not hear about it officially.

Dr RITCHIE: Member for Katherine, as I said, we certainly heard there was a problem and that it had to be fixed. There were a number of things our local regional EDs were able to do including ensuring the manual systems.

Mr WESTRA Van HOLTHE: Minister, even if you only anecdotally heard it was an issue, why did the department not take steps to find out exactly what happened; whether people did, in fact, not receive their pays on time?

Mr KNIGHT: The department was working very closely with the shire staff. You have asked a specific question about how many. There were some people in various shires who had problems with their pays, and local government staff worked as closely as possible and provided as much assistance as possible. The exact figures are not owned by us, they are owned by the shires. As I have committed to, we will try to get that information, but it is up to the shires to provide it.

Mr WESTRA Van HOLTHE: Thank you, minister.

Mr ELFERINK: Are you about to go to a break?

Mr CHAIRMAN: I was going to suggest we take a break at 8.30 pm, but I did not want to interrupt you if you were on a roll on a particular subject.

Mr WESTRA Van HOLTHE: No, I can stop there for a moment.

Mr ELFERINK: Just one before we go. Minister, how did you go? What are the penalty provisions for failing to get your budgets ready on time?

Mr KNIGHT: The penalties are that the minister can ask the council to rectify or, ultimately, if they fail to do so, can dismiss the council. As there has been no case of that ...

Mr ELFERINK: There is no penalty provision, is there? Not quite what we thought before. It is not a penalty.

Mr KNIGHT: I passed this legislation and every clause of it ...

Mr ELFERINK: I pass things everyday, but it does not make them a very good thing, minister.

Mr KNIGHT: There are several hundred clauses in there.

Mr CHAIRMAN: On that unpleasant note, we will go to a break.

The committee suspended.

Mr CHAIRMAN: The committee is resuming at Output 1.1. We left it with the member for Katherine.

Mr WESTRA van HOLTHE: Thank you, Mr Chairman. Minister, are the shire councils required to submit a business activity statement to the Australian Taxation Office?

Mr KNIGHT: Yes, they are.

Mr WESTRA van HOLTHE: Thank you. Do you know on what basis they submit them, whether quarterly or monthly?

Mr KNIGHT: Quarterly.

Mr WESTRA van HOLTHE: Minister, how many shires have submitted their business activity statements late to the ATO, that is, after the cut-off date?

Mr KNIGHT: I am not exactly sure about every one, but I know the Roper Gulf shire - which I am sure you are referring to - did have some late fees associated with their audit. We worked with the ATO and the amount they were initially charged was reduced to \$3000.

Mr WESTRA van HOLTHE: I was not actually referring to the Roper Gulf Shire, but thank you for telling me that.

Mr KNIGHT: Always willing to help you.

Mr WESTRA van HOLTHE: Very generous, minister. Is the Roper Gulf Shire the only shire that has been fined by the ATO for late submission of business activity statements?

Mr KNIGHT: That I am aware of, yes.

Mr WESTRA van HOLTHE: Minister, are any of the shires unable to meet acquittal obligations with respect to grant funding for the current financial year?

Mr KNIGHT: I will put that to David Ritchie who has been working in this particular area.

Dr RITCHIE: Is the question about the current financial year?

Mr WESTRA van HOLTHE: That is correct.

Dr RITCHIE: As I understand it, there are some issues relating to grants that originate with the previous *Local Government Act* which makes the current shires legally accountable for all the debts and obligations of their antecedent community government councils. We understand there are some issues working through grants which have been running for several years, and we are aware of those. Where we are aware there is a problem, we have made representations to the funding bodies - usually it is the Commonwealth - and those funding agencies have recognised these difficulties and are working through them. They are seen as one of the operating hazards of setting up new institutions like this with a background such as they have had.

Mr WESTRA van HOLTHE: Minister, what sort of dollar value is at stake with these acquittals of grants which cannot be met at the moment.

Dr RITCHIE: These are grants that have been made directly to either previous local government community councils, or the new shires. We are not privy to all that detail and there is no requirement on them to make us aware of that. We would only become aware of it if it becomes an issue with the funding body.

Mr ELFERINK: The Territory government carries the debt of shire councils. I know that is slightly different to acquittals, but now that we are on the subject, how much debt is the Territory carrying on behalf of the shires? Actually, I will rephrase that, on behalf of local government as it applies to the municipals, as well.

Dr RITCHIE: I am just not sure of the question.

Mr ELFERINK: It is my understanding that a municipal or shire council cannot raise a debt or go into borrowings unless Treasury gives them a big tick, and the reason is it then appears in the Northern Territory government's balance sheet. What is the dollar figure on the amount?

Mr McINNES: At this point in time, we have \$1m on our particular balance sheet.

Mr ELFERINK: That is it?

Mr McINNES: That is it.

Mr ELFERINK: Total borrowings of all local government in the Northern Territory?

Mr McINNES: On Department of Local Government and Housing's books it is \$1m.

Mr ELFERINK: Is there any other vehicle by which the impact would find its way onto the Territory's balance sheet without going through your books?

Mr McINNES: Not that I am aware of at this time.

Mr ELFERINK: But it is possible though? Conceivable? Or would you say that it is very unlikely?

Mr KNIGHT: You can offer an opinion.

Mr CHAIRMAN: Actually, no you cannot.

Mr ELFERINK: I do not want to put the CFO into that position, but I will take it as read that the normal vehicle would be then, minister, to go through Local Government's books to have that debt registered with the Territory's balance sheet.

Mr CHAIRMAN: Thank you, member for Port Darwin that was very generous. Just to clarify, Standing Order 112, ask a question, do not ask for an opinion.

Mr ELFERINK: Yes, I understand that.

Mr WESTRA van HOLTHE: Minister, we have talked about the problems some of the shires have with acquitting their grants. Is the cause of this the fact the shire IT systems are still not fully operational?

Mr KNIGHT: Putting this in perspective, we had a massive reform. We had 63 councils previously. Each one of those councils had dozens and dozens of grants, both current and some going back several years. Dealing with that reform, any reform, is very difficult, and that transition was a huge undertaking. I will flick over to the Chief Executive to provide more detail.

Dr RITCHIE: Member for Katherine, the answer is yes, in part. In my previous answer I alluded to problems with the quality of information and record keeping of the organisations the shires were required to take financial liability for when they were created. In many cases, the quality of information from those community councils was very poor and that has created problems. In addition to that problem, shires have been working with the Shirebiz and ShiresNet systems, implemented by the department, various modules of which have not performed as well as we hoped and, in fact, the department is still ironing out problems with the shires as we speak.

Mr WESTRA van HOLTHE: Would it be fair to say on 1 July 2008, when the shires came into being,

there was much still to do.

Dr RITCHIE: Yes, that would be a fair comment.

Mr WESTRA van HOLTHE: Minister, why is it the legislation to create the new shire system was rushed through parliament?

Mr KNIGHT: Because we needed the legislation to actually form the shires.

Mr WESTRA van HOLTHE: Notwithstanding there was so much to do.

Mr KNIGHT: Again, in perspective, moving 4500 Local Government employees onto new payroll systems; dealing with hundreds, possibly thousands, of grants with sometimes sketchy detail about them, and which were both Territory and Commonwealth government was a huge task and we had to step through this process. There was a huge amount of work undertaken, and the legislation had to be in place to form the shires. A great deal of work was done with the software system, and continues to be done, which is why we are still actively involved. We started the process and we will continue to be involved and work with those shires, now established, to iron out any problems that exist.

Mr WESTRA van HOLTHE: I do not know that it requires a comment from you, minister, but my concern is that here you are, 11½ months down the track, and we are still ironing out the problems that should have been ironed out before now and, probably, before the shires came into being. Can you please tell me how CouncilBiz is funded?

Dr RITCHIE: CouncilBiz is the body which provides the services to the shires – the business system services. As such, it is funded by the shires. It is their company and its reason for existence is to provide them with business systems.

Mr WESTRA van HOLTHE: Minister, is Mark Graff employed by the Department of Local Government?

Dr RITCHIE: Yes, Mark Graff is employed by our department.

Mr WESTRA van HOLTHE: Can you please confirm whether Mark Graff is currently on your payroll?

Dr RITCHIE: Mark is on our payroll at the moment. He is a resource we are making available as part of our efforts to fix some of these issues, and to ensure we move as rapidly as possible to an operating business system for the shires.

Mr WESTRA van HOLTHE: Minister, can you confirm that Mark Graff is currently seconded to CouncilBiz to assist them in meeting their financial obligations?

Dr RITCHIE: He is seconded CouncilBiz to help set up systems. In other words, to ensure the modules that provide various things - for instance, acquittals, payroll - are refined and operational.

Mr ELFERINK: Is he a gift or does CouncilBiz pay for his ...

Dr RITCHIE: He is part of the effort the department is putting in to resolve some of the issues.

Mr ELFERINK: So he is gifted?

Dr RITCHIE: Yes, he is gifted. That is right.

Mr WESTRA van HOLTHE: I have many more questions, but I am mindful of the time.

Mr CHAIRMAN: Just before you ask your first question, member for Nelson; it is only a quick thing for the benefit of anyone interested - half time in the soccer - Japan is 1 and Australia is nil.

Mr WOOD: I will see if we can reverse that from this side of the room.

Mr KNIGHT: Sorry, member for Nelson, can I just get the CFO to answer one of the questions that was put on notice – No 6.1?

Mr McINNES: I believe it was No 6.1, communication staffing.

Mr CHAIRMAN: How much is the personnel on the breakdown?

Mr McINNES: Yes.

Mr CHAIRMAN: We have the breakdown already, sorry. How much is the personnel?

Mr McINNES: Yes. For 2008-09 the budget is \$702 000 ...

Mr ELFERINK: That is personnel?

Mr McINNES: For personnel. The actual expenditure against that budget to date is \$659 000. In terms of the staffing numbers that were tabled, the budget projection for 2009-10 is \$1.08m, and that reflects the additional positions that have been put on as part of the remote ...

Mr ELFERINK: I was about to say you are employing 10 people on \$702 000? What do you have, child labour or something? That makes more sense. That suddenly became an expanded section much more recently, I presume. Sorry, Gerry.

Mr KNIGHT: Sorry, can we just do one more, if that is all right?

Mr CHAIRMAN: If you have answers to questions on notice we want them.

Mr KNIGHT: No 6.3.

Answer to Question on Notice 6.3

Dr RITCHIE: Question 6.3 was: what is the 2008-09 attrition rate for the department. The rate is calculated on an annual basis after 30 June, so we cannot actually give you an answer on notice. But the other part of your question, as I recall, was the reason why the 2008-09 rate was higher than the 2006-07 rate, and we can make some comments about the 2006-07 rate.

I will have to reverse the way this has been written for me. We have employed people on a contract basis funded by the Australian government. When those positions finished it led to this fairly dramatic blip in the attrition rate which is what, I gather, prompted the member for Katherine's question - what are we doing about that? It was an artefact of Commonwealth funding arrangements, rather than attrition of NTPS staff.

Output 1.1 – Local Government

Mr WOOD: Minister, how many employees of the new Local Government shires do you directly employ from your department, such as CEOs?

Mr KNIGHT: Did we employ?

Mr WOOD: No. Do you still employ?

Mr KNIGHT: None I am aware of.

Mr WOOD: Where is the payments ...

Mr CHAIRMAN: Just pause. Do you want to give an answer?

Dr RITCHIE: Member for Nelson, I understand the question is how many local government staff employees do we actually pay for?

Mr WOOD: I will put it another way; maybe that is technically wrong. They may not be Local Government staff if you pay them, they may be departmental people who work in those positions. When the CEOs were first employed, they were employed by the Department of Local Government?

Dr RITCHIE: The situation prior to the elections in August last year was the councils, in other words, the legal entity that is the shire councils, was legally a person, and that person had two roles, if you like. They were the legal entity, which is the shire, for the purposes of getting things established and they held the legal authorities and performed the legal function of a shire council. But they were also employees of the department and their title was Shire Manager. When the shires were elected, that function ceased and so they no longer exist. Shire managers were always an interim arrangement to ensure the necessary procedures were up and running prior to the first council election and the swearing in of the first councils.

Mr WOOD: I am a bit confused. You had advertisements in the paper; I remember we brought this up in parliament. There were some ads in southern papers advertising for CEOs to manage all these new councils. I presume some of those CEOs still exist; as far as I know, a number of them do.

Dr RITCHIE: May I continue? Okay, so the legal entity of the shire was embodied in the officer who was also an officer of the department. This shire manager then employed - because the chief executives had to be employed and in place before the shire councils were elected and properly constituted - the core staff, including the chief executives, which was done through the department, through the legal entity that was the shire manager role.

Mr WOOD: Minister, who pays them now?

Mr KNIGHT: The shire.

Mr WOOD: I gather someone went to visit one of the shires recently, it might have been a member of parliament, and asked if he could speak to the CEO; and was told he could not do that without permission from the department.

Dr RITCHIE: The shire is an independent entity ...

Mr WOOD: That is what I hoped, but that person did not give that impression. All right, that has cleared that up.

There must be a sizeable wages bill when you see the number of people the councils employ. Where do the councils get their money from? I would like a breakup of federal grants, operational funding - which I presume the Northern Territory still gives the councils - and rates. I do not want the agency funds here because I am not sure they would pay for those people in managerial positions.

Mr KNIGHT: I will flick to David in a second; we may have those figures, but I would imagine the

shires would publish their income and expenditure, as well.

Dr RITCHIE: The shires are required to publish their budgets, their funding, at the end of the financial year. So, their various sources of funding, which include money directly from the Commonwealth Grants Commission and Territory government, is a proportion which we have the data for. A very significant portion of the income for the new shires is from other sources which they are required to make public, and will make public, at the end of the financial year.

Mr WOOD: What concerns me is a person who lives in the Litchfield Council area, which does not get operational funding, which had a reduction in federal grants this year, and probably another one next year, which means an increase in rates. We see the government set up six super shires which are heavily dependant on NT government funding - which Litchfield does not get, nor Darwin and Alice Springs; also federal grants are now being reduced to Litchfield, Darwin and Alice Springs. And these councils have a very small rate base. To me, you have set up a council which is artificial because it relies almost solely on federal or NT government funding rather than what the councils were set up for, which was, basically, to live off rates and federal government funds. Do you not believe the system is artificial? If you took operational funds away from these councils, they would collapse.

Mr KNIGHT: The CEO might like to advise more detail, but I do not know what solution you are proposing. The federal grants and federal assistance grants and the NT operational grants are geared to funding those councils. Those councils recognise the added disadvantage of costs associated with delivering services remotely; of delivering services to disadvantaged groups; and having a number of different service locations. So, this horizontal fiscal equalisation tries to provide some assistance to people who have increased costs and limited ability to pay. But Litchfield council ...

Mr WOOD: People in my shire have limited ability to pay, too, but that does not mean ...

Mr KNIGHT: Absolutely, I accept that. Litchfield provides subsidies to those people through subsidised rates as well. But Litchfield is a municipal council. It does not receive that operational funding, and they have adjusted their rates in previous years to account for that, and have done it quite successfully.

Mr WOOD: Minister, would I be fair in saying what we have with these super shires is really a department of government running what are mainly government responsibilities? For instance, I see the MacDonnell Shire advertised for a Children's Services Coordinator and team leaders, which sound like Bunnings; they also want an Indigenous Employment and Training Officer, Senior Aged Care Assistant and Team Leader Aged Care. I would say most of those things are your responsibility, and what appears to be happening is the government shifting its role in housing and in other things into this umbrella of Local Government, along with other agencies like Centrelink, and the post office. If I look at the list of things the Tiwi Island Council gave me, the amount of stuff that has been added onto these councils is enormous. Would it not be fair to say that what has really happened here is the responsibility your government has for certain matters has now been shifted to the responsibility of Local Government?

Mr KNIGHT: Absolutely not. The choice of those councils to seek that funding is really a matter for them. Obviously, many councils want to deliver those services. They want to increase their capacity in communities by delivering a range of services; and the choice of whether they deliver those non-core services is really a matter for them - they can do it or not. Obviously local governance is very strong, and people want to be delivering those services and having a say over them at the local level. They are voting with their feet by asking their staff to seek funding and make applications for those programs. I guess it is about respecting local government and those elected members.

Mr WOOD: Can I put it this way? When I went to the Tiwi Islands I was given a few examples of what is happening. There is pressure on the Tiwi Islands Shire Council to take on certain functions; for instance, the Health department wanted them to run a scabies day. Now what has that to do with Local Government? That is the Health department's job, but they wanted them to run that. They were asked to run the post office for about \$8000 a year, I believe. They were asked to run other programs

which might have a dollar value, but nothing to add to the administration costs, which people forget about. It is very well to have a program, and then find you have to spend 10% of the time on a computer, which is not accounted for. I have a list that was given to me, which is far in advance of Litchfield Shire's raised rates in terms of rubbish; it is enormous. Really, have we not set up these councils and, instead of asking them to crawl, we have put them into a running situation?

I will give you another example, minister - the Bathurst Island oval. A nice present from the government - I used to look after it myself at one time - upgraded with lights, terrific! Who pays for the lights? The council does not have any funding for it. Has the government really checked out the viability of some of these councils before putting this extra burden on them? You can see from the advertisements, they are taking on an enormous bureaucracy.

Mr KNIGHT: In the past, that may well have been the case where a lot of smaller councils did not have the size or the voice to stand up. I know many new administrators coming into those shires are pushing back very strongly to service providers and to agencies when they offer program money or projects; they are putting an administrative component in it. They are not doing it for love now; they are doing it for the real costs associated with the council. Again, it is up to the elected members to decide whether they seek funding or accept funding from agencies, or wherever it might be, and under what terms. Through the reforms there has certainly been a message going out that people have to move to become more economically viable and make things pay.

Mr WOOD: I understand that, minister, but as someone said, we are 11½ months into these councils operating. From the minutes of the East Arnhem Shire on 13 May, it was resolved that the council reject the Centrelink proposal as inadequate, but asks shire senior management to continue discussions and negotiations with Centrelink. This was in relation to:

... that the shire had serious concerns with the quality of Centrelink services to community members. The shire has asked Centrelink for more funding and resources, a condition of the agreement to keep providing the service. Council was asked whether the proposal with Centrelink should be accepted or rejected.

These things should have been up-front at the beginning of the council, not 11½ months in. They, obviously, have problems. On Bathurst Island - everyone needs the post office, the council is not going to shut the post office down - it might try to argue with Australia Post that it needs more money, but it will have to pick up the tab because no one is going to shut the post office down.

Mr KNIGHT: I absolutely agree with you regarding agency services. Through the reform process, departmental staff actually negotiated a better deal with Centrelink. I have, in my past work life, had experience with Centrelink providing insufficient funds to organisations in the bush where there is a significant need for those services, compared to urban areas. A greater proportion of people are, obviously, on Centrelink benefits, compared to urban areas. Centrelink needs to respect that. However, here we have a small number of these new shires representing very large regions, and they have the capacity, as a group, to come together and stand up to agencies about the funding they receive. I believe they should do that, because we have negotiated better deals. If they say it is not enough, they need to go back as a group and push harder.

Mr WOOD: I will jump a few of my questions. Minister, I heard word the other day the Victoria Daly Shire, in discussions about their new premises I believe, were not going to meet outside Katherine. Is that something you would encourage, or do you believe the shires or councils should move around these large shires? I know some intend to, but would you regard that as good policy by these councils?

Mr KNIGHT: The policy about where they hold their meetings is really up to them. What we have said is they need to be open to the public, as meetings are in other centres. Obviously, there are issues with people getting access, especially on Aboriginal land, at certain locations. That is what we have said, and councils are doing that, where they are having ...

Mr WOOD: Could I put an example for you? This is the Victoria Daly meeting on Tuesday, 7 April 2009, at 9 am. That is not a good time if you want the public to turn up. They have all the people present, the apologies, the officers, all the visitors, the shire service department managers for the Department of Local Government. There is not one person there - not one person - from that shire. This has been my argument all along. You can have beautiful ideas about how these local government shires will operate financially – fantastic - if it works out - terrific. However, what you have done is take control away from the people who should be involved. The community has gone. Katherine is not even in the shire. And 9 am is not the way to encourage people to go to a meeting. How can you really believe what you have set up is anything more than a very nice economic facility that has lost its local community - lost the ability for local people to have a real say by attending meetings in their own shire council?

Mr KNIGHT: There are a few points there. One is we do have local boards established in local communities with elected council members attending those meetings. The locations and times for these council meetings is a matter for those elected members to decide - not for me as the minister to direct them where they hold their meetings and what time they hold them. The only prerequisite we have is it has to be available to the public. If Mr Cattleman wants to go along to the meeting, he has to be able to get to that meeting without having to ...

Mr WOOD: The only reason it is held in Katherine is because it is so big it is the only place they can put it. The Victoria Daly Shire is enormous. It was a decision before the council existed, that the administrative centres of these councils would be in Katherine, the same as the ones in Alice Springs.

Mr KNIGHT: The Victoria Daly Shire has local boards in Peppimenarti, Daguragu, Wooliana, and they could have it in Kalkarindji, which is an open town; they can have it in Timber Creek; they can have it in Pine Creek; Mataranka is not one of them, but there are other places they can have it but, you know ...

Mr WOOD: Surely they can have it at Wadeye? Surely you cannot close a town council off from the public attending? You are saying they can have it in open towns. Do you mean to say you could not have a meeting at Palumpa? At Woodykumpuldiya? Emu Point? Because ...

Mr KNIGHT: It is not up to me to determine where to have it.

Mr WOOD: I know, but I am saying local government, which is about everyone, could not be limited to where it went for people to access a meeting?

Mr KNIGHT: Obviously permits are an issue, and it is something we have been working with the land councils to resolve.

Mr WOOD: It should have been resolved before the councils started. It was raised.

Mr KNIGHT: It was raised, absolutely. But we are still working with those councils. In the meantime, we do not want meetings to happen on Aboriginal land which prevents non-Indigenous people getting to them, so they are holding them in open towns where they can; but there is certainly local government boards operating.

Mr WOOD: They have only been put there because people lost their local councils. You do not have to have a local government board to represent you at a council. You could set up a progress association like Dundee. They are just an artificial thing with no power.

Mr KNIGHT: There are elected members from the councils who do attend those meetings or are on those boards, and they take back information.

Mr WOOD: I know that when I was at Nauiyu for Merrepen, people are disheartened that they have lost some of the basic thing that I believe local government is so much about, and that is why I am

passionate about local government. They have lost that local feeling. That sounds like a song, my friends tell me. Can you work on the music for that, Mr Chair?

Mr CHAIRMAN: Yes, I will do that.

Mr WOOD: I will ring up Dionne Warwick. I will leave that at the moment. I know some of these things are philosophical but they are really important. That is why I am still opposed to this sized shire - it is too big. Minister, I will move along with some nitty gritty issues.

Pine Creek wanted to belong in Katherine; you said you had reviewed that. Is the government reviewing whether Pine Creek should be in the Katherine Council?

Mr KNIGHT: I will get John de Koning, the Regional Executive Director for Katherine to come up and talk about that. I was involved with those meetings early on and attended a public meeting with the people of Pine Creek, and there was some impetus early and that has waned. John de Koning will be able to provide some more detail.

Mr de KONING: Yes, initially Pine Creek was interested in splitting off from the Victoria Daly Shire Council, but since the council has been in operation for about 11½ months the emphasis has dropped off quite dramatically. I have had discussions with some of the public in Pine Creek and they seem to have lost interest in it. The Pine Creek ward is fairly well represented in the shire of Victoria Daly, and that ward representative also said it was a dead issue. One of our officers is based in Pine Creek, and the feel on the ground there is the services are as good, if not better, than they used to be, and people are generally quite happy. It has not been raised as an issue for quite some time.

Mr WOOD: Thanks. In relation to those boundary changes, I gather you have employed Sharon Innes to do some work in regards to possible reform of the councils and the unincorporated land in the southern Darwin region. I welcome that because last time I spoke about this, Coomalie did not want to talk to Litchfield, etcetera. It is a good move by the government to employ this person.

I had a meeting with her the other day and asked if she has discussed this with people. My family lives at Bulgul, for instance. They are scared; they think if the councils take over they will take their land. There have not been people out to discuss these issues. If you have never been in local government before and you have lived out there for a long time, local government is some obscure entity. Would the government consider giving Sharon Innes a slightly larger grant to enable her to discuss issues with those people? There are quite a number of Belyuen people who moved down there after the riots, and the Woollogorang school people have had no discussions, either. I gather Sharon Innes' brief simply does not have the money to go and talk to those people.

Mr KNIGHT: Sharon has been engaged by the Coomalie Council on behalf of those other councils, including Litchfield, to undertake some public consultation. If Coomalie come back on behalf of her or those other people - if there needs to be wider consultation and education - I would look favourably upon such a request.

Mr WOOD: So I should approach the councils rather than you?

Mr KNIGHT: They are basically hosting the work. They have engaged her to do the work, if they want to expand the scope for her work they would need to put in an additional request.

Mr WOOD: Minister, it is a good move. The reform we were opposed to was the enforced reform; this at least is going down the right path

Minister, in relation to Weddell prison, was the Litchfield Council involved in any discussions by the government in the siting of that prison within their boundaries?

Mr KNIGHT: It is not a question I can answer. They are a Local Government entity and I would

imagine another department, another agency, would have been talking to them. I do not know what those discussions would have been.

Mr WOOD: Lucio Matarazzo, a good Hawthorn supporter, wrote in the LGANT Newsletter of 27 February 2009:

It has now been confirmed that the non-union Work Choices imposed on employees of the new Northern Territory shire councils, with the exception of Barkly shire council, which sensibly did not enter such an agreement, have been ruled invalid by the Workplace Authority. The affect of this is that the agreements are no longer of any legal value, and the employees who had their conditions reduced as a result of going on these agreements and will most likely have claims for back pay.

Could you give us a brief summary of what has happened since the ruling that those Work Choice agreements are not valid; and have employees been able to claim back pay?

Mr KNIGHT: Yes, I am happy to provide some information. I will speak to David and maybe Lee Williams as well to put things in perspective. There are 4500 employees out there, some on individual agreements, many of them with very bare agreements, if any. The reform was about bringing some modernisation, bringing some fairness out there in the bush so we could retain and attract local government staff. That transition into this modern era of local government has been difficult and has presented some problems, but I believe we are doing quite well. I will flick to David for some details.

Dr RITCHIE: The issues outlined in that article in the newsletter were foreshadowed by our department's legal advice. As a result, we advised the shires rather than rely wholly on those agreements, to enter agreements using the same terms but, basically, just a straight common law agreement. We understand the majority of shires did that, so it never became an issue. That is to clarify there was no loss of pay or conditions arising from that and, as I say, it has not become an issue.

Mr WOOD: I have two questions from the member for Arafura in relation to this.

Minister, in 2008-09, many shires moved Indigenous people off CDEP and into new, permanent award jobs; this was a big step toward *Closing the Gap*. There is now concern there is not new funding required to keep these people in their new jobs. First question is: what are you doing to ensure shires have sufficient funding in 2009-10 to continue to employ these people who were moved from CDEP into permanent jobs? And the second question, although she says it is an 'or', but anyway, is there sufficient funding in the shires' 2009-10 budgets to guarantee these people with new jobs will not be made redundant and go back on CDEP or income management?

Mr KNIGHT: I will pass to David Ritchie to give some detail of CDEP conversion to real jobs; where we are up to with the numbers and what is happening.

Dr RITCHIE: Just to clarify, that question was in relation to the Tiwi Shire?

Mr WOOD: No, she just referred to many shires.

Dr RITCHIE: As a general proposition, the funding for the conversion of those CDEP positions comes directly from the Commonwealth. In instances where shires are finding there is a shortfall, their first recourse is to go back to the Commonwealth. It is not something we have been made aware of on any broad scale.

Mr WOOD: I think she was saying there were people moved off CDEP into permanent jobs.

Dr RITCHIE: Is there a specific example?

Mr WOOD: No, she has not given me an example. I might get her to follow that up, if that is the case.

The last question is on the swimming pool. There is a bit of an anomaly here. Under the section called Swimming Pools, minister, you stated that the partnership is between Taminmin High School and the YMCA, and the piece that is missing, of course, is Litchfield Shire. You said you had given the YMCA some money for a feasibility study, and you may remember the member for Goyder and I sat down with you one day in parliament and asked if you would look at another site, such as Freds Pass. Would you still consider looking at another site so there can be some proof that the final site for our swimming pool is the best site for the rural people?

Mr KNIGHT: I did raise your concerns with the consultant about the location. The primary driver was about youth, and within the vicinity of the proposed site for the pool there are some 2000 students ...

Mr WOOD: Who catch the bus and go back to their five acre blocks.

Mr KNIGHT: Yes, but the pool is also an activity centre, and the project is designed around those students coming after school, coming to that central location to undertake programs and use the pool. On balance it was more feasible, with that number of students in very close proximity, to stay with that site.

Mr WOOD: Have you been to Freds Pass on Tuesday, Wednesday and Thursday and seen how many young people are involved in sport in the rural area? There are hundreds and hundreds.

Mr KNIGHT: Yes, well there are 2000 students ...

Mr WOOD: Who go home on the bus because they cannot stay because there is no other bus in the rural area to take them home. It is a long way to walk.

Mr KNIGHT: Absolutely, I understand that. We have 2000 there Monday, Tuesday, Wednesday, Thursday, Friday, who may well come back on the weekend as well.

Mr WOOD: No, there are no buses, minister.

Mr KNIGHT: I live in the rural area also; and they did a lot of consultation. They heard your message loud and clear, but the school will use that facility, and other schools – Berry Springs will use that facility also.

Mr WOOD: Berry Springs is as close to Freds Pass as it is to Humpty Doo – we have been down this path - so you cannot use that as an argument. All I am saying is, why did the government not put it out to some independent body to check the feasibility. I am not against going to Humpty Doo if it is proved to be the most viable place. But there is an indoor recreation centre going in at Freds Pass, starting now; all the facilities are there. It is an option the government should look at, especially as it has not decided who is going to run this at the present time. The YMCA is a thought. There should have been, at least, a couple of sites. It is a lot of money; it is going to be more than \$1.5m, isn't it?

Mr KNIGHT: Yes.

Mr WOOD: You never offered the council more than \$1.5m.

Mr KNIGHT: Even so, I doubt the council would have accepted; they did not accept \$1m, so they are not going to accept \$1.5m.

Mr WOOD: No one would accept \$1m.

Mr KNIGHT: Exactly.

Mr WOOD: That is right, and I do not think it is very fair that you knocked the council, because they did not receive a reasonable offer to run or build that pool. That is all the questions I have, as much as I would like to go on a bit further. We have Housing to get to.

Mr CHAIRMAN: Thank you, member for Nelson. That concludes consideration for Output 1.1.

Mr KNIGHT: Excuse me, Mr Chairman, David Ritchie has an answer to a question on notice.

Mr CHAIRMAN: Okay.

A member: Are we having a break or not?

Mr CHAIRMAN: Okay. The committee is going to take a two minute recess.

The committee suspended.

Mr CHAIRMAN: Estimates Committee will reconvene. I understand we have an answer to a question on notice.

Answer to Question on Notice 6.2

Mr KNIGHT: Yes, we have sad news, member for Fannie Bay. The department of Local Government did not pay for any playground equipment in the suburb of Fannie Bay to the Darwin City Council.

OUTPUT GROUP 2 – HOUSING SERVICES **Output 2.1 Urban Public Housing**

Mr CHAIRMAN: We are now at Output Group 2.0 Housing Services, 2.1 Urban Public Housing. Are there any questions?

Mr GILES: Minister, you have me tonight; unfortunately the shadow is away on family business. You have the member for Nelson, also, who might be lucky to get a question in.

Mr WOOD: Excuse me, Mr Chairman.

Mr CHAIRMAN: We are at that point we are going to try to step it through a different output, so you will have opportunities, member for Nelson, to proceed through those outputs.

Mr GILES: I have whole-of-housing questions, is it okay to start with that?

Mr CHAIRMAN: We have five outputs for Housing here.

Mr GILES: Are we straight to 2.0, or 2.1?

Mr CHAIRMAN: We are at 2.1, but we have been taking questions to 2.0 within that 2.1 category. That goes to - yes, I am sure they are correct.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Mr GILES: There are some generic questions. Minister, can you give us an update about how the 65-unit aged care facility at Old Waratah's Oval is going?

Mr WOOD: That is specific.

Mr GILES: That is what it is.

Mr KNIGHT: Very generic, isn't it?

Mr GILES: Pretty generic. I am happy for you to advise me which output it should go to.

Mr WOOD: No, we have to go in some order. All right, no order.

Mr KNIGHT: It is a very specific question about a specific output.

Mr CHAIRMAN: Which output?

Mr KNIGHT: I would say Urban Public Housing.

Mr CHAIRMAN: That is where we are.

Mr KNIGHT: We are moving off generic? We are onto 2.1?

Mr CHAIRMAN: No, Output Group 2.0, Output 2.1. We do not actually take questions directly to Output Group 2.0 Housing Services. We are in Output 2.1, Urban Public Housing. During the committee process we have been taking some questions to the Output Group in that first Output, if that makes sense, because they are not quite whole-of-agency. They are to an Output Group.

Mr ELFERINK: We are at Output Group 2.1, yes?

Mr CHAIRMAN: Yes.

Mr WOOD: That will cover everything you want. We will have the remotes later on.

Mr CHAIRMAN: We had some leniency with the member for Braitling.

Mr GILES: I should have asked these questions earlier.

Mr CHAIRMAN: We will continue.

Mr KNIGHT: Do you want to repeat the question again?

Mr GILES: I will start again. How is the 65-unit aged care facility at Old Waratah's Oval going?

Mr KNIGHT: You would have to ask the minister for Planning and Infrastructure. It is actually their project.

Mr GILES: Is it not a housing complex?

Mr KNIGHT: It is a DPI project.

Mr GILES: A DPI project. You have no involvement at all through Housing?

Mr KNIGHT: Not that I am aware of, no.

Mr GILES: Have you contracted it out to DPI?

Mr KNIGHT: No, I believe it is a DPI project.

Mr GILES: All right. Today, the Chief Minister announced an innovative housing model for Palmerston. That falls into your portfolio, I take it, out at Bellamack?

Mr KNIGHT: No.

Mr GILES: It doesn't? Housing doesn't fit into your portfolio?

Mr KNIGHT: He announced a Land Development Corporation project, I understand.

Mr CHAIRMAN: That comes under the department of Business.

Mr GILES: LDC comes under Business, but this was housing - it talked about affordable housing; talked about housing and land packages; affordable housing packages; two-bedroom homes for \$350 000; a three-bedroom home for \$395 000, very affordable, on a block of 360m² - that might be how they are making that affordable. Minister, if I ask a question on Buildstart, would you like that now or under home ownership?

Mr KNIGHT: Buildstart is not ours.

Mr GILES: Where would you like Homestart?

Mr KNIGHT: Homestart would be under home ownership.

Mr GILES: No worries. What was the level of revenue expected to be received for the sale of 26 Emery Avenue?

Mr KNIGHT: I can give a rough estimate - around \$2.6 to \$3m.

Mr GILES: They were supposed to be selling off-the-plan by the start of June this year. What is the timing of that now?

Mr KNIGHT: The work is almost complete and we will be entering into a ballot system fairly soon.

Mr GILES: Thank you. Is that being project managed by DPI, or by Housing directly?

Mr KNIGHT: Housing directly.

Mr GILES: What is the cost of administration to do the works on that property at 26 Emery Avenue, before it is sold?

Mr KNIGHT: I defer to Mr McInnes.

Mr McINNES: Could I just clarify the question with you please, member for Braintree? Are you talking about Housing-owned staff administrative costs?

Mr GILES: That is right.

Mr McINNES: We have one person who is not solely dedicated to that project; he is across a number of projects. I cannot recall the level, but the administration in terms of our budget is negligible.

Mr GILES: Thank you. The potential \$2.6m or whatever the figure is, minister, will that money go back into consolidated revenue?

Mr KNIGHT: As I announced at the time, that money would go towards the seniors' village at Bellamack.

Mr GILES: Good one. \$50m of next year's budget, 2009-10, is of revoted works from this year, estimated. What was that \$50m for?

Mr McINNES: We can get some detailed information for you on each of the specific projects which make up that \$50m, but they are varied and across a number of the output groups. So \$2.3m is for public housing works; \$28.8m is for government employee housing; \$15m is for Indigenous housing, the SIHIP program; and there are some minor new works projects totalling \$4.6m. That totals \$50.8m revote.

Mr GILES: How many units will the Bellamack seniors' village have, and how has the planning for transport been coordinated into servicing those seniors?

Mr KNIGHT: There are 44 units. Public transport will be worked out with the relevant minister. There will be 90 lots turned off there this year and several hundred next year. All those logistics for public transport are worked out by the Transport minister. He is on tomorrow and you will have an opportunity to have a chat with him then.

Mr GILES: He is actually on Friday. Who is project managing that village?

Mr KNIGHT: It has not started yet.

Mr McINNES: Scoping of the seniors village is to start very shortly; project management is yet to be decided.

Mr GILES: Do you anticipate it may go to DPI?

Mr McINNES: It may very possibly go to DPI.

Mr GILES: Do you have any anticipated costs about what you will be paying DPI to do that?

Mr McINNES: Not at this stage, no.

Mr GILES: Not a ball park figure?

Mr McINNES: Not at this stage. Not until scoping is finalised and negotiations are ...

Mr GILES: Thank you. When will the Bellamack seniors' village be completed?

Mr McINNES: As mentioned previously, scoping is meant to start very soon. We anticipate we will be able to commence construction in 2009-10 year, but it is not likely to be completed until 2010-11. It will be dependent on timing of headworks to areas of Bellamack. At this stage that is the plan.

Mr GILES: So, if headworks come on sooner, you should be able to finish it sooner. Is that generally

what you are saying?

Mr McINNES: That is exactly right.

Mr GILES: We do not know when Bellamack will come online. We do not know when the seniors' village will come online.

How long can visitors or tenants stay in a government-owned house? Do they have to register if they are visitors, and what is the process for registering if they have to register?

Mr KNIGHT: I will flick this one to Andrew Kirkman, the Regional Director for the Darwin region.

Mr KIRKMAN: Andrew Kirkman, Regional Director Darwin Region. Visitors are allowed for a period of time, but that is currently not specified.

Mr GILES: Thank you. Minister, is there any policy which says how long visitors are allowed to stay in a government-owned house under Territory Housing?

Mr KNIGHT: My understanding is it is for six weeks, which is plenty of time for visitors to spend some time and go back.

Mr GILES: Thank you, minister. Is there any process where tenants have to register that they have visitors with Territory Housing?

Mr KIRKMAN: Not at this time.

Mr GILES: Minister, do you have any idea of the number of tenancies in the Territory where visitors who have tenanted a property for more than the six week period of time? Rough estimate.

Dr RITCHIE: We do not have a statistical answer for you. The normal process is that our tenancy managers are in touch with our tenant clients, and if they observe a guest rate above what is considered normal, then they will take action with that particular tenant. It is not something that is a trigger point for statistics.

Mr GILES: So it is quite possible, minister, there are over-occupied Territory Housing properties throughout the Territory that you are unaware of?

Mr KNIGHT: I believe the Executive Director has actually answered that question.

Mr GILES: I just want to make it clear. We know that overcrowding in Territory Housing is a significant problem. There are people who stay well beyond six weeks, sometimes five years, and these places are havens of antisocial behaviour. Yet there is no registration process for tenants to say they have visitors and indicate whether they are going to be there less than six weeks or more than six weeks; and the visitation schedule by tenancy managers, while they generally try to go on a regular basis, is somewhat ad hoc on the ground. How do you manage that overcrowding in the longer term?

Mr KNIGHT: I will just pass it to David Ritchie for some more details.

Dr RITCHIE: While we are not keeping statistics on the numbers in every house we rent out, we do have very good statistics, and we do monitor very closely, reports of antisocial behaviour. In the event there are visitors who are causing problems, we get to hear about it very quickly, and we then take a range of actions.

Mr GILES: Thank you. In Budget Paper No 3, you have identified an increase in housing stock from

4072 in 2008-09 to 4537 next financial year. I am assuming that is because of an increase in public housing stock, or an increase in stock coming through the shires from communities, would that be right?

Dr RITCHIE: No, at this stage the new housing, and there are around 6000 houses as I mentioned before, coming through that process. They will not sit on Territory Housing's books as public housing until they are upgraded appropriately. Those increases are to do with purchases and the normal processes of Territory Housing.

Mr GILES: Okay. Can you just explain why it has increased by 500 in that period of time?

Mr McINNES: The increase in 2009-10 is primarily related to houses that are proposed to be managed by Territory Housing in community living areas around Alice Springs and Tennant Creek.

Mr CHAIRMAN: Can I just clarify for a second. Are we talking to page 235 of Budget Paper No 3 in the increase from 4072 to 4537? We have actually jumped an output – that is Output 2.2; we are in Output 2.1.

Mr GILES: Are we still asking questions about Output 2.1, about Territory Housing properties?

Mr WOOD: Yes. We just remind you of that.

Mr GILES: That is all right. Essentially, that did apply ...

Mr CHAIRMAN: The member for Nelson has questions to Output 2.1.

Mr GILES: I am still on Output 2.1. I just wanted to know ...

Mr WOOD: Yes, but you jumped an output.

Mr GILES: How often are tenancy managers supposed to check Territory Housing properties in urban areas under section 2.1?

Dr RITCHIE: The usual rate of inspection is once per year unless there are, as I said before, reports of anything unusual or antisocial behaviour or whatever.

Mr GILES: Minister, can you confirm every Territory Housing property is inspected once a year?

Dr RITCHIE: To say that every one is inspected every year would not be correct; that is what we aim for. However, as I indicated, if there are reports of things which need following up, then they take precedence over routine inspections.

Mr GILES: What is the number of actions taken by tenancy managers in the past 12 months to 31 May, where tenancy managers have found houses over-occupied?

Dr RITCHIE: The action taken by tenancy managers, if they are aware of overcrowding, in the first instance, is to trigger a second visit just to see that they are within the six week period. The most likely eventuality if there is an over-stay of guests who seem to be causing a problem, is there will be responses to complaints of antisocial behaviour, which triggers another range of responses.

Mr GILES: What number of actions has been taken to have those tenancies cancelled when visitors have not left?

Mr KNIGHT: I will pass to David Ritchie. We have a very tough policy with respect to behaviour of

tenants. This year-to-date we have a total of 72 tenancies that have been evicted, ranging from rent arrears to antisocial behaviour. Thirty-one of those 72 were related to antisocial behaviour, so we do have a tough line. That is not to say we are not going to do more, but David Ritchie will give more detail.

Dr RITCHIE: Your question was what actions have been taken regarding people who have guests who stay longer. The answer is that we have not taken any punitive action against people who have guests. The actions we have taken are where guests are causing problems. The minister alluded to this; there were quite a number of those.

Mr GILES: Can I ascertain that if a tenant in a Territory Housing property has guests who have stayed more than six weeks and Territory Housing does not know about it, because there has not been a report of antisocial behaviour, Territory Housing will not take action.

Dr RITCHIE: Sorry if I have misled you. It is not that we did not take action; we did not take punitive action. What happens in the case of a tenancy with more people in it than it should, we talk to them and tell them they have to send their guests home, and that is what happens. It is only in cases where that does not happen, or there are other problems, that then triggers the responses for antisocial behaviour.

Mr GILES: It is a great policy and I am sure you are working well; I work with Territory Housing staff and they do a great job. I know the dilemma you are in, that there is a massive urban drift of people coming into town, the houses are all full, people are drunk - I speak generally - and fighting and antisocial behaviour goes on, and there is nowhere to send these people. I know Territory Housing is in a difficult position because the government has not released any land, they have not built any houses, and the Territory is in a bad state at the moment.

What is the tenure housing mix allocation policy? I ask that because of the formation of street ghettos around the Territory, and the way housing is being allocated. Do you have a policy about tenure mix when you allocate housing?

Mr KNIGHT: We do now, but whether it is a policy or it is a direction, of having the salt and peppering of properties and that has been reflected in our percentage for new land release amounts and also our statements about the Parap Gateway project, about salt and peppering social housing through those establishments. You are referring to a policy of your own party when it was in government that had whole streets of public housing and areas of significant density of social housing, which does cause problems. We are aware of that. We are trying to move away from that and the Parap Gateway is the first initiative in that regard. Future housing developments will not resemble that at all.

Mr GILES: Thank you, minister, for that answer. The response is that you have a salt and peppering policy for new developments. Would that be about right?

Mr KNIGHT: Yes.

Mr GILES: And what do you mean by salt and peppering?

Mr KNIGHT: It is sprinkling the social housing through developments. In Bellamack, 7.5% will be social housing, so there is a limited number in general, and that number will be scattered through private housing. Salt and peppering will be quite a successful approach to social housing, not only in Australia but elsewhere in the world, to provide more successful tenancies for people on low incomes, and also for the general appeal of the community, and social harmony.

Mr CHAIRMAN: Thank you, minister. I advise the member for Nhulunbuy is taking the Chair.

Mr GILES: Thank you, Madam Deputy Chair. In 2007-08, there were 429 bond assistance approvals. In 2008-09, the estimate is 309, a 29% decrease. In 2009-10, it is estimated to be 205, a further 32%

decrease. Is it not the case that lack of land release has increased prices so much that even government programs are becoming inaccessible, or is it the case that the private rental market has dried up so much there are no places to rent?

Mr KNIGHT: The bond assistance is a great initiative of this government and has attracted some interest, but I will hand over to Dwayne McInnes on the number.

Mr McINNES: The number of bond assistance loans has decreased in the last couple of years, and is a direct result of the increase in rentals in the private market. While the amount of money provided every year has remained constant, it services fewer loans.

Mr GILES: Thank you. Minister, do you think the lack of land and the drying up in the private rental market for available properties has caused a decrease in demand for this program?

Mr KNIGHT: We have seen a massive increase in this economy, it is a very strong economy and the private rental market ...

Mr ELFERINK: It is in recession at the moment, according to the Treasurer ...

Mr KNIGHT: You would not know here in the Territory; we have a strong economy and many big projects on the horizon. Businesses know this is a place to do business and they come here and employ people who bring their families, and they buy homes. We have recognised that through our *Housing the Territory* strategy; we have an accelerated land release program; we have a range of other opportunities for people to get into the rental market by the establishment of the Affordable Housing Rental Company and the expansion of the Land Development Corporation. The *Housing the Territory* strategy was all about catering for a very strong economy built on strong government.

Mr GILES: I appreciate your answer. Minister, you may have this in a tabled form, I am sure you know I am going to ask it. What are the public housing waiting lists per house and unit size in each urban centre? If you have it in a format you can table, it will be much easier for all of us.

Mr KNIGHT: I have it here somewhere.

Mr GILES: Minister, the member for Nelson has it and he is happy to table it, so I am happy to take it from him.

The next question is: how many dwellings does government have as public housing, with a geographical breakdown by urban centre and housing size in terms of bedrooms, and can you provide a comparison with 2001 or, if that is asking too much, then 2005?

Mr KNIGHT: Madam Deputy Chair, we might take that one on notice. We certainly have the current figures, but we will be able to provide them for 2005 if you would like.

Question on Notice 6.6

Mr GILES: Before I put that on notice, Madam Deputy Chair, would it be possible for you to table the current number, and then I will put on notice the comparison from 2005

Madam DEPUTY CHAIR: Please restate the question.

Mr GILES: Madam Deputy Chair, I will put on notice: how many dwellings does the government have as public housing, with geographical breakdown by urban centre and housing size for 2005, as at 30 June?

Madam DEPUTY CHAIR: For the benefit of *Hansard*, that is question No 6.6.

Mr KNIGHT: What are you asking us to do? We have the current one. Is that what you were asking for?

Mr GILES: You are going to table the current one, and put 2005 on notice.

Mr KNIGHT: Yes. Okay.

Mr GILES: How many dwellings were offline, that is, vacant, in the 12 months to 31 May 2009; and what was the average period they were off-line?

Mr KNIGHT: This for dwellings vacant, you are saying?

Mr GILES: Yes.

Mr KNIGHT: I have some figures as at 30 April 2009. The total number across the Northern Territory was 106. Of those, 53 were waiting to be allocated; 47 were under maintenance; and another six were again being allocated for other tenants as well. As for the duration, I do not have that with me.

Mr GILES: My question, I may not have been clear, was more about the 12 month period. How many places went offline within that 12 month period rather than at a point in time, as in 30 April?

Mr McINNES: The figure which has been given is a point in time but, on average, around 65 dwellings a month are turned over.

Mr GILES: Minister, can you clarify what type of dwellings they are? Are they three bedrooms or two bedrooms? Is there a rough estimate?

Mr KNIGHT: We do not offer too much opinion on that. I am happy for Dwayne to answer.

Mr McINNES: It is a variety of dwellings; it is not limited to a type of dwelling.

Mr GILES: Thank you very much for your answer. Minister, what are the repairs and maintenance and major upgrades bill for damage, not cyclical, for public housing in the Northern Territory in the 12 months to 31 May?

Mr KNIGHT: Member for Braitling, to clarify, you want the total amount for repairs and maintenance for this financial year up until - I have 31 May, if that is helpful.

Mr GILES: 30 May, yes. I also asked, minister, about major upgrades that were not cyclical upgrades?

Mr KNIGHT: I will let Dwayne start on the first one while I ...

Mr GILES: It is easier to table it?

Mr KNIGHT: Oh, it is not. It is all in bits and pieces here.

Mr GILES: You can give me extra information.

Mr McINNES: The total repairs and maintenance bill for 2009-10 thus far, is \$13.5m. There is an additional \$11.8m for repairs and maintenance, and \$9.4 for minor new works which are minor

upgrades when dwellings are vacated to address ageing stock. In terms of how much is allocated to damaged stock, that is, so far this year ...

Mr GILES: Will this next figure be in addition to these two, or inclusive of?

Mr McINNES: It is inclusive of, it is contained within these things. Of that, \$1.08m has been attributed to tenant damage.

Mr GILES: Thank you. Minister, when you say \$1.08m is attributed to tenant damage, is that what you can charge against the tenant because you are aware of it, or has that been identified by tenancy officers as being tenant damage? In other words, you have found some damage and you have not been able to charge it to the tenant, or this is all to the tenant? If that makes sense.

Mr KNIGHT: I will flick to Dwayne in a second, but I will highlight that we have 5255 properties throughout the Territory; of those, 4406 are aged over 21 years, so we have an ageing stock and it does present ongoing maintenance issues. I will give it to Dwayne.

Mr McINNES: The \$1.08m is what has been charged to the tenant and identified either as a vacate or identified during the tenancy. There are instances where damage has been identified after a tenant has, maybe, absconded, has left the dwelling so we are unable to charge it against the tenant.

Mr GILES: Minister, do you know what the cost would be for those damages?

Mr KNIGHT: Which damages?

Mr GILES: The damages we just spoke about that were identified after a tenant has left the property, so have not been charged against the tenant. They are, obviously, part of the \$11.8m or \$9.4m, but what component of that would fit what you just described?

Mr McINNES: We can identify some of that damage. We keep some records in our asset management system and it is included in the figures we have previously provided. However, to what extent, I suspect it is probably another \$1m on top of that. Again, most of the expenditure at the moment is to address the ageing stock.

Mr GILES: I appreciate the ageing stock, the 21 years, the upgrades and the cyclical, I understand all that. I just wanted to find out how much damage is caused by tenants.

The next question is: the damage caused by tenants - without identifying particular tenants - are those tenants currently in Territory Housing properties? Or are they not allowed back into Territory Housing for causing damage to properties?

Mr KNIGHT: I will give this to David Ritchie, but where people have failed to pay their debts, they are prevented from getting any more public housing.

Dr RITCHIE: It depends entirely on the nature of the damage. In an instance where we believe flywire screens were kicked in and are the tenant's responsibility, we would then bill them for that and they could come back into another house, and they carry that debt. In a case where there was wanton damage and vandalism, it would depend if there had been a contrition shown and an attempt to pay it off or they were in the process of paying it off, then maybe. There are some tenants who would not be given another chance; they will not get back to the house if they have wantonly damaged a house.

Mr GILES: I appreciate that, thank you. How many tenants have been kicked out for damage and been blacklisted from going back to Territory Housing properties?

Mr KNIGHT: Nine, I am informed.

Mr GILES: Nine, in this financial year?

Mr KNIGHT: Yes.

Mr GILES: Minister, I am sure you have mentioned this in parliament, but I am going to ask you again. How many public housing tenants receive subsidised rent? What is the average subsidy, as a percentage? What is the percentage of tenants who receive a full subsidy? I am happy to repeat that.

Mr KNIGHT: I understood the question; a complex question with much detail. I will pass it on to David Ritchie.

Dr RITCHIE: I will have to take some advice on this. Dwayne McInnes, do you have any idea?

Mr McINNES: Would you mind repeating the question please, member for Braitling. There are a couple which can certainly be answered.

Mr GILES: The first part is how many public housing tenants receive subsidised rent? You can give that to me as a percentage.

Mr McINNES: 89%.

Mr GILES: What is the average subsidy as a percentage of rent, full market rent? Is that too difficult.

Mr McINNES: I can give it to you in approximate dollar terms. The average subsidy is around \$85.

Mr GILES: Per week?

Mr McINNES: Yes, that would be per week.

Mr GILES: It does not really mean much if we do not know the full market rate. Can I put on notice, Madam Deputy Chair, what is the average subsidy as a percentage?

Madam DEPUTY CHAIR: Question on notice, minister?

Mr KNIGHT: We will have to take it on notice because we do not have the specific details.

Question on Notice 6.7

Madam DEPUTY CHAIR: Member for Braitling, could you repeat that?

Mr GILES: What is the average subsidy as a percentage?

Mr KNIGHT: Of the market rate?

Mr GILES: Of the market rate.

Madam DEPUTY CHAIR: For *Hansard* that is Question 6.7.

Mr GILES: What is the total subsidised amount in dollar terms for the last 12 months to 31 May 2009?

Mr KNIGHT: We will have to take that one on notice, member for Braitling.

Question on Notice 6.8

Madam DEPUTY CHAIR: Member for Braitling, if you could just repeat that question for *Hansard*.

Mr GILES: What is the total subsidised amount in dollar terms for the last 12 months to 31 May 2009?

Madam DEPUTY CHAIR: For *Hansard* that is question 6.8.

Mr GILES: I have a couple parts to this question. What is the total in rent arrears? What are the average arrears per tenant? What is the highest amount of arrears for one of your tenancies?

Mr McINNES: I can give you the rent arrears as of today. The total is \$2.1m. In terms of average per tenancy, we might have to take that on notice. What was the other part of your question?

Mr GILES: What are the average arrears? I want to know the rough figure for an average amount tenancies have. I am happy to be put it on notice and take it as a weekly figure in terms of the number of weeks in arrears. Would that make it easier?

Mr McINNES: Is that per tenant? We can give you an average rent arrears per dwelling.

Mr GILES: That would be good.

Mr McINNES: In terms of the rent arrears, we can give you the aged rent arrears - less than 30 days, greater than 30 days. We can provide that information.

Mr GILES: Before I put it on notice, would that information give me an average six weeks rent arrears?

Mr McINNES: It will give you rent arrears less than 30 days, 30 to 61 days, 60 to 91 days.

Question on Notice 6.9

Madam DEPUTY CHAIR: Please restate the question.

Mr GILES: To make it easier for your stats, I will reword the question. Can you provide the number of tenants in arrears in the categories 0-30, 30-61, 60-91 days.

Madam DEPUTY CHAIR: And for *Hansard*, that question is 6.9.

Mr ELFERINK: Can we add to that how much is written off every year as bad debts?

Mr GILES: You are jumping in front of my questions.

Mr ELFERINK: In that case, just ignore it.

Mr GILES: That is all right. Put that one on, too.

Mr WOOD: It is in the budget paper. They actually have a percentage rent foregone.

Mr KNIGHT: I believe the member for Braithling has the call here. What is your question?

Mr GILES: I want to know the highest amount of rental arrears in dollar terms, and a weekly figure for Territory Housing.

Mr McINNES: We will be able to give you the highest level, but to do it on a weekly basis is difficult because rent is collected on a weekly basis. That is going to be quite difficult, but we can give you the highest.

Mr GILES: Can you just give me the financial figure then?

Mr McINNES: We can give you the financial figure, again, on the highest rent outstanding. But on a weekly basis that is difficult because it changes from week to week; it depends on the timing of the payments from Centrelink. That is difficult to do that. I can give you the dollar figure on the highest.

Mr GILES: You cannot do it now, but you can do it on notice?

Mr McINNES: On notice? Yes, I can do it on notice.

Madam DEPUTY CHAIR: Are you happy to take that question on notice, minister?

Mr KNIGHT: Yes.

Question on Notice 6.10

Madam DEPUTY CHAIR: For *Hansard*, could you repeat that question, member for Braithling?

Mr GILES: What is the highest amount of arrears for a tenant in a Territory Housing property? Does that make sense?

Madam DEPUTY CHAIR: And for *Hansard*, I allocate that question 6.10.

Mr GILES: That question is not very clear, because those people could have subsidised rent and they may be 300 weeks behind, for all we know. You cannot calculate it down to weeks at all?

Mr McINNES: You want to find out how much – how many weeks ...

Mr GILES: How many weeks in arrears?

Mr McINNES: For that particular tenant?

Mr GILES: You can do that? Do I need to put that on notice, or just have it provided? What is the level of rental debt?

Mr KNIGHT: For Territory Housing?

Mr McINNES: The level of rental debt is \$2.1m as of ...

Mr GILES: Okay, so your arrears are \$2.1m. When a tenant leaves a Territory Housing property and has a debt, does that still count as arrears or does that go into a debt bucket?

Mr McINNES: It includes both.

Mr GILES: Okay. How much bad debt do you expect to write off in the 2008-09 financial year?

Mr McINNES: We can take that question on notice.

Mr GILES: Minister, can I please have the last five years put on notice?

Madam DEPUTY CHAIR: Are you happy to take that question on notice, minister?

Mr KNIGHT: Yes.

Question on Notice No 6.11

Madam DEPUTY CHAIR: For *Hansard*, can you repeat that question please, member for Braitling?

Mr GILES: Minister, how much rental debt is there expected to be in 2008-09 financial year, and can you list the levels of debt for the previous five years?

Madam DEPUTY CHAIR: For *Hansard* that is question No 6.11.

Mr GILES: Minister, how many dwellings have been sold since 2005?

Mr KNIGHT: I will pass on to either the CEO or to the CFO. I will note that it has been substantially less than the previous government, annually ...

Mr GILES: I did not think I asked that.

Mr KNIGHT: I am putting things in context. In the last two years of the CLP government, over 300 properties were sold ...

Mr Elferink interjecting.

Madam DEPUTY CHAIR: Minister, you have the call.

Mr ELFERINK: He is being a little bit slippery at the moment, Madam Deputy Chair.

Mr KNIGHT: ... over 300 properties were sold off and, for the interest of the member of Braitling, many of those were in Alice Springs which is currently causing us problems there with stock. I will pass on to Dwayne McInnes, who has some figures for sell-offs.

Mr GILES: Also, who were they sold to, if you could answer that as well?

Mr McINNES: Total public housing dwellings disposed so far this year is 29. Three were sold by auction to the general public; 24 were sold to tenants; and two others.

Mr GILES: Thank you. My question actually was: how many have been sold since 2005? Can you

provide those figures now, minister?

Mr KNIGHT: Do we have those figures with us?

Mr GILES: Or can you provide any figures, minister, that go back to other years about sales of dwellings?

Mr KNIGHT: We can provide them, but not on the spot. We can take it on notice and we can give you figures back to, probably 1996 to 2001, if you like.

Madam DEPUTY CHAIR: Minister, are you happy to take that question on notice?

Mr KNIGHT: Yes, Madam Deputy Chair.

Question on Notice 6.12

Madam DEPUTY CHAIR: Member for Braitling, please restate the question.

Mr GILES: Can the minister please detail how many dwellings have been sold each year back to 1996, and how they were sold?

Madam DEPUTY CHAIR: For *Hansard*, that is question No 6.12.

Mr GILES: Minister, where do the proceeds of sale of houses go?

Mr KNIGHT: This is an interesting question. It goes directly back into Territory Housing. It is an interesting question because, under the previous government, it did not go back in; I believe less than half was actually reinvested in the department. Our investment has been that the sell-off figure plus more goes into the department, so we have reinvested in public housing; that has not been the case in the past.

Mr GILES: So every dollar for a house sold since this government was elected to now has gone back into Territory Housing?

Mr KNIGHT: Yes.

Mr GILES: Why would it cost \$500 000 to construct a four-bedroom public housing accommodation in Malak?

Mr KNIGHT: Where are you getting that figure from?

Mr GILES: That was the recent accepted tender, as I understand it.

Mr KNIGHT: A tender that went to public tender? I am not sure where you are getting that figure from.

Mr GILES: Let me re-phrase the question, if you cannot answer it. Minister, how much does it cost to construct a four-bedroom public housing property in Malak?

Mr KNIGHT: It costs the market price, I suppose, but Dwayne McInnes might have an answer.

Mr McINNES: It is difficult for us, without going to full tender on a number of dwellings, to get a feel for how much a public housing-type dwelling would cost at this time. We have not constructed public

housing for the last couple of years; all our money has been reinvested into repairs and upgrades, and redevelopments. So hard, factual figures of what it would cost for a public housing dwelling at this time is not available.

Mr GILES: It is just an estimate, apparently, under the stimulus package, if you remember that stimulus package. Minister, how much did the last four-bedroom house constructed in Malak, in Darwin, by Territory Housing cost?

Mr McINNES: We do not have that information with us at this time.

Mr GILES: I will take that question on notice.

Madam DEPUTY CHAIR: Are you happy to take that question on notice, minister?

Mr KNIGHT: Yes.

Question on Notice 6.13

Madam DEPUTY CHAIR: Member for Braitling, would you repeat the question, please, for *Hansard*.

Mr GILES: Madam Deputy Chair, my question was how much did the last four-bedroom public housing dwelling cost to build in Darwin?

Madam DEPUTY CHAIR: For the purposes of *Hansard*, that question is No 6.13

Mr ELFERINK: Minister, just one question. In the 2002-03 budget, housing stock kept by the government was 6119 dwellings. In the 2008-09 budget, that stock had been reduced by nearly 1000 dwellings to 5251. How can you claim to be the champion of public housing and looking after people and saying you have many dwellings when you have sold nearly 1000 dwellings in the last seven financial years?

Mr KNIGHT: I believe we have a question on notice ...

Mr ELFERINK: It is a policy question.

Mr KNIGHT: ... with respect to those figures. As I stated before ...

Mr ELFERINK: I have just given you the figures; what is your policy?

Mr KNIGHT: ... the sell-off by this government since 2001 to present has been substantially less ...

Mr ELFERINK: A thousand?

Madam DEPUTY CHAIR: Member for Port Darwin!

Mr KNIGHT: ... than the previous government; there were some 650 properties sold off in two years by the CLP government.

Mr ELFERINK: Well, this is 1000 properties nearly. So under your government, you are selling more. How can you make those allegations when your own budget papers between 2002-03 and 2008-09 say that you have dropped from 6119 dwellings to 5251 dwellings? A bit more than 600, isn't it, minister?

Mr KNIGHT: It was over several years. When you compare that to the figures of the previous government ...

Mr ELFERINK: A little too cute by half, isn't it?

Madam DEPUTY CHAIR: The minister is answering the question.

Mr KNIGHT: The facts are the facts. Your administration chose to sell off 600 properties in two years and did not reinvest that money back into the organisation; it was a strip-out of assets and not reinvested. Whereas we have had limited sell-off, I have described the nature of the stock, and that money was wholly and solely reinvested into social housing, where it should be.

Mr ELFERINK: If you are selling a property which increases in value, so as time passes properties become worth more, and you then sell the properties and reinvest it, how could you possibly end up with less property?

Mr KNIGHT: Obviously, with the ageing stock, we have to maintain that ageing stock.

Mr ELFERINK: You are suggesting that as houses age they become worth less.

Mr KNIGHT: No, they cost more to maintain

Mr ELFERINK: Yes, but they also generate more revenue when you sell them.

Madam DEPUTY CHAIR: Please allow the minister to answer the question, member for Port Darwin.

Mr KNIGHT: They were sold off at those points in time for the market value and, as we have described, they were sold primarily to public housing tenants, which is a very good initiative.

Mr ELFERINK: That did not happen in the last days of the CLP?

Mr KNIGHT: I go back to the fact that the money we gained through the sell-off of public housing went wholly and solely back into public housing, whereas your administration did not do that - they sold off more stock and they did not reimburse it.

Mr ELFERINK: Who did they sell it to?

Mr KNIGHT: It does not matter.

Mr ELFERINK: It does, because you make an issue out of this. Mate, I can tell you, you sit here and spin these lines, and the moment you are confronted with some real numbers your argument turns to jelly. When you do it is noble and insightful and well thought out. When anyone else does it they are a pack of so-and so's. It does not wash. You are engaged in exactly the same thing the former government used to do with a whole bunch of very good reasons that these things occurred; your political spin is disgraceful.

Mr KNIGHT: You are part of the former government.

Mr ELFERINK: That is right; the ministers sit on both sides of the House. I forget that.

Madam DEPUTY CHAIR: Member for Port Darwin, do you have a question, because the member for Nelson ...

Mr ELFERINK: No, I have made my point, Madam Deputy Chair. Hypocrite!

Mr WOOD: Do I have the call?

Madam DEPUTY CHAIR: No, I was reminding that you were waiting to ask questions, member for Nelson. Member for Braitling, if you could be mindful of the time.

Mr GILES: I am mindful of time, Madam Deputy Chair. I was supposed to start at 7.30 pm, but I did not. Excuse me, member for Nelson.

After the 2005 election, Territory Housing sold stock worth \$47m and the proceeds went back into the government coffers, not into Territory Housing. Can you confirm that?

Mr KNIGHT: As I have stated, my understanding is it went back into Territory Housing.

Mr GILES: My understanding is that \$47m worth of Territory Housing stock went into the waterfront development, rather than going back into Territory Housing stock. Can you confirm that?

Mr KNIGHT: I cannot confirm that. I believe it is some little line that you are spinning ...

Mr GILES: I understand ...

Mr KNIGHT: We have invested more money in public housing than any other previous government, and we will continue to do that. The waterfront development was an entirely different project and it is paying its way and is a great icon for the Territory and for all Territorians. We will commit to improving our public housing, to upgrading it, and providing new stock and a diversity of stock. We are serious about providing better social housing and we will continue to do that. Our track record shows we have a commitment in that regard, and we are showing innovation and trying to cater for a needy group in the community.

Mr GILES: Thank you minister. I would be very keen if you could go back and look up any concessions of around \$47m, or any concessions full stop, that were made to the Toga group - who are involved in the waterfront - and see whether any money from the sale or proceeds of Territory Housing stock actually went back that way?

Mr KNIGHT: What year was that?

Mr GILES: I have not finished my question yet, minister.

Mr KNIGHT: What year was that?

Mr GILES: 2005. Minister, I can also advise you and your staff that on 5 June 2009 contractor Habitat NT was provided with a contract of \$510 900 for the design and construction of one four-bedroom residence in Malak.

Mr KNIGHT: Those figures were estimates and obviously ...

Mr GILES: I did ask you a question about it. I thought you could have talked to me about it, seeing it is Budget Estimates we are talking about.

Madam DEPUTY CHAIR: You have asked the minister a question, member for Braitling, give him a chance to answer it.

Mr KNIGHT: The great thing about our current environment is this government is investing more than ever in social housing; the Commonwealth Labor government is investing more in social housing and there is so much stock around – so much new stock that sometimes it gets a bit confusing about which tenders are out because there is so much new money going into this very needy area.

Mr GILES: More to the point, you do not know what is going on in your own department. Minister, how many complaints have been made to the department in regard to antisocial behaviour, noisy tenants, bad tenants, over consumption of alcohol, violence and that general strain or vein? If you could provide a breakdown for Alice Springs, Katherine, Tennant Creek, Darwin and Palmerston that would be great.

Mr KNIGHT: I will just flick to Andrew Kirkman. I also introduce Scott Lanyon, the Director of Complaints - which sounds like a great job.

Mr GILES: A nasty job.

Mr KIRKMAN: Any social behaviour complaints, which incorporates all the complaints you have discussed, to the end of May this year, by region: Alice Springs - 586 complaints; Casuarina - 211 complaints; Darwin - 314 complaints; Katherine - 16 complaints; in Nhulunbuy two complaints; Palmerston - 188 complaints; and Tennant Creek - 26 complaints. That totals 1343.

Mr GILES: Minister, could you advise if any of those complaints are from the same people, or complaints possibly from the same people about different events, or individual complaints from individual people. I am trying to work out.

Mr KIRKMAN: Many of those complaints would be about the same tenancies.

Mr GILES: All right. Is it possible for your staff to break down the number of tenancies with complaints about them?

Mr KIRKMAN: We can break down the tenancies we are currently investigating as a result of complaints. There are currently 86 tenancies we are investigating as a result of complaints.

Mr GILES: Can you do that regionally?

Mr KIRKMAN: Alice Springs - 25; Casuarina - nine; Darwin - 25; Katherine - five; Palmerston - 22.

Mr GILES: I take it that Tennant Creek and Nhulunbuy have no tenancies under investigation?

Mr KNIGHT: That is correct.

Mr GILES: How many complaints against tenancies are not being investigated? In other words, what is the number of properties or tenancies where complaints have been made and are not being investigated?

Mr KNIGHT: I will flick to Andrew Kirkman in a second. I will highlight that we have just recently engaged four antisocial behaviour officers. This is an area of concern not only for me and the government, but for the community. These antisocial behaviour officers' sole purpose is to investigate acts of antisocial behaviour; they play almost a paralegal role to take those complaints through to court action if required. It will be the focus of their actions in the future. I will pass to Andrew Kirkman for more detail.

Mr KIRKMAN: To further elaborate on the minister's comments, our policy is to investigate all complaints within seven days. The 86 investigations which I am referring to now are about serious and ongoing antisocial behaviour. Many of the complaints we have discussed in terms of total number

may not be serious or ongoing so they are resolved fairly quickly. The 86 tenancies which are currently under investigation are under investigation for more serious and ongoing antisocial behaviour.

Mr GILES: Minister, at what point do complaints become serious? Does someone have to complain twice, or three times? Do they have to put it in writing by e-mail? Do they have to get a book? At what point do they get to be one of those 86 out of 1343?

Mr LANYON: Scott Lanyon, Director, Community Safety. We deem a complaint to be serious once we have had three complaints about antisocial behaviour regarding the one dwelling. Sometimes there will be one incident which is serious, if there is a brawl or serious damage to the property as a result of drunken behaviour or something like that; but just for the standard antisocial behaviour complaint, we regard it as repeated once we get more than three.

Mr GILES: Thank you.

Mr WOOD: A point of order, Madam Deputy Chair! That is one hour of questioning. I am a member of the Estimates Committee and the Parliamentary Accounts Committee. I believe I am entitled to some time to ask questions on this.

Madam DEPUTY CHAIR: Member for Braitling, there are seven other output areas, we are still on 2.1, which is Urban Public Housing. We have 15 minutes to go. I am prepared to extend for an additional five minutes to 11.05 pm as I have already reminded you, and the member for Nelson has yet to have a question in Housing.

Mr GILES: I appreciate that, Madam Deputy Chair. Unfortunately, I did not get to my output group early enough to deal with that.

Mr WOOD: A point of order, Madam Deputy Chair! The CLP gets a pretty good run in all these. The Independents get the crumbs. I expect, as a member, to be entitled to some time in questioning on these important inputs. I have some important questions, too. It is not a one way street, the Estimates Committee, we are all entitled to ask questions. I had two questions on Primary Industry today, so it is not as though I flood the Estimates Committee with questions.

A member: I am sure you do not.

Madam DEPUTY CHAIR: In the interests of fairness, member for Braitling, I am going to allow the member for Nelson to have the call.

Mr GILES: Are you going to overrule me?

Dr BURNS: It is about consideration.

Mr WOOD: I cut questions off today that I could have asked.

Minister, in relation to public housing waiting times, you have increased by only 24 public houses according to your estimates for this year, yet waiting times are increasing. For instance, in Alice Springs it will now take you five years to get a one-bedroom, non-pensioner home; in Palmerston, for a one-bedroom pensioner home, it will take you nearly four years. Is the increase in public housing ever going to catch up or reduce waiting times for people in the Northern Territory?

Mr KNIGHT: It is a very serious situation. Sadly, other jurisdictions are worse off than us, with people waiting many years. The objective with *Housing the Territory* was to put out more diversity of stock, because there are obviously people in public housing who cannot transition and who have the capability of having successful tenancies if rental prices were just slightly between the market and

public housing. That is why we started the Affordable Housing Company to try to do that. We are also trying to encourage the community housing sector to expand their role and build their own stock as well, as is the case in other jurisdictions. We have a fairly, a very flat ...

Mr WOOD: Minister, the population is increasing; there will be a regular demand.

Mr KNIGHT: It is certainly on my mind, member for Nelson, and the Affordable Housing Company and working with the community housing sector is part of that, but we have to get to a more sustainable level. Our demographics are changing as well, and that is why the principal focus of much of our new housing development is regarding seniors. We have many people who would prefer to be in seniors accommodation, an ageing population, so that is where the future of social housing is going for us and other jurisdictions. We have done more. I would love to do more.

Mr WOOD: Yes, we know rents have gone through the roof and the price of housing is not exactly cheap for most people. How many people are on the waiting list for public housing? What type of house are they waiting for? If you have those figures and find, for instance, a large number of people are waiting for a one-bedroom pensioner home, obviously you know that is where we should be putting our efforts, into those areas. Can you also break that up into the regions? I would not want to be waiting for a one-bedroom non-pensioner home in Nhulunbuy; it is going to take six-and-a-half years. You would want to put your hand up now.

The other thing that concerns me is, when you gave us these figures for the age of public housing, this is an indication that no houses have been built in Casuarina, Katherine, Nhulunbuy, Palmerston or Tennant Creek in the last five years, because there are no houses of that age. I am concerned that we are dragging the chain and more and more people are going to be struggling to move into public housing.

Mr KNIGHT: It is something that we are getting a handle on, and we have started to do some reform. In those inner suburban areas, where the land prices have increased, it is somewhat difficult to get those single dwellings. However, we are looking at some options for multiple dwellings in a couple of suburbs now, and the needs of those people. The seniors' villages at Leanyer and Fannie Bay have been quite successful.

Mr WOOD: Quickly, because we are running out of time, can you give us the figures for the waiting list, and a breakdown of what houses are being waited for, and in what regions? Can we have a comparison over the last three years?

Mr KNIGHT: We certainly have. What I have is the public housing wait times in months, for the different regions by different house type ...

Mr WOOD: Is that the numbers of people?

Mr KNIGHT: It is the number of tenancies sought so, yes, people, families.

Mr WOOD: I wanted an indication of how many people are on the waiting list, in line. That is what we need to know.

Mr KNIGHT: Someone applies for a tenancy, it might a couple or a family, we have three different house types.

Mr WOOD: That is okay. Quickly then, minister, could you table that?

Mr KNIGHT: I can table that.

Mr WOOD: Minister, you have said the housing units in the Narrows are going to be demolished.

There was a brawl there some time ago, or a fight. Has there been a resolution of what caused that altercation?

Mr KNIGHT: It is well worth putting on the public record that the police investigated it, and they apprehended the people involved in it. I actually witnessed some of those arrests and, strangely enough it involved people from Palmerston way and from Belyuen. They were not associated with the property at Shiers Street; they just decided to meet in that park which, sadly, was outside the Territory Housing property. Much of the time people take the opportunity to point the finger at public housing tenants, and this is a problem we have.

Mr WOOD: Why do you want to demolish it if that had nothing to do with it? What is wrong with those buildings? I will try to put the question into one so the member for Braitling can come back. Why can you not make those units secure so only people who have a pass can go in there - or you have a security person there all the time - and the only people who can visit there are people who have permission. In other words, instead of pulling them down, can we make them secure so people can live there safely, and the only people who can go in there are the ones who have permission to be in there?

Mr KNIGHT: I have had a look through that complex, it is very old ...

Mr WOOD: How old is very old? It is not that old.

Dr BURNS: It would be about 30 years, I reckon.

Mr KNIGHT: It is older style. There are no lifts and it does present some problems, high density does present problems, and we get other antisocial behaviour issues there. That is not going to happen overnight, and we will look at ways of providing better protection - better lighting - as we are doing with other complexes.

Mr WOOD: Couldn't that be a gated facility, so only residents can go in?

Mr KNIGHT: I have had a look at that myself and it is something we will investigate. We are looking at other properties, like Litchfield Court, for a number of initiatives to make them safer and easier to use.

Mr WOOD: That is all the questions I have, thank you. Maybe the member for Braitling has some more questions.

Mr GILES: I will be more than happy to move on to another output group.

Madam DEPUTY CHAIR: That now concludes consideration of Output 2.1.

Output 2.2 – Remote Public Housing

Madam DEPUTY CHAIR: I now call for questions on Output 2.2, Remote Public Housing. Are there any questions?

Answer to Question on Notice 6.6

Mr KNIGHT: We have an answer to question 6.6. The question was how many public housing dwellings we had in 2005-06. Dwayne McInnes.

Mr McINNES: The total number of public housing dwellings in 2005-06 was 5341, and 5255 in 2008-09.

Output 2.3 –Government Employee Housing

Madam DEPUTY CHAIR: I will now call for questions on Output Group 2.3, Government Employee Housing. Are there any questions?

Mr GILES: Moving quickly to Output Group 2.3, there are proposed to be 720 government houses for public servants and their families in urban locations in the Northern Territory. Four hundred and thirty one are under head leasing arrangements where the government rents from the private market. How many of these 431 properties rented are currently owned by Territory public employees?

Mr KNIGHT: Owned by government employees? We might have to take that one on notice.

Question on Notice 6.14

Madam DEPUTY CHAIR: Would you repeat that question for Hansard, please, member for Brainting?

Mr GILES: There are proposed to be 720 government houses for public servants and their families in urban locations in the Northern Territory; 431 are under head leasing arrangements where government rents from the private market and sub-lets out. How many of these 431 properties rented are owned by current Territory public servants? If I may add to the end of that question on notice, minister, how many people working in Parliament House own any of those 431 properties? That is the end of my questions for Output 2.3.

Madam DEPUTY CHAIR: Are you prepared to take that question on notice, minister?

Mr KNIGHT: We will attempt to ...

Dr BURNS: I wish to clarify how you would ascertain that data. Would it not potentially breach privacy legislation? How would you ascertain the spouse of someone working in Parliament House? It is an open ended question. I am not sure whether you can get the data, and that would be the issue I would raise.

Mr KNIGHT: We will highlight the probability that we may not, for privacy reasons, be able to obtain all that data.

Mr GILES: Speaking to the point of order, Madam Deputy Chair. The Territory government, which has the head leases or the lease documents - I understand the leases would have the names of the people who are the actual owners of the properties, so they already have that information. I am not looking for the names of the people. I want to know how many of those properties are owned by public servants. It is not breaching privacy because you already have that data.

Mr KNIGHT: What was that part on the end of it?

Mr GILES: How many public servants, and how many people who work within parliament own any of those properties?

Mr KNIGHT: Parliament defined as?

Mr GILES: Who work in this building?

Dr BURNS: Does that include contractors?

Mr GILES: Public servants. I have mentioned public servants; we will leave it at public servants.

Mr KNIGHT: We will attempt to get that information as long as it does not breach any privacy issues, and our capacity to actually question where people work.

Madam DEPUTY CHAIR: For *Hansard* that question is 6.14.

Madam DEPUTY CHAIR: That concludes consideration of Output 2.3.

Output 2.4 - Housing Reform

Madam DEPUTY CHAIR: I will now call for questions on Output 2.4 - Housing Reform. Are there any questions.

Members: No.

OUTPUT GROUP 3.0 – Housing and Infrastructure
Output 3.1 Strategic and Indigenous Housing Infrastructure Program

Madam DEPUTY CHAIR: I will now call for questions on Output Group 3.0 – Housing and Infrastructure. We proceed to Output 3.1 Strategic and Indigenous Housing Infrastructure Program. Are there any questions?

Mr GILES: Minister, how much money is being spent on administration of the Strategic Indigenous Housing Infrastructure Program?

Mr KNIGHT: I welcome Rick Harris who is the program director for the SIHIP program.

Dr RITCHIE: Just clarifying the question – you are looking at the percentage of administrative costs for the SIHIP program?

Mr GILES: Yes, I imagine it would be hard to do administrative cost for houses built because there have been none built, but I would be very keen on knowing how much money – do not worry about the percentage - has been spent on administration to DPI Construction Division, to Parsons Brinckeroff, as project managers, and any other administrative costs, to date, for SIHIP?

Dr RITCHIE: If we go beyond the general percentages I will hand it over to Rick Harris who can give you some of that detail.

Mr HARRIS: Rick Harris, Acting Executive Director, Projects and Key Initiatives and Project Director for SIHIP. I do not have the breakdown for those, so we may have to take those questions on notice. What I can say is out of the \$672m program, both governments had agreed to isolate 15% to be used for project management expenses, and also for Northern Territory government operational costs to deliver the program. Out of that 15% we are tracking at about 7% for the Northern Territory government operational costs, and 4.9% for Parsons Brinckeroff Project Management at this point in time. We will be able to provide you with a detailed breakdown of what we have.

Dr RITCHIE: That is in line with similar costings for major projects elsewhere in the country.

Mr GILES: Can we put on notice for the financial amount?

Madam DEPUTY CHAIR: Are you prepared to take it on notice, minister?

Mr KNIGHT: For the breakdown for those particular areas you described – DPI, other agency?

Mr GILES: I will reword it.

Madam DEPUTY CHAIR: Please restate the question for *Hansard*.

Mr GILES: How much money has been spent or committed to administration for the SIHIP program to date?

Mr KNIGHT: Do you want it broken up by departments?

Mr GILES: It would be preferable if you could break it up. If I could have the total figure and if you could break it up, I would appreciate it.

Madam DEPUTY CHAIR: For *Hansard* that is question 6.15

Mr GILES: How many houses have you built under SIHIP – not including government employee houses?

Mr KNIGHT: SIHIP started around 2007, the sign-off of SIHIP did not happen until April 2008. An initial part of that was an alliance contracting style of project; the alliance groups were not signed up until October 2008, and they are working very hard at the moment. However, one thing needs to be remembered: existing Indigenous housing programs continue and, to date, we have constructed 83 Indigenous property houses on communities to February 2009. Over that period of time, the last 15 months – 83 properties have been constructed.

Mr GILES: Under SIHIP?

Mr KNIGHT: This is under the precursor to SIHIP. Under the existing program we had those projects happening, and they have continued. This year, as I have stated, there will be 100 houses built by SIHIP and many hundreds renovated, and some are already updated.

Mr GILES: Minister, in the budget it does not indicate 100. You have mentioned 83, and you are talking about a program before SIHIP. In your budget here it has the estimate for this current financial year will be 20, which you have not done and it is already the middle of June. You also have down there will be 65 new dwellings built in the next financial year, with 28 replaced dwellings. How can you say you will have 100 built and you have already had 83 done, when you have not done that?

Mr KNIGHT: The people we have engaged in the SIHIP program are very experienced and qualified people. This is a very unusual program in that it is some tenfold on previous allocations to Indigenous housing in the Northern Territory, so delivering it needed to be substantially changed. The outcomes we were getting from previous Indigenous housing programs were not satisfactory, as you might be aware. The quality was not there, and the outcomes certainly were not there, so we have delivered 83 properties over the last 15 months, and we will deliver those properties in this year. Perhaps Rick Harris would like to give you some more detail on not only to new housing construction, but also the refurbishments and upgrades.

Mr HARRIS: We commenced work with SIHIP when it started to roll-out the refurbishment program on Tiwi Islands, Groote Eylandt, and in Tennant Creek starting in April of this year. The first refurbished houses will be handed back to the communities in July, next month. The roll-out of the new housing will commence next month, with the first properties being handed over in February, just after Christmas. We are not delivering just one house at a time, we will be delivering bulk lots of houses, it could be 10 to 15 houses handed over progressively from February next year.

Package one on the Tiwi Islands: a \$53.8m package will include 29 new houses which will accommodate 170 people; and refurbishments and upgrade works to 155 houses, which includes extensions to the houses, providing accommodation for an additional 50 people.

ESTIMATES COMMITTEE PROCEEDINGS - 17 JUNE 2009

Package two, for Tennant Creek, is \$35.7m and includes refurbishments of all the houses in Tennant Creek and, as I said, that has commenced now. It also includes the normalisation of the urban living areas in Tennant Creek to bring them up to the same standards as the Tennant Creek township. Those services will then be taken over and managed by the shire.

Package four, for Groote Eylandt, totals \$37.4m, and we have commenced refurbishment works and the first houses will be handed over in July. It includes 26 new houses, with the capacity to house up to an additional 184 people, and the capacity to accommodate 80 visitors in a secured area away from the central part of the house. That package is being delivered by the Earth Connect Alliance.

We have also issued packages 3A, 5, 6, 7 and 8, which have already gone to the alliances. That is Maningrida, Galiwinku, Wadeye, and Gunbalanya. The alliances have already started community engagement in those four communities and we expect initial works to commence in August/September this year in those northern communities.

That is a bit of a snapshot of where we are at the moment.

Madam DEPUTY CHAIR: On behalf of the committee, I would like to thank the officers of the Department of Housing and Local Government who have provided advice to the minister today.

I will now close this committee, and we will reconvene at 8.30 tomorrow morning, Thursday 18 June.

The committee suspended.
