



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

12th Assembly

Public Accounts Committee

Inquiry into Funding of Rugby League Facilities in Darwin

Public Hearing Transcript

8.30 am, Thursday, 12 November 2015

Litchfield Room, Parliament House

Members: Mrs Robyn Lambley, MLA, Chair, Member for Araluen
Ms Natasha Fyles, MLA, Member for Nightcliff
Ms Nicole Manison, MLA, Member for Wanguri
Mr Gerry Wood, MLA, Member for Nelson

Witnesses: Minister for Sport and Recreation
The Honourable Gary Higgins, MLA, Minister for Sport and Recreation
Mr Ian Ford, MLA, Acting Chief Executive
Department of Education
Mr Ken Davies, Chief Executive
Department of the Chief Minister
Mr John Coleman, Chief Executive
National Rugby League (NRL) and NRL Northern Territory
Mr Jaymes Boland-Rudder, Head of Government Relations and Campaign Management, NRL
Mr John Mitchell, General Manager, NRL Northern Territory
Mr Nigel Roy, Operations Manager, NRL Northern Territory
Department of Lands, Planning and the Environment
Mr Rod Applegate, Chief Executive

The committee convened at 8.30 am.

MINISTER FOR SPORT AND RECREATION

Madam CHAIR: I welcome to the table to give evidence this morning the Minister for Sport and Recreation, Hon Gary Higgins MLA, and Mr Ian Ford, Acting Chief Executive of the Department of Sport and Recreation. Thank you for coming in this morning. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If at any time during the hearing you are concerned that what you will say should not be made public you may ask the committee to go into a closed session and take your evidence in private.

Minister Higgins and Mr Ford, could you please state your name and the capacity in which you are appearing? Minister Higgins, if you would like to make an opening statement you are welcome to do so.

Mr HIGGINS: Thank you, Madam Chair. Gary Higgins, Minister for Sport and Recreation. I would like to make an opening statement if I could.

Madam Chair, I thank the committee for the opportunity to appear before you this morning. I welcome this chance to put on the record some facts, and to correct some misunderstandings about this project. I will answer whatever questions you have today on the understanding that I will not discuss Cabinet decisions. That would be inappropriate and, in my view, not in the spirit of the PAC's role.

I also remind honourable committee members that the Estimates Committee explored this appropriation at length in early June. That, in my view, was the appropriate forum for these discussions.

Madam Chair, Richardson Park has a rich and full history associated with rugby league in the Northern Territory and it is important that we pay tribute to that history because I think

some of the really deep connection long-term locals have with Richardson Park has been overshadowed by the naysayers.

The site was named after Darwin's first mayor, Bill Richardson. It was built in the early 1960s with the help of the second airfield contingent, and hosted its first competition in torrential rain around 1964. It survived Cyclone Tracy largely unscathed and continued to be a beacon for local sport lovers.

Legendary Territory names like Cubillo and Edwards are connected to the ground. Many long-time Territorians have great memories of Richardson Park in its heyday and there is no reason why it cannot have a resurrection.

Those of us who have been here a long time remember quite clearly that when Richardson Park was in full operation rugby league used the Ludmilla school oval as a second oval. For larger games the racecourse was also used for parking.

Practically speaking, everyone agrees it has been a rundown government facility for far too long. Everyone agrees something should be done with it.

In the business case prepared for consideration by budget Cabinet there is a clear statement of fact: the closure of Richardson Park has also generated a gap in sporting infrastructure. This redevelopment project ticks some of the important boxes. It pays homage to our sporting history, it provides a first-class quality venue for sporting and community purposes, it preserves the usage of the site for sporting and community events. It is the best value for money solution to the need for a national standard rectangular playing field.

As outlined in the written submissions from government agencies, the business case estimated it would cost around \$100m to build a first-class rectangular stadium for 12 000 seats at Warren Park, Marrara. Government subsequently reconsidered and looked at spending a possible \$42.5m for a new stadium, with the project to fit within that mandatory allocation. That was not site specific.

There has been talk about \$20m being a significant spend and I agree it is, but compared to \$100m and \$42.5m it is surely a better spend, especially when you consider we will get a first-class, national standard stadium with the added bonus of being at a site which is part of Darwin history.

Let me emphasise too that the business case was for a national standard facility as well. We need to be careful about comparing it and the government's decision to allocate \$20m towards Richardson Park to the 2012 NRL proposal of a \$16.65m project at Warren Park in 2012 dollars. The 2012 proposal does not provide for a national standard facility. The proposal was for a grandstand for 1500 people, lighting for local club games, a carpark for 300 cars, office space, change rooms for four teams and a corporate area, media facility and canteen.

Just because Cabinet decided not to proceed with the \$100m project, it does not mean we ignored the arguments outlines in the business case. Particularly noting the main benefits outlines for a national standard facility, such as growing rectangular field sports, ability to host national games across multiple codes, provide Territorians with access to a modern, world-class facility and provide an additional sporting and community events venue.

Of course, there are minimum national standards to be met, including high-class lighting for possible national broadcast, a warm-up field, seating for 10 000 people, adequate parking, and adequate number of change rooms, electronic scoreboard, media room, and conference and function areas, just to name a few. Suffice to say you would not have a first-class stadium if you did not meet the minimum national standards of the sport.

Let me turn now to the issues of consultation. Government has been accused of not consulting with the sports, the school and the public generally. I am on the record apologising for the lack of public information campaigns to inform the general public about the project. I am aware there is still much work to be done. More than anything I would like to see more detailed information in the public arena.

This week the website for the project will become live and will become live and will be regularly updated with relevant information on the project. Government will promote the website as well as distribute the first of a suite of information sheets to residents and sports stakeholders from 1 December.

I point out the following also. We announced the allocation in the budget in May this year; we made public statements on the project in April, May, September, October and again this week - I believe the opposition has issued at least a couple of media releases about the project; released initial concept plans to gauge interest and reaction in May. We wrote to all relevant sporting organisations about the project; we received submissions on the project from those organisations for consideration by government. We held meetings with some of the relevant sporting organisations and debated the issue in parliament. We established an advisory group made up of government and community members to advise on the project design; the local member and I met with representatives of the concerned residents group to hear their issues; the local member also participated in the group's public meeting.

As well, I am told education spoke to the principal of Ludmilla school about the project before the tender was announced and discussions were held with the Chairman of the Darwin Turf Club.

The elements of the project will be subject to normal planning processes including public comment. This project has not been a secret and I reject the accusation that we have not spoken to anyone about it. As to the tender process, it is a misunderstanding that what has been floated as concepts is to be an be all and end all for the design. They are concepts, an accepted tool to get possible tenderers an idea of what a design could look like. Further, the request for quotation documentation specifies that the successful tenderer will be required to work with the proposed government advisory group regarding final design aspects.

Sure, there are issues to be addressed: traffic and noise management, any effects on the Ludmilla school and the car park. All of these have been raised by concerned residents but there is no reason we cannot work through those issues and find solutions, even after the tender is awarded. For example, for traffic management for major events bus transport will be used to minimise traffic impact. Ongoing investigations into minimising traffic impacts will be taken to ensure residents are not adversely affected. I believe we can work together and address these concerns; there are always solutions.

In conclusion, some people question the value of a first-rate, high-quality venue to this standard and where it is. My answer is simple. It is about growth in the future, using what we already have, a rundown facility – which could and should be great again. There are genuine good intentions to develop this historic iconic facility to make it a heartland venue for sport in the community and a facility the community can use and be proud of.

Thank you, Madam Chair.

Ms FYLES: Minister, you just made reference to a business case that was prepared for Cabinet. Who prepared that and when?

Mr HIGGINS: The business case you are referring to was prepared by the Department of Sport and Recreation.

Ms FYLES: When was that prepared?

Mr HIGGINS: About March.

Mr FORD: March this year.

Ms FYLES: Was that before or after budget Cabinet made a decision?

Mr HIGGINS: Before.

Ms FYLES: The information we have been provided with shows that sport and recreation was advised of a budget Cabinet decision and then prepared the business case.

Mr HIGGINS: No, that is not right.

Ms FYLES: We have information which shows on 16 March the Department of Sport and Recreation was advised of a budget Cabinet decision in relation to funding for a rectangular field stadium. Obviously I am not asking you to talk about Cabinet-in-confidence, but that indicates ...

Mr HIGGINS: No, the business case was done before the budget Cabinet meeting on 16 March.

Mr FORD: The department prepared the business case in February. It went to Cabinet and then we were informed in March of the ...

Madam CHAIR: Is this the business case? Does that look familiar?

Mr FORD: Yes.

Madam CHAIR: That was prepared in February this year?

Mr FORD: Yes, February 2015.

Ms MANISON: This goes specifically to the possibility of moving to Warren Park, Marrara?

Mr FORD: Correct. As part of the Building our Territory submission process we were instructed to prepare a business case on a rectangular stadium at Marrara.

Ms MANISON: Minister, was a similar business case done around the possibility of moving to Richardson Park?

Mr HIGGINS: No, but those business case documents were prepared as part of the budget Cabinet process out of the TIO submissions. That is my understanding.

Ms MANISON: Have you seen that business case, given you have sport and recreation as a portfolio?

Mr HIGGINS: The one for Marrara?

Ms MANISON: Yes.

Mr HIGGINS: Yes, I have.

Ms MANISON: The business case you just mentioned, was that referring also to a possible Marrara site or was that referring to Richardson Park as a site?

Mr HIGGINS: No, the business case you held up a minute ago was the business case for a \$100m facility at Marrara which came out of the TIO submissions.

Ms FYLES: Minister, you made reference to a business case prepared for Cabinet, but there was no business case ...

Mr HIGGINS: That is that one.

Ms FYLES: ... prepared for Richardson Park?

Mr HIGGINS: No.

Ms FYLES: Cabinet made a decision without a business case?

Mr HIGGINS: Yes.

Ms MANISON: We sat with the Department of Infrastructure yesterday and heard about what was submitted for consideration to Cabinet by the department, as well as other possible options for rugby. So, Cabinet has made a decision to spend \$20m, which we now hear has gone up to \$22m, to upgrade Richardson Park. There was no business case submitted to Cabinet to justify this, or to put it as an option on the table. Why did you decide to spend \$20m on going to Richardson Park?

Mr HIGGINS: Because \$20m is a much more economical spend, as the Under Treasurer stated yesterday, than \$100m. Cabinet has many issues in front of it and does not simply rely on a business case document that is prepared as part of the budget process.

Ms MANISON: One of the PAC is looking at as part of these hearings is to ensure due diligence was followed around this decision by government to spend \$20m at Richardson Park.

Mr HIGGINS: I think due diligence is obvious when you spend \$20m compared to \$100m.

Ms MANISON: It is still a lot of money in most people's books.

Mr HIGGINS: It is a hell of a lot less than \$100m.

Ms FYLES: We received evidence yesterday that \$100m and \$42.5m are not comparing green apples with green apples. The \$100m was for a significantly larger stadium, a fully enclosed one, and the \$42.5m was for a larger number of permanent seats. When the government quotes \$100m and \$42.5m versus \$20m, if we want to compare the same things, what is being proposed at Richardson Park has a large amount of temporary seating, and the proposal at Marrara was permanent seating. There are cost variations, so we are trying to clarify the best spend of the now \$22m. When you compare the \$100m and \$42.5m you are not actually comparing the same things.

Mr HIGGINS: The first thing I want to clarify is in regard to the \$22m; the budget allocation is \$20m, and an updated estimate from Infrastructure says it could go to \$22m. Treasury said to wait and see what we get back from the tender. At this point, the budget allocation is \$20m and any variation from that will go back to Cabinet – there is a big 'if' around that.

Ms FYLES: We received advice yesterday from the Department of Infrastructure that it was, in fact, \$22m.

Mr HIGGINS: No, the advice from Infrastructure yesterday, which I was watching, was they estimated it could be up to \$22m. There is just one estimate that needs to be taken into account.

Ms FYLES: We have a situation where there was no business case to go to Richardson Park prepared for Cabinet. We now have the Department of Infrastructure saying it is going to potentially cost \$22m. Does that not raise concern with you as the minister?

Mr HIGGINS: No. One of the things Cabinet has to do is that when we get submissions from departments they are not the be all and end all. There is a lot of information that is considered by everyone who sits around the Cabinet table. Right? The fact that we had a facility that was not being used is something that should be considered by government all of the time.

Madam CHAIR: Minister, what did you consider when you came up with the \$22m? How did you derive that figure?

Mr HIGGINS: That was a Cabinet decision. I would rather not talk about that. But I think the answers were given by Treasury yesterday; that was that the NRL had done estimates on doing up Richardson Park. They had done some estimates on going to Warren Park. All of those figures were available.

Ms FYLES: Minister, to clarify, the evidence we have received today indicates that government agencies developed a business case for a rectangular field at Marrara for around \$100m. Cabinet made a preliminary decision approving \$42.5m for a stadium somewhere with the proposal to be developed. Under his authority to finalise the budget, the Treasury, having discussed it, reversed the \$42.5m and instead approved \$20m for Richardson Park. Is that an accurate description of what happened?

Mr HIGGINS: No. I simply say that it is a Cabinet decision.

Ms MANISON: Minister, with this decision that Cabinet has made to spend the \$20m at Richardson Park, you received no submissions from your agencies to basically provide some cost-benefit analysis around a business case to go there? What was the basis of making that decision to spend \$20m?

Mr HIGGINS: There was a Cabinet decision which I will not talk about. It was a decision that came out of Cabinet, full stop.

Ms MANISON: Okay. Would you say it is an unusual process for a Cabinet to go through getting submissions with a completely different option on the table, then to make what appears to me as a member of the committee, quite a different decision without supporting advice from your agency to guide you?

Mr HIGGINS: My answer is no, I do not find that process unusual, in that you would know that a Cabinet submission is circulated to all the departments and all their comments are noted. Ministers then read those and go into Cabinet. They can make up their own minds. If Cabinet simply ticked off recommendations from departments there would be no need for Cabinet. It is Cabinet's and government's role to make decisions not simply tick recommendations from departments.

Ms FYLES: Can you see the Public Accounts Committee's concerns about this proposal? It is a significant amount of money and no business case has been prepared. The department seems to have found out after the event. Does that not cause concern for you as the minister?

Mr HIGGINS: I disagree with all the comments you made leading up to that and presuming they are fact. No, I do not.

Ms FYLES: One of the issues, which you also mentioned in your opening statement, is Richardson Park is a rundown government facility. That is not correct. The facility was managed by Rugby League Northern Territory and they walked away from it several years ago.

Mr HIGGINS: The government owns the facility so it is a rundown government facility.

Mr WOOD: You say a rundown government ...

Mr HIGGINS: Yes, the government ...

Mr WOOD: You mean a government owned rundown facility.

Mr HIGGINS: We can play on words, but everyone knows exactly what I mean by it. One of the issues that came up yesterday was they were talking about \$5000 a week to maintain Richardson Park which is \$250 000 a year. That figure was quoted by Ken Vowles in the Estimates Committee the previous year and is not a figure supported by NRL. NRL, in part

of its documentation – you will find they state that Richardson Park was \$150 000 a year and my quick maths – it is not \$5000 a week but \$3000. I would like that to be corrected. I also said I would like to get some facts into it.

Madam CHAIR: We will check that with NRL, we are meeting with them later today.

Ms FYLES: Obviously government is looking at investing a significant amount into the facility. Have there been any projected ongoing costs for the facility? What are the life costs for the stadium?

Mr HIGGINS: That will be part of the next budget cycle which is standard practice. The Under Treasurer made that clear last year as well. There is money that sport and rec have for repairs and maintenance. Usually when you have a facility like this there is a substitution. We already pay money out to maintain other facilities and it will be a matter of the department saying how much this will cost into the future and then make submissions in the next budget cycle. That is normal procedure for all new construction. There is nothing unusual about that.

Ms FYLES: Sorry, I may not have made myself clear. Obviously government is building this stadium, but have the ongoing costs been estimated for maintaining and running the stadium. Regardless of who is paying, has it been projected?

Mr HIGGINS: No, the only figures we have that would consider are that rugby league is paying \$150 000 a year, and the stadium at CDU in Palmerston is about \$250 000 a year. It is just another stadium so that gives you an ongoing cost – a ball park figure of \$150 000 to \$250 000 per year is what I would expect.

Ms FYLES: As in the ongoing costs of running a stadium?

Mr HIGGINS: It is what I would expect, I am not an expert. I do not know how much money they have to put away for future maintenance or replacement of equipment.

Ms FYLES: Before you set out to build a fancy house, you consider your ability to maintain and repay the costs of the house. Has that not been considered by the government?

Mr HIGGINS: As I said, the normal practice for government is to look at the ongoing costs after construction is completed and the design finalised. So at this stage you would only have a ball park figure.

Ms FYLES: Obviously \$150 000 to \$250 000 per year is significant, especially to a department such as Sport and Recreation. It would be a considerable impact on the budget. We know, for example, with TIO Stadium that AFL actually pays the government so it can reside there. Considering rugby league had to walk away from Richardson Park because it was unable to maintain costs, does it not concern you that we are looking at building something that will cost a significant amount to maintain each year? There have been no business cases on the projection to maintain the facility.

Mr HIGGINS: No, it is normal practice. When you look at Sport and Recreation, I do not think it is government's role to build something and hand it over completely to the sport. Part of government's role is to encourage sport, and you get many benefits out of it. We recognise that we must continue to subsidise these sporting facilities, we already subsidise just about all the sporting facilities there in some way or form. We either own it, build it or contribute to its maintenance.

Mr WOOD: You said there was no business plan for the development of Richardson Park. There was an article on 8 May in the *NT News* which said:

NRLNT said it was advanced in its plans to move the game to Warren Park at the Marrara Sporting Complex, but a rugby league insider revealed to the NT News that two influential people in the Darwin community lobbied Treasurer Dave Tollner to instead return the game to its spiritual home in Ludmilla. A couple of life members felt it was the cultural heritage of rugby league because it had been there for 50 years. 'They pushed Dave Tollner in meetings and things like that to do it and they railroaded it through,' the rugby league insider said.

'There are a number of people in rugby league community who are perplexed'.

It goes on to say:

NRL NT General Manager, John Mitchell, says while he welcomes \$20m being allocated to rugby league, he does not yet know the details around the money that will be spent, where the money will be spent and why the 50-year-old venue was chosen over other stadium options.

Do you have any idea who the the people were who would have lobbied the Treasurer, as referred to in this article?

Mr HIGGINS: No idea, member for Nelson. I do not bother to read the *NT News*. If people make accusations like that, the least they can do is give their name. If I want to say something about someone, I would give my name, as I know you would. I do not want to comment about people and then have my name hidden. That, to me, is a coward.

Mr WOOD: Yes. I am not saying people should not lobby the Treasurer, but you said there was no business case. What is concerning me is has the \$20m been made available for Richardson Park based on lobbying of a couple of people – which they are entitled to do – or was there a genuine belief that this is where the money should go?

Mr HIGGINS: I have no evidence or seen any evidence of the Treasurer being lobbied in any way or form. The decision to allocate \$20m to Richardson Park was a decision made by Cabinet ...

Mr WOOD: All right.

Mr HIGGINS: You are talking about eight Cabinet members. I cannot remember specifically whether all eight were at that meeting.

Mr WOOD: We would like to ask the Treasurer but he refuses to come, so it is difficult. In relation to this business case, the main issues in it relate to:

The stadium will support existing events and through careful planning will have the ability to be a flexible multi-use venue designed to host a large variety of events including concerts. The facility would have stable anchor tenants, NRL, football and rugby union. The sports will continue to use their existing facilities at Larrakeyah Park, Rugby Park and Goodline Park; however, would have office space at the new stadium which would be used for their major games including competition finals.

Is that what will happen at Richardson Park?

Mr HIGGINS: No, I have been on the record to make it clear about the issue of concerts. There is no mention of concerts in any of the documentation relating to Richardson Park. When the local member and I met with the people from Ludmilla I raised that as well and said, 'That is a misunderstanding. It is there for Marrara, not for Richardson Park. If people read the documentation in regard to the tennis centre, they will see that it is listing concerts as a function that would be held there.'

Mr WOOD: Are you saying there would be anchor tenants here- NRL football and rugby union?

Mr HIGGINS: Yes, the ongoing management of the facility will be undertaken by a management board and that will make the final decision.

Mr WOOD: Why would football and rugby union go away from Marrara to have their offices at Richardson Park?

Mr HIGGINS: I am not talking about rugby union moving, I am talking about rugby league.

Mr WOOD: Does this business case still apply for Richardson Park?

Mr HIGGINS: No, not the full business case.

Mr WOOD: What also concerns me is we have a letter from the NRL which was sent to your department which says:

Accordingly we respectfully ask that rugby league be allowed six rent free events at the venue each year.

I read that in conjunction with the other statement that says:

The local competition is currently played at suburban grounds and that is a strategy that we are looking to continue into the future.

Are they saying we are spending all this money for six – forget the Eels game – games of rugby league?

Mr HIGGINS: No, if you read the whole letter there is actually a conflict. In one paragraph they say they want to use it virtually every weekend and in another sentence they say they will only have six games there. Within that letter there is a conflict.

Mr WOOD: Do you know what they really want to do? We are spending a lot of money so will it become a home ground for one of the clubs or what?

Mr HIGGINS: It would become the home of rugby league but not be for the exclusive use of rugby league.

Mr WOOD: One problem we discovered yesterday was it seems the sporting groups you have quoted would use it were not asked beforehand. It appears they have now become part of the reasoning behind developing Richardson Park. We spoke to AFL, who had not been consulted. They did not say it could not be used, but I bet if you offered them a park elsewhere for the nines, which does not need a big area, they would say the same thing.

Touch was not involved in discussions and did not know it was happening. They did not guarantee they would use it because they may not need it if they can negotiate with the turf club about where they are at the moment.

Do you have some concrete evidence that this park will be used to its maximum considering also that your early media release suggested a single field development which has now turned into a double field development?

Mr HIGGINS: I'll answer the last question first. A single field was the original concept put out. If you look at the full transcript of the interview I did when that came out, it said if we could get the second field in, we will. So it always intended to have a second field in the original design. We were quite aware of that. When we then go back and talk about the various sporting groups saying that they will not use the facility, you need to ask the question, 'If a facility was built at Marrara, would they use that?' Because when you are comparing a national standard facility at Marrara and a national standard facility at Richardson Park, you are now questioning the need for a facility.

Mr WOOD: Could I ask a broader question? The government wants to spend a lot of money upgrading Richardson Park. As it is, if the park could pay for its way, probably no one would worry. It's a park where people play footy on the weekends. No changes to the lights, the crowds are the same, the car park is still rough as guts, but it works. You are making some major changes which are policy changes. What effort was put into looking at all the alternatives?

Warren Park was mentioned. There had been some look at the sharing of NT Rugby Union Park. We are talking about one major game: the Eels, one game a year, maybe two, if they want to come up a second time. So we are spending a lot of money to bring up a playing ground basically for one interstate match. What did the government do in relation to stepping back and saying, 'Where is the best value for money?'

You spoke about that. You are going to build Berrimah as a new suburb. There is a lot of money being spent at Palmerston. You could even say Freds Pass might be a possibility. Rugby union has a field that has been used by rugby league. I have been to a grand final there. So, was there anyone saying, 'Let's step back. Let's consider all options.'?

Because there is also another paper here and it relates to a project done by David Johansson, a quantity surveyor which looked at a copy field in Mudgee. It looked at a 5000 seat grandstand with the rest being portable grandstand which is exactly what you are doing. I understand that would have been at Warren Park. That was around \$25m. What thoughts were given to whether that was a good option? What was the thinking about where rugby league was going? Was the NTRL involved in any of that discussion?

Mr HIGGINS: Yes, they were. After the budget announcement there was a lot of discussion about the different options that were open to them.

Mr WOOD: But they said this was unexpected.

Mr HIGGINS: But ...

Mr WOOD: John Mitchell said it was unexpected.

Mr HIGGINS: It was unexpected that it would be at Richardson Park.

Ms FYLES: Why was that, minister?

Mr HIGGINS: Because it was not an option they had presented to government.

Ms FYLES: What option had they presented to government?

Mr HIGGINS: There were previous options presented to government. There was an option to go to Warren Park. The 2012 report we talk about was submitted to the previous Labor government in June 2012 and no action was taken.

The submissions that were made to me when I became the minister were never in regard to any specific facility. The only discussions – and I am talking of a very short period. I became a minister in December, so effectively I really go on board in January so I had six or

seven weeks. I had spoken to the sports. Most of those had come to me and the issue they raised with me was that they all wanted a national standard rectangular field.

There was never any discussion or proposal put to me personally for it being at Richardson Park, Marrara or Freds Pass. Right?

Mr WOOD: Should have there been? When Mr Conlan was minister he said that Richardson Park was a second-rate facility and – I presume he was saying – it was not in the discussion.

Mr HIGGINS: I will not go back prior to me becoming the minister. From that point forward I did look at a lot of the options. There are problems with a lot of them. If you look at the set-up at Palmerston, the facility was built by the previous government for \$10m and it was only recently built and the kitchen cannot be used. It does not comply to the health standards. You run off the field into the middle of the grandstand, not into the change rooms. There is no parking.

When you look at and consider Warren Park, it has a lease for South Darwin. If you look at the footprint of building as new stadium, you will see that you will have to take that lease back from South Darwin so that creates problems.

In the business case that was put by the department, it highlights the problems with traffic in Marrara at the moment. That was one of the problems I identified as well, if you built another stadium. We have heard statements that we will have traffic problems at Richardson Park. We will have just as big a problem at Marrara. We will have just as big a problem with car parking ...

Mr WOOD: If you have the venues on at the same time.

Mr HIGGINS: Well, if you went to ...

Mr WOOD: If you already ...

Mr HIGGINS: Yes, I know. But if you went this year and watched the Rugby League Grand Final, at the same we also had soccer and the NT Thunder final on, as well as people playing basketball. So it was pretty packed there that night. The traffic then was very bad. When we talk about looking at traffic at Richardson Park, the same problem applies at Marrara.

Mr WOOD: I get back quickly. Was there an overall study done? I understand the sentimental reasons why people wanted to go to Richardson Park. I have had people lobby me. But this is about spending \$20m wisely. I see reports that a stadium for about 10 000 to 12 000 people could be built at Warren Park for about \$25m, where there is a lot more car parking. It might have some traffic problems and I am not saying they cannot be sorted. But it is where NTRL wanted it to go - there is no doubt about that, and where the previous minister said he thought it would go.

Regardless of all that, is there a paper which says, for you as minister, 'Here are all the options'? It seems just before the budget someone said all that had been looked at previously would be ignored and we would spend \$20m on Richardson Park. We have nothing to show that is good value for money.

Mr HIGGINS: You talk about various reports yet this committee has rattled off a stack of different studies and reports that have been done into rugby league. All those reports have been available to government. Government is paid to make decisions not write yet another report.

Mr WOOD: It is not that. You know that some of these reports – one is from you, one is from rugby union - but you could pool those together. I mentioned Berrimah, and Berrimah was mentioned to me before by another club – the possibility of a new facility build from the ground up. I am not saying have another report, but internally have you conducted a study which tells you the best place for the future of rugby league? I want rugby league to continue and expand, but if it is based purely on sentimental value – I understand that is important. Remember the tears when the AFL left Gardens Oval to go to TIO. They did not want to go either, but they went.

Mr HIGGINS: A wonderful facility we have now.

Mr WOOD: I am concerned that the decision being made does not have any real teeth to say why it is a better idea, and has not had the community consultation that should have happened prior to the decision being made. That is why we had a heap of people here last night concerned about it.

Mr HIGGINS: I think all the people last night – when I counted there were 12 so I do not deem that a whole heap of people, but I am not saying community consultation is not important, and I said that in my opening statement. When you look at a decision Cabinet makes, and I cannot talk about that decision, it would be obvious Cabinet would take into account all the information currently available. A decision is not just plucked out of the air.

Ms FYLES: I know you were only the minister for a short period of time, but what the member for Nelson has indicated is the previous minister for Sport was not looking at Richardson Park. I know you were only a minister for a few weeks before. Who did you meet with that convinced you to go back to Richardson Park?

Mr HIGGINS: Treasury.

Ms FYLES: Treasury said yesterday they did not know about it until after the budget Cabinet decision was made.

Mr HIGGINS: The decision to go to Richardson Park is a much more economical decision for government. It is better use of money. For \$20m we have a national standard complying rectangular field. To get that at Marrara would have been \$100m.

Mr WOOD: Only if you wanted it to that standard.

Ms FYLES: Are you saying you met with Treasury before you made a decision?

Mr HIGGINS: No. Treasury are involved during the Cabinet process.

Ms FYLES: The information we received from Treasury yesterday was that they found out after budget Cabinet had made a decision.

Mr HIGGINS: I do not know about that. The Cabinet meetings I attended in regard to the budget included Treasury.

Ms FYLES: Do you think the local member has a conflict of interest?

Mr HIGGINS: No. He is a Parramatta supporter, but I do not see that as a conflict of interest.

Ms FYLES: I know it is fun laughing about it, but it is a serious aspect as the Chief Minister and the Treasurer support the Parramatta Eels and have been very passionate about having them here from day dot. But we are potentially looking at a \$20m investment by the Northern Territory government into not the best location, and making a huge impact

on that community. Can you see the conflicts of interests and the concern the community has?

Mr HIGGINS: No, I cannot see the link between Richardson Park and their membership with Parramatta. I see the link you mentioned yesterday that they want it finished by August next year because that is when the Parramatta game is. I am on the record on multiple occasions saying I am not working towards a date; I am working towards a product.

Ms FYLES: Thank you, minister, we appreciate your comments and the community appreciates you apologising for the lack of communication. You have said again today you would like more information; why is there such a rush?

Mr HIGGINS: I think the process is out there and it is just a matter of getting information. In today's society a great deal of information is given to people much quicker through social media and the news. Much of that information that is getting out there is not accurate. That is what I want: accurate and true information getting out there.

Ms FYLES: Minister, this morning you have told us that there have been a number of communications and one letterbox drop. You are even claiming that the opposition's media releases are helping with the consultation ...

Mr HIGGINS: No, I did not say they were helping, I said it is getting the message out. What I was implying was that some people say there has been no consultation or input from the public. The way information is obtained from the public is to get information out to them to say, 'This is what we plan on doing'. I thank the opposition for releasing media releases that help us progress that.

Ms FYLES: Minister, the residents of the community feel powerless. They feel that this has been railroaded through. That has come through loud and clear at every point. You have a group that is consulting on this issue. Are you able to provide us with some detail about that group?

Mr HIGGINS: No, I have an advisory group that is looking at the design.

Ms FYLES: So who is on that advisory group?

Mr HIGGINS: I would have to get the full list of names, but it is made ...

Ms FYLES: Just particular of whether they are architects, local resident?

Mr HIGGINS: Yes, there are architects, people with building and sporting experience and people from government agencies as well. It is purely an advisory group to me that say, 'This design meets the standards'. It gives me advice on the design.

Ms FYLES: So in consultation what options do residents have to be part of the process?

Mr HIGGINS: The website will give them a lot of question and answers, as well as the fact sheets. There is an e-mail address where they can give input to the project team. They will be able to have input through e-mail. I have a meeting this afternoon with one of the fellows I meet from the group from Ludmilla. I have been happy to meet with them all the time. He asked if he could have a meeting with me, which was set up about a week ago.

Ms MANISON: Given the strong feeling the residents expressed last night at this inquiry, would you consider putting some residents on your advisory group as part of this process?

Mr HIGGINS: I could but I am not considering it at this stage, no.

Ms FYLES: Minister, obviously this is a significant upgrade to Richardson Park. There have been comments that it has always been a rugby league facility and it is remaining one. The data is that it will go from a small stadium of 1500 people to over 10 000 people. Will this be purely a sports stadium, or sport-related stadium?

Mr HIGGINS: It will be a sport-related stadium. It could be used for other community events.

Ms FYLES: We are talking about sound issues which would be difficult to address. The member for Fong Lim indicated some concrete sound barriers could be erected. Has that been considered?

Mr HIGGINS: He has mentioned that, and that option will be looked at by the project team. They need a very technical study into the noise levels and impact. One of the concerns by putting up a big concrete barrier is you stop the breeze from going through. It is not a simple matter of putting up a sound barrier.

Ms FYLES: Our suburban areas currently have an 8.5 m height restriction. How do we address that considering we would need a 45 m tower for the lighting for this facility?

Mr HIGGINS: All the approvals to do anything are being submitted through the DCA and through the planning process. That would be subject to that.

Madam CHAIR: Is this a major project?

Mr HIGGINS: No. It is being looked after by the major project team because it covers or involves so many agencies. A decision was made that the best way to get top level coordination was to use the major projects group. In the sense of a dollar value it is not a major project for them to do it, but in the sense of coordination it is.

Madam CHAIR: That is creating some confusion in the community – the major project status. There is some confusion. There was some confusion last night.

Mr HIGGINS: It does not have major project status. It is simply being coordinated by the major projects team because it gives us access to all the CEOs in the one room at the one time.

Ms FYLES: We would all like major project status then.

The normal processes of DCA and planning will be followed?

Mr HIGGINS: Yes.

Ms FYLES: Giving it major project status will not shortcut things?

Mr HIGGINS: To the best of my knowledge no, and I do not think they can.

Ms FYLES: In the information you provided to local residents you have committed to a comprehensive public information program to ensure residents are involved. Can you provide us with details of that?

Mr HIGGINS: Not today. A communication plan has been drafted, which is the way a lot of that information will go out. The first part of that I mentioned was that the website will be up and running. I know we have conducted one letter drop. A facts sheet will come out in early December. The website will have a stack of questions and answers in regard to this. As we are asked questions through e-mail we will develop the answers and put them on the website.

Ms MANISON: This budget decision was made quite some time ago; we are talking about May and we are now in November. Residents are clearly one of your key stakeholders with the delivery of this project, so why has it taken so long to develop a communications plan with the residents?

Mr HIGGINS: I think it is about updating the communications plan. You cannot finalise that until the final design comes back. In other words, the tender is out for someone to do the design documentation for us. Once that comes in and we know what the costs are we will finalise that communication plan. It will give us a better idea of when the start and finish dates will be, as well as what work is involved.

Ms FYLES: Do you not think that is just telling residents what is happening, not actually including them in the process?

Mr HIGGINS: There has been a great deal of input from the residents in the past month or longer.

Ms FYLES: Can you provide evidence of that?

Mr HIGGINS: I met with them.

Ms FYLES: Residents have explained to us they are concerned government is investing such a significant amount of money, which has not included business plans or been well-thought-out and documented. We also have a community that is anxious and has strong concerns that it is just ticking the boxes and is not genuine consultation. It is not addressing their concerns around sound, lights, traffic flow or rubbish. These are all huge impacts on their community, the angst of which I am sure you can understand.

Mr HIGGINS: All of those things are being addressed, the traffic, the sound, all of it. They are being investigated and will be documented. That information will be made available to those residents.

Ms FYLES: Historically, Richardson Park was the home of rugby league, and Ludmilla was a central part of the Darwin and Palmerston community, but that population base has shifted. Has Sport and Recreation done any player demographic work? Where do the demographics of these players in rugby league come from?

Mr HIGGINS: Not that I am aware of. Rugby union has ...

Ms MANISON: You are not allowed to switch rugby union and league, minister.

Mr HIGGINS: We get them mixed up. The friends of rugby union have recently been to see me. They are proposing to run tens ...

Ms MANISON: And they would love to do it on a field that is adjacent to their rugby union field.

Mr HIGGINS: They would love to do it at Richardson Park. The interesting thing there is they said there is a big move of people back into that area. You have denser housing so you are going to get some change ...

Ms FYLES: No, they are all moving to the rural area.

Mr WOOD: The rural area does not get any funding.

Mr HIGGINS: The change with the air force base across the road will have an impact as well.

Ms FYLES: Minister, obviously the department is working very hard on its sports master plan. We have also seen the Planning Commission working very hard on the mid-suburbs plan. Why would you not wait for both of those documents to be finalised before you push such a significant investment to one area that may not be the best from those reports?

Mr HIGGINS: When you do all those consultations like the sports master plan, there are obvious priorities. One of the obvious priorities to government, from all the codes that use a rectangular field when they came to see us, was that they want a national standard rectangular field. It was also a submission put in through the TIO funding. It was deemed to be a priority project.

You cannot put everything on hold while you do your planning process. The sports master plan and active recreation plan is looking as far as we can into the future.

Mr WOOD: NRL obviously had a company to put that together. It showed South Darwin, two rugby league fields and a rugby union, which I presume would be shared, car parking

and overflow car parking. Was that ever looked at? This is part of the options that have been proposed. One was for a \$25m facility with, as I said, 5000 permanent seating and the rest would be temporary. Was that seriously looked at?

Mr HIGGINS: Which report is that from?

Mr WOOD: That went to the Department of Infrastructure. It was done by a company called David Johannson and is headed 'Proposed rugby soccer stadium at Marrara'. When I say soccer stadium, they are looking at sharing as well. They came up with a range of options based on other stadiums either in the Territory. This one mentioned the Glen Willow stadium in Mudgee and looked at variations on that.

I have not been able to get through all this detail because we only received this stuff yesterday. That was an option ...

Mr HIGGINS: What was the date of that? Was that ...

Mr WOOD: June 2014. That is what I am getting at. Was there adequate thought given to all the options, whether it was at Richardson Park, Berrimah or somewhere else and all the options in size? You mentioned \$100m. I would not want \$100m spent. All you have talked about is the best way to go, value for money is \$20m at Richardson Park. Surely there were other options look at like this one?

Mr HIGGINS: Tomorrow there could be another option and the day after another one. At some point you have to draw a line in the sand and say a decision has to be made. Government has to make that decision. That report from 2014, I do not know where that has come from and have not seen it. You can go to multiple places and get multiple prices. It is like doctor shopping. Government's role is to make decisions in the best interests of Territorians based on the information it has at hand and with the best use of money.

I see \$20m to upgrade a facility at Richardson Park that we currently own as a much better option than spending up to \$100m to upgrade a facility at Marrara.

Mr WOOD: I could agree with you if you gave us a paper saying, 'And we backed that decision on some hard evidence'. You said there is no business plan. No hard evidence has been given to the committee ...

Mr HIGGINS: There is no business plan in the sense of the business plans that were prepared by the department that went to budget Cabinet. All these other reports were available for government to look at.

Mr WOOD: What information were you given – forget Cabinet confidentiality, here is ...

Mr HIGGINS: We cannot forget Cabinet confidentiality.

Mr WOOD: I do not want Cabinet confidentiality to be used as an excuse for an advisory note from the department saying, 'This is what you could get for \$20m and we have based it on this, this and this'. Surely that would be public knowledge not just – the decision you make and the discussion about that decision is fair enough, that is confidential, but surely a document like this - Cabinet could say, 'We looked at all the options and this is the one we believe is good for Richardson Park. We understand it will cost roughly \$20m and are happy to show people what we consider Richardson Park should look like.' That did not happen.

Mr HIGGINS: Cabinet had multiple reports available to it to enable it to decide on Richardson Park.

Mr WOOD: Are we able to see one of those reports?

Mr HIGGINS: Cabinet had available, through government, the 2012 report. It had reports available from Transport and Works. We had a report from Rider Levett in 2009 into Richardson Park which was \$10.4m. The capacity was not specified. We had the NRL submission to a Labor minister in June 2012. A report was done in May 2012 on Marrara, which was a grandstand for 1500 people and lighting and that was 16.65. We had a business case prepared by government which mentioned \$100m. They are just three I have listed in front of me. When you ask if we had information to us – yes, we did. If you are asking me to tell you which ones we discussed in Cabinet, my answer is no.

Mr WOOD: Which one was the basis for the decision of \$20m?

Mr HIGGINS: Cabinet had all of that information available to it.

Madam CHAIR: We have a few minutes to go. Are there any final questions?

Mr WOOD: You mentioned the Estimates Committee, and I got told recently at a public meeting you had a bit of a dig at me for not being there. You know I was in Canada. The

Estimates Committee does include opposition members, and this is still a proper forum for taking what was discussed at estimates to a higher level. I think you cannot say this is not an appropriate place to look at this matter. That is what you hinted at in your opening statement.

Mr HIGGINS: The Estimates Committee is a process put in place to review legislation, which is the budget. My comments in the public arena were that this committee has given people the impression they would be able to overturn that.

Madam CHAIR: I refute that, minister. Not at any stage have I, as the Chair, given that impression.

Mr HIGGINS: That is the impression some people in the public arena have. I have clarified that this committee cannot overturn that budget, and that it is a piece of legislation that would only be overturned in parliament. I am not accusing anyone here of doing that, I am just saying that is the impression given out.

Mr WOOD: I want to make sure the money was spent in due process. If it goes to Richardson Park I could not care less, as long as the processes have been upfront and due diligence has taken place with community involvement. So be it.

Mr HIGGINS: I am happy all of those have been addressed.

Ms MANISON: Following on from the member for Nelson and the Chair of the PAC, I agree that this is the committee's role, to scrutinise government expenditure. We are asking some very appropriate questions, minister.

Mr HIGGINS: I agree; if I did not, I would not be here. It is a different issue the member was talking about before.

Ms MANISON: Going to the issue of expenditure and the process, from gathering evidence in PAC so far around the process Cabinet followed in order to make the decision to expend \$20m on the Richardson Park upgrade, after speaking with the Department of Infrastructure yesterday it was clear more study needs to be done. This will inform the Richardson Park redevelopment and some of the work that needs to be done. You still have tenders to come in to deliver this project.

Are you confident that \$20m will get you the very best facility you are striving to achieve? Given you do not have the tender in yet, there does not appear to be any contemporary cost-benefit analysis or study into what is required to upgrade the Richardson Park infrastructure.

The Department of Infrastructure is still yet to complete other studies about issues they need to address in order to upgrade Richardson Park such as parking, roads, environment and so forth. Are you confident that \$20m will get you what you need and that cost is not going to blow out, when you look at the real costs that you need to factor into this entire project to make it happen?

Mr HIGGINS: Yes.

Ms MANISON: Do you feel you will have to perhaps compromise the initial vision for Richardson Park redevelopment, given you still do not have all the information at hand because these studies have not been completed?

Mr HIGGINS: There is nothing that has come to me that would indicate that there will be any great blowout in the cost. Infrastructure has indicated that its cost is around the \$22m, which is 10% variation on the original amount, which I do not see as a significant variation in percentage terms. There is nothing else at this point that I am aware of that I am concerned about.

The other part of your question is what I would perfectly want. When you build a house you want to build the best but you only have so much money, so in some ways you have to compromise. In this instance, government only had – or I only had available to me \$20m which is best spent upgrading Richardson Park.

Ms MANISON: Following on from that, minister, one of the issues raised yesterday which the member for Nelson has touched on was some of that work which had been done by the Department of Infrastructure looking at possible options.

What has been difficult for the PAC is that we have been comparing very different standards of stadium and different options. It has been a bit difficult to justify that Marrara would cost \$100m versus Richardson Park at \$20m because you are speaking about two very different options. It is a very high end option versus what appears to be a refurb renovation-type option versus state-of-the-art brand new and comparable to a southern rugby stadium.

We heard of an example of a possible \$25m upgrade and significant works at Marrara that sounded like it would be a like comparison to what you are doing at Richardson Park.

As minister for sport, were you ever presented with a clear range of options about what could have been done at Marrara aside from the whiz bang state-of-the-art \$100m option?

Mr HIGGINS: I had many discussions about the \$100m with the department on what it provided, and I had many discussions about the \$20m at Richardson Park. Your question about comparing one to the other ...

Ms MANISON: Apples with apples, yes.

Mr HIGGINS: ... apples with apples is one way of looking at it. The way I have looked at it, and government has looked at it, is slightly different. We want a rectangular stadium to national standard and how we can achieve that in the best way. The best way to achieve it, we found, was upgrade Richardson Park for \$20m. Sure, they are not permanent seats, but we achieved what we wanted to. We wanted a national standard rectangular stadium and we could achieve that for \$20m. We cannot achieve that for \$20m, \$25m or \$40m at Marrara. You are somewhere between the \$20m and the \$100m depending on whether you want 3000 permanent seats or 5000. That is always the complicating factor and that should not be confused with what gives us the best result.

When we look at temporary seating, government has to look at that option and ask if there is a need for it. There are two identified needs for temporary seating. One is with the tennis centre around the main court, and the other is with TIO stadium, as AFL said. They had spoken to us previously about using temporary seating there. The option to put a grandstand on the other side of TIO can be addressed by using temporary seat. The temporary seating fitting into any rectangular field is something we would consider.

That is why that came into it. It is not just a matter of looking at one option or another, it is looking at the money and achieving the national standard.

Ms MANISON: One last question, minister. We have spoken to some sporting organisations yesterday that as part of this redevelopment the government has been saying a park is going forward and you are consulting with people but then one of the major groups said Richardson Park is 'plan B, so we are talking about touch here. Their preference would be to stay at the Darwin Turf club where they are already established. That is something they are looking at. With the sustainability of rugby and them being able to cover ongoing costs - that got them into the problems they had in the first place which was not being able to pay the bills week to week due to the high overheads at Richardson Park. Given we have already heard from major user groups who said they will probably not play at Richardson Park week to week ...

Mr WOOD: And soccer.

Mr MANISON: And soccer. Do you see that this will be sustainable financially?

Mr HIGGINS: The issue of people using it week to week - the thing that has to be realised and is obvious to me is that you cannot just have Richardson Park as the one be all and end all facility. If you say we will have rugby league played there all the time, you cannot get all the games onto that field. You will need all the other fields around for your juniors.

One of the biggest problems in the sporting area at the moment is that there are not enough facilities around, especially for the juniors and they have to use facilities. So, if they are using Warren Park and Freds Pass for juniors, where will your elite games go? So when touch were saying that they would prefer to stay at the racetrack, I do not think we ever said to them – or I have ever said to them – that they will not continue to use that. Touch would only be for the higher standard games or state competitions. It is not to move them there permanently and not to move rugby league there permanently. It is only to have the better games.

The comment was made yesterday that soccer is not inclined to use it because they need a different standard of field. Soccer is played at Pertex Stadium where Parramatta play and Manchester United. I do not know, Gerry might know.

Mr WOOD: One plays in summer and the other plays in winter.

Mr HIGGINS: ... and came out and played at the Melbourne Cricket Ground. The sporting organisations around Australia and the world are realising they cannot just have their own field, they must be multi-use facilities. If you look at AFL in Melbourne, while it has multiple teams, is played on two grounds. AFL yesterday said for them to play more games, they need lights at more fields. We will find the same with rugby union and rugby league. Richardson Park is simply one more facility.

Mr WOOD: What will you put at Berrimah?

Mr HIGGINS: I am finished.

Ms FYLES: They play with the union at the end of ...

Madam CHAIR: Okay, I have one question. The Northern Territory's Public Accounts Committee inquiry into the failed asset management system highlighted the importance of a staged gate process for major projects to make sure decisions are properly reviewed when the information becomes available. Huge sums of money can be wasted without doing so.

In the case of the asset management system, a \$7m funding decision became a \$70m expenditure for no new system. That was a huge blowout. You remember the asset management system.

At what point or points will the decision to fund the upgrade to Richardson Park be reviewed?

Mr HIGGINS: Once the tenders are received. That was made clear yesterday by the Under Treasurer. If there is a significant change to the estimates, that would have to go back to Cabinet.

Madam CHAIR: Last night we had 19 people registered their attendance at the public forum. One of the main themes of the discussion last night was that people felt it was being rushed and pushed through. You said earlier that it was not your priority to have this project finished in order for the Eels game to proceed, that it was more about the quality of the project. Would you consider slowing things down in order to bring the community along with you in a more satisfactory manner?

Mr HIGGINS: In June after I had the meeting with rugby league and some of the others there was a large gap before I made an announcement that we will be progressing it. In that time I had spoken to many people and looked at many of the options and gathered as much information as I could to make sure I was happy to progress. When you ask whether I am willing to slow it down, I slowed it down at that point. I issued a media release – I cannot remember the exact date of it, I think it was early October – which said we would continue to progress it and had put it out for tender.

If the question was, 'What did you do in the meantime', my answer is, I was getting a lot of feedback. I made it clear to the people of Ludmilla that I would listen to and meet with them and I have. I have another meeting this afternoon. The tender is out, it will close, and the decision we make next will be what the costs are and how we progress it from there.

Madam CHAIR: If there are no more questions I would like to thank you both for addressing this hearing of the Public Accounts Committee. Thank you, minister Higgins, and thank you, Mr Ford, for coming along.

Mr WOOD: I would like to thank the minister for appearing as a minister. I appreciate that.

Mr HIGGINS: I totally believe in democracy.

Madam CHAIR: We might take a break before we commence the next hearing.

The committee suspended

DEPARTMENT OF EDUCATION

Madam CHAIR: I welcome to the table to give evidence to the committee Mr Ken Davies, Chief Executive Officer of the Department of Education. Thank you for coming before the committee. We appreciate you taking time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you say should not be made public you may ask that the committee go into a closed session and take your evidence in private.

Mr Davies, can you please state your full name and the capacity in which you are appearing. Would you like to make an opening statement?

Mr DAVIES: Madam Chair, I would like to make an opening statement. My name is Ken Davies and I am the Chief Executive of the Department of Education in the Northern Territory.

Thank you for the opportunity to appear before the Public Accounts Committee today.

In my capacity as Chief Executive I am responsible for the care and control of 151 government schools or 80% of the total number of schools in the Northern Territory with a current value of these buildings of about \$885.5m as at 30 June 2015. Government schools provide a quality education for 32 500 students, supported and delivered by around 4100 full-time equivalent staff across a land mass of 1.346 million square kilometres. The total budget for the Department of Education in 2015 is almost \$900m.

As the Chief Executive I am also responsible for the development of new facilities to meet growing demand for education services and for investment of works to ensure that existing facilities are fit for purpose, including through regular repairs and maintenance.

In 2015-16, the Department of Education has a total infrastructure program budgeted of \$152m, which includes \$33m for repairs and maintenance of Education assets.

Ludmilla Primary School sits within my overall portfolio of care and control of government schools. Opening its doors in 1967, Ludmilla Primary School is one of our older schools and is located on Lot 5979 Town of Darwin, Bagot Road.

Ludmilla Primary School, and the land on which it is built, is an important asset for a number of reasons. It has a vibrant and long history of providing pre and primary school education for its local catchment area, including the huge number of children who once resided on the RAAF in married quarters as they were known. I understand at one stage the school peaked at some 700 enrolments and was augmented with transportable buildings, having been built for a nominal capacity of 500 students.

Since the school's original construction there have been other improvements and additions, including the library added in the 1970s, and further extensions to this as part of the Building the Education Revolution program.

Co-located on Lot 5979 is the former Namarluk special school, which has subsequently been reallocated to Alawa. The buildings are now home to the Darwin Language Centre and the School of Sport NT, and the assets remain under my care and control.

In total, Education's Lot 5979 is a 7.6 ha site which currently has two schools and a number of other tenants utilising the facilities, including surf lifesaving, NT COGSO, and over the years it also home to the Top End Group School and the Australian Council for Education Leaders head office.

Currently the school has enrolments of 120 students. However, it is anticipated that following the redevelopment of houses at Eaton on the RAAF Base there will be a gradual increase in enrolments at this school as families return to live on the base.

I mentioned previously that the school was important for a number of reasons not just in a historical sense. It is important because it sits at the intersection of the northern suburbs, the inner city suburbs, the road to Palmerston and rural and beyond. It therefore offers the

opportunity for and needs to be well-positioned for redevelopment for the future to cater for growth where other inner city schools are at capacity.

In relation to the proposed redevelopment of Richardson Park I can advise I received a request from the Chief Executive of the Department of Lands, Planning and Environment to consider providing part of Lot 5979 to accommodate an expansion to Richardson Park facilities. The original area of land sought was approximately 916 m², which is less than one hectare. I received this letter in my office on 6 October and instructions were given to senior executives to liaise with the principal of the school and the school council in relation to the request.

Although it was apparent the extension would intrude into school land, my initial observation was that it was not an unreasonable request to consider providing a small part of the school land to maximise the benefit for the greater community to expand Richardson Park, particularly if we can also gain a benefit in some way for the school.

The action officer was instructed to investigate the issues and impacts on the school, and following consultation with the school council advised me of the implications of this request in order to inform my decision.

My initial observation that it was not an unreasonable request was based on advice and my knowledge of the site, and that there would be sufficient room to redevelop the school in the future, and grow the school to an urban capacity of some 400 to 450 students. This advice was based on the total land size and advice that flood mitigation works currently under way would enable better use of the whole site. In the past some areas of the school, such as the school oval, have been subject to flooding inundation through the Wet Season, which has made it difficult to play on or to build on.

Since the public announcement of the Richardson Park redevelopment project, and communications with the school and school council, I have instructed that a master planning exercise is to be undertaken - Jackman Gooden is the architect company – to determine the school's future needs. To determine the impact of the flood mitigation works we will have to make land available for redevelopment, and to advise whether it is possible for the school to be repositioned and redeveloped in a way that enables the Richardson Park redevelopment to be done hand in hand with the department to benefit the students, public and sports goers. This master planning has commenced for the school site.

Primary stakeholders in the school are students, their families and my staff in the delivery of quality education; however, there is considerable interest here in the Territory and across the country to utilise government land in an efficient way that maximises benefits for the broader community and government stakeholders.

I am mindful of the need to use all resources, including land and assets, as efficiently as possible, therefore supporting enterprise in innovative ways that might view government and public works as a collective for community places where multiple interests can work side by side and collaboratively to find ways to create greater public value.

I can see great opportunity in the proposed redevelopment for the school and will continue to work with the Ludmilla school council and the Richardson Park redevelopment committee to deliver an outcome that will benefit students, families and the broader community well into the future.

Ms MANISON: Thank you, Mr Davies. Referring to your opening statement, we note that Richardson Park upgrade was announced in the budget in May. I note you said in your opening address it was 6 October when you received a letter of communication - from the department of Sport or Infrastructure?

Mr DAVIES: It was from the Chief Executive of the Department of Lands, Planning and the Environment letting me know that planning was on foot to develop Richardson Park and seeking from me some advice about how we view some of the land on the boundary of the school being absorbed into the Richardson Park site.

Ms MANISON: Prior to that letter on 6 October from the Department of Lands, Planning and the Environment had you been consulted as the Chief Executive of the Department of Education, with regard to the use of the Ludmilla school site as part of the Richardson Park redevelopment?

Mr DAVIES: Member for Wanguri, I can say the Chief Executive of the Department of Lands, Planning and the Environment had talked to me about the proposal briefly and said there was a letter forthcoming. I estimate that would have been about three to four weeks before the letter formally came to me on 6 October.

Ms MANISON: So, prior to the May budget announcement of the Richardson Park redevelopment, however, as the Chief Executive of the Department of Education with responsibility for the Ludmilla school which is impacted by this redevelopment, you had received no communication or had provided any advice to the Department of Sport and Recreation or other departments involved?

Mr DAVIES: No, not in a formal sense. The first formal advice was when the letter came to me from the Department of Lands, Planning and the Environment.

Ms MANISON: From receiving that notification from the Chief Executive of the Department of Lands, Planning and the Environment, when did you start consulting with the school and the school council regarding the proposal that had been put forward about the Richardson Park redevelopment and the impact on the Ludmilla school?

Mr DAVIES: When I received the letter – I will find it – which was sent to me on 30 September but was in fact received in the department on 6 October, I gave some very clear instructions that we were to get out there as soon as we could to consult with the school principal and the school council. A meeting was organised shortly thereafter for the following week, but the Deputy Chief Executive of Schools was called away on another matter so the meeting was rescheduled.

As part of that process I had an initial discussion with the principal of the school to let her know we would be talking to her about the need for us to negotiate some school land going into the Richardson Park proposal. In terms of a formal meeting, the first formal meeting took place after announcement of the tender process being undertaken.

Ms MANISON: In your opening statement you mentioned the drainage works around the school, and I thank you for the opportunity to have visited the school earlier this year. Several locations on the school site with drainage issues which go underwater and have had significant flooding in the past were pointed out to me.

Regarding the proposal for the second oval at Richardson Park, is any of that land on the Ludmilla school site currently subject to water and drainage issues?

Mr DAVIES: No, but I think that is probably a better question for planners rather than me. Part of the work we are doing now with Jackman Gooden around master planning for the site will look at those issues. We would like to use this as an opportunity to really make it clear that the school is there for the long term. We need to look at access in and out of the school. At the moment the only access is off Bagot Road and back onto Bagot Road for most parents. It is quite dangerous in the morning in peak hour traffic. We will look at the possibility of putting a road through the site into Nemarluk Drive to allow an alternative access point for parents.

I see this as an opportunity to reframe a very old school site and pull it into something we can manage. In the context of the school site, it is 7.5 ha. To give you a comparative context, Parap is on 2.8 ha, Stuart Park school is on 4.7 ha, and Larrakeyah is on 2.2 ha. There is room for a strategic planning exercise and to use the opportunity of Richardson oval being next door for access to the playing facilities and also the oval that will come out of the Richardson Park development. That is the way we are viewing it.

In regard to flooding and the mitigation processes, we will need to look at that as part of the planning exercise. My intent is to use this as an opportunity to look at what we can do once the boundary is agree.

Ms FYLES: You said the school site was over 7 ha. Advice the committee was provided with on the site visit was approximately 3 ha is prone to flooding and, in fact, several years ago there was a significant flash flood where vehicles were damaged and written off. When you say 7.5 ha, in reality 3 ha is unusable which brings it down to 4 ha, which is a similar.

Mr DAVIES: Historically, there have been flooding issues on that school site, but there are mitigation processes in place to look at how that flood flow is dealt with in the drainage system. I am not an expert in that area, so I cannot comment, but once the architects get into place and the consultancy builds its momentum it will be negotiating with the departments of Lands and Infrastructure about the way the water flow will go through that site. I want to make sure we also pick up that old Namarluk site and build that into whatever we do in the future, because we need to secure it for growth in Darwin.

The only growth possibilities we have at Parap, Stuart Park and Larrakeyah are air space. We need a site ...

Ms FYLES: Just to clarify, Parap, Stuart Park and Larrakeyah are all at capacity; is that correct?

Mr DAVIES: They are at capacity. When this came up there were issued around consultation. It would have been useful for us to get to the school council, and speak with the council Chair especially, prior to the announcement of the tender process. Unfortunately that did not happen. Some of that was due to internal processes within the department, but we had allowed a fair time frame to build a good response to go back to Lands, Planning and the Environment.

This is an opportunity for the school and if we can do this properly, it will secure its future around a proper plan. At the moment is piecemeal.

Ms FYLES: Who is paying for the consultancy taking place?

Mr DAVIES: The Department of Education will pay for the consultancy, but in regard to the projects, including road works and that sort of thing, they will go through a normal budget process. We will need an appropriation for it to get work done.

We need to have these discussions with the school council. I do not want to pre-empt things too much, but it is possible we might be able to build a new set of toilets for students because at the moment they are in the wrong location for students to access from the play areas. These are the things we need to look at.

Ms FYLES: How much is the consultancy costing the Department of Education?

Mr DAVIES: I need to take that on notice, but I can get that answer for you.

Ms FYLES: Do you want me to rephrase the question for Hansard, Chair?

Madam CHAIR: Yes, if it is a question on notice.

Ms FYLES: Question on notice – how much is the consultancy costing the Department of Education?

Ms FYLES: Part of the issue the school raised was that a brand new playground now needs to be moved. Who will pay for that?

Mr DAVIES: Until the boundary is confirmed, that is only conjecture at this stage. Again, it goes to the final boundary and once that is confirmed we will be working with the school council to deal with that issue. Clearly, if that was necessary- if it was necessary – we would be working with the school council to make it so and the school would not be expected to relocate it at its own cost.

Ms FYLES: But it would still come out of Education budget?

Mr DAVIES: It would, or it could come out of the project. That is not agreed at this stage, so I would be speculating.

Ms FYLES: Obviously, the committee is focused on that we have heard the project will now be \$22m, so we are concerned about the expenditure of government funds as a whole. If there is significant impact on Ludmilla school, that needs to be added to the cost of the project rather than impacted on Education's budget. Obviously you are very busy delivering education across the Territory for 32 000 students and the dollars that are appropriated in the

budget should be purely for education, not because a sporting field needs to be located on Education land.

Mr DAVIES: That would be a decision for government.

Ms FYLES: There was a letter sent home to parents of students at Ludmilla school. Were you involved in the preparation of that letter?

Mr DAVIES: The letter – I do not have ...

Ms FYLES: From the principal.

Mr DAVIES: From the principal? No, I was not.

Ms FYLES: Would it have come from the department or are you not sure of that detail?

Mr DAVIES: We could have worked with the principal on the wording in that, definitely, member for Nightcliff. Again, I could take that on notice and check and let you know.

Ms FYLES: Thank you. Obviously, Education land is precious and as the Chief Executive of Education, you would always be advocating for that. What has Education been offered in taking over this space?

Mr DAVIES: I agreed Education land is precious, but at the end of the day it is government land and we have alternative uses for government land. Let us take a couple of examples. Right now Dripstone High School has given up a major proportion of one of its ovals so a new school can be built on the site, Henbury School. That is very normal.

Regarding this development, the real issue is what are the opportunities for the school coming out of this development and how we can interface. Modern schools now share facilities. We are talking about building schools on joint sites in Zuccoli in the longer term. Modern schools share and adjoin facilities of joint use. That is the angle we are taking about this redevelopment process.

Ms FYLES: Obviously, the flood mitigation issues are quite significant there – everyone agrees on that – and there will be quite a significant cost. Is that Education may have to foot that cost something that concerns you?

Mr DAVIES: My understanding, member for Nightcliff, is we definitely will not be. I have not had specific negotiations with anyone about those flood mitigation works and us being asked to foot any bills to offset those costs.

Ms FYLES: At that stage we have no idea of the work required, the cost of work or how it will be funded to make the land usable year round?

Mr DAVIES: With regard to the work that is currently in train in the creek line, and the work going on across the road on the RAAF Base, which is where some of the water comes from, that would be a question for another department not me.

Ms FYLES: With the Richardson Park upgrade and the subsequent use, will it impose on the Department of Education cost-wise do you think?

Mr DAVIES: My understanding is there will be no cost to us maintaining any of the infrastructure on the Richardson Park site once the boundary is agreed.

Ms MANISON: Another concern is we know the school council was not consulted on the Richardson Park until post October when you received that notification. Can you guarantee to the school council that it will not have to foot any of the bills associated with redevelopment of Richardson Park?

Mr DAVIES: Absolutely.

Mr WOOD: My understanding is the government was looking at a series of studies for the whole area. I am not sure of the date, but we have information that a number of studies are currently being undertaken by the Department of Lands, Planning and Environment, including engineering studies to test options for flood and storm surge mitigation for local residents, local traffic study, school infrastructure requirements in consultation with the Department of Education, and master planning of the area, including an indicative local road layout.

Has some of this been occurring not so much because of the plans by the government to spend money at Richardson Park, but because NT rugby league decided to pull out of Richardson Park? Has this come more from them leaving it vacant? Was your department involved in plans to redevelop Ludmilla Primary School before the \$20m being spent on redevelopment of Richardson Park occurred?

Mr DAVIES: I think it is fair to say – this might be another question directed elsewhere, but my understanding is from time to time government has considered alternative uses for

the Ludmilla site. I have never been involved in any negotiations on rationalising that site for better use for rugby league historically. We have been interested in securing the future of the school and ensuring that site is modernised and made safer. We have not been involved in negotiations with rugby league.

Mr WOOD: My understanding is there were no plans drawn up for the subdivision of that area where the school is. Do you have any knowledge about talks about the school being redesigned?

Mr DAVIES: I think some work was done in 2013 and 2014, just concept plans developed around Richardson Park. There may have been some overlay into the school but formal consultations with us did not occur.

Mr WOOD: Was the Namarluk Drive connection part of those plans?

Mr DAVIES: I would need to take that on notice, but it might be better directed elsewhere. If you want me to find out I can.

Mr WOOD: I will find it elsewhere.

I am concerned about the future of the school. We are talking about taking a piece of the school away, which might be fair enough as you have given us the size. You say it is all government planned, but it would be nice to know – we have Richardson Park and a bit of land next door, but we do not know the future of either.

Mr DAVIES: In my view this is an opportunity, for education purposes, to make the boundary very clear to secure the sight, make it safer and get it into a space where we are best utilising the infrastructure on the site, adding to it and securing it for the future.

My lens around this is that it is a real opportunity. It may well put to bed some of those old proposals flagged around redevelopment and so on.

Ms FYLES: Is there any suggestion that the site is not currently secured?

Mr DAVIES: No, it is not. This is an opportunity to reconstitute the boundaries. It is a split site at the moment with Namarluk, so we can get a plan across the whole site. As you know, the second storey at the site is occupied by COGSO and other community users, so it is about planning for growth in the area. Inevitably, as these other government schools in the

Darwin area continue to fill, if we can make it safer and easier to access I am sure enrolments will grow from 120.

Ms FYLES: One of the concerns raised by the school council is pushing them onto land that is not currently useable, which you have addressed. One of the other strong concerns is pedestrian access through to Richardson Park, potentially cutting through the school.

Mr DAVIES: Yes, member for Nightcliff, where they would want a fence and gate access into the ovals is one of the things we need to talk to council about, and assuming the ovals are available for students. I understand they will be but there would need to be a boundary with the school that is clearly demarcated and can be secured.

Madam CHAIR: Do we have any more questions? Thank you very much, Mr Davies, we appreciate you attending this public hearing of the Public Accounts Committee today.

Mr DAVIES: Thank you.

The committee suspended

DEPARTMENT OF THE CHIEF MINISTER

Madam CHAIR: I welcome to the table to give evidence to the committee Mr John Coleman, Chief Executive of the Department of the Chief Minister. Thanks for attending today to address the committee, Mr Coleman. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you will say should not be made public, you may ask the committee to go into a closed session and take your evidence in private.

Mr Coleman, could you please state your full name and the capacity in which you are appearing. You are free to make an opening statement.

Mr COLEMAN: John Coleman, Chief Executive of the Department of the Chief Minister. I represent that department today, but also to explain some of the paperwork in my previous capacity as chief executive of the Department of Lands, Planning and Environment. I was CEO of that department until March this year.

I did not prepare an opening statement. In the interests of time I have seen the other opening statements and I believe there is considerable information before the committee.

By way of personal explanation, I advise the committee that the late delivery of the paperwork you received was by no means an attempt to frustrate the committee. I went through the paperwork myself and discovered papers I knew existed in my previous department were not there. I requested those on Monday. The material which arrived did not have all the things I knew were there so I had to seek further information from the department in order to get you a considerable volume of information – about 137 pages – of material I was aware of. I did not want to appear before the committee knowing there was other material that you should see.

Ms FYLES: When was the upgrade of Richardson Park handed over to Major Projects and why?

Mr COLEMAN: I think about September this year it was handed over from the Department of the Chief Minister to the Major Projects unit. The main reason was a coordination process. That unit is particularly good at bringing together multiple agencies with the CEOs, and the group deals directly with the minister responsible for the area they are coordinating. In this case it would have been minister Higgins, and reporting back to the Chief Minister.

The group does not report to me but directly to the Chief Minister.

Ms FYLES: The project is being handled by Major Projects but does not have the full status of a major project? It is just being handled by that unit?

Mr COLEMAN: That is correct.

Ms FYLES: They do not report to you but to the Chief Minister.

Mr COLEMAN: They report to me in an administrative sense because they sit within the Department of the Chief Minister, but with regard to the projects Gary Barnes is answerable directly to the Chief Minister. That was publicly announced when Mr Barnes took up the position of the coordinator general.

Ms FYLES: It has been a little frustrating for the committee, I think the Chair would agree, that we have not been able to have the Chief Minister present to our committee. We will go on nonetheless. The major project status policy framework requires a prefeasibility to be undertaken to demonstrate consideration has been given to financial, environmental, social and land tenure issues. Has that been conducted for Richardson Park?

Mr COLEMAN: I expect that is part of the work they are currently undertaking.

Ms FYLES: Are you unable to confirm whether it has or has not? Who is best to answer that for the committee?

Mr COLEMAN: That would be Mr Barnes.

Ms FYLES: So, you are unable to provide us with any detail around financial, environmental, social and land tenure issues that may have been identified. Are you aware of any?

Mr COLEMAN: With regard to the major projects unit, no. A great deal of work was being done by other agencies prior to it being handed over to the major projects group.

Ms FYLES: And you are aware of that work.

Mr COLEMAN: Certainly, as the CEO of the Department of Lands, Planning and the Environment a considerable amount of work was done getting studies undertaken for drainage, looking at storm surge and planning outcomes. There was a considerable amount of work.

Ms FYLES: In your previous role as the Chief Executive, when did you become aware of the Richardson Park proposal?

Mr COLEMAN: It was around September 2013, when the first letter lobbed into the department, that I was aware of. That is where it was laid on the table the proposal to

redevelop the area for residential purposes, which caused us considerable review of tenure and arrangement they already had. It was only a seven-year lease.

Ms FYLES: When did you first become aware that Richardson Park was being proposed to be redeveloped as a rugby league facility?

Mr COLEMAN: Under its current form?

Ms FYLES: There have been a couple of different forms, but when were you first aware that there was a request to redevelop it as a rugby league facility?

Mr COLEMAN: The NTRL had spoken about options to redevelop it all the way through negotiations with south Darwin rugby. They kept that in reservation; they were going to use it as a training field. I think it was around November or December 2014 they said they wanted to retain their options.

Ms FYLES: Government then announced the \$20m, when were you first aware of that?

Mr COLEMAN: When the budget decision was made.

Ms FYLES: Did you provide any advice in your previous role, pre-budget?

Mr COLEMAN: No, the last advice I provided to a minister was back in November 2014, and I was on leave until 2 March, which was budget Cabinet day. I had no knowledge of that change.

Ms FYLES: Who was acting in your role whilst you were on leave?

Mr COLEMAN: Leah Clifford was in that role. Looking through all the paperwork I do not believe we were aware of the change.

Ms FYLES: What we are trying to get at is that there is considerable expenditure. We are trying to understand what work was taken before that decision was made. To date, no government agency has been able to advise us that feasibility studies, etcetera, took place ...

Mr COLEMAN: For the current proposal?

Ms FYLES: For the \$20m current proposal.

Mr COLEMAN: I understand that the clubs themselves had previously undertaken some work and estimated about \$16m works that would be done. So those reports would have been available to the Department of Sport and Recreation. I imagine they would have been saying this is the previous advice they had received.

Ms FYLES: In relation to the drainage works that are taking place separately from this project, were you involved in that project through your previous or current roles?

Mr COLEMAN: Yes, that was a project that was undertaken between the Department of Lands, Planning and the Environment and the Department of Infrastructure.

Ms FYLES: When was that program established, do you recollect?

Mr COLEMAN: It would have been in 2014. Then there was the flood study that was implemented afterwards. You will see, if you look at the flood study for Darwin, that there was a lot of work being done with RAAF Darwin and people like Land Resource Management to understand the flooding implications, plus the surge zone impacts.

Mr WOOD: It was stated in media releases – and you would have heard the previous minister say, ‘Do not believe everything that is in the paper’ – and I think on the news that the Chief Minister had admitted he was not confident the project should go ahead. That was around 27 August. Have you any idea why the Chief Minister said that?

Mr COLEMAN: Mr Wood, I have no recollection of that and no knowledge of it.

Mr WOOD: Okay. I know he said it because it being reported on the news. I am interested to know why he had some doubts about it going ahead.

The other issue is I have concerns about what options were available and whether they were considered fairly before this decision was made. Rugby union put in a submission. Obviously this – I will see if there is a date – I think was in July.

They put a number of options for the government to look at. One was to redevelop Rugby Park and Warren Park together; one was to redevelop just Warren Park; one was to redevelop existing facilities at each of the four sports. I wonder whether anyone ever got back to them and gave them reasons why some of the options were not feasible. I know plans were drawn up by the Department of Infrastructure on possible ways that Warren Park could be developed by sharing facilities and different arrangements for the number of people it could seat.

Did NT rugby union get some response about their options for development?

Mr COLEMAN: Member for Nelson, I am sure which year you are referring to.

Mr WOOD: It was 7 July this year.

Mr COLEMAN: Member for Nelson, I do not have any knowledge of any interaction between the clubs and government agencies on that particular matter.

Mr WOOD: What is the Chief Minister's role in this development? Is it purely high-level oversight, or does he have some concrete input into what is happening?

Mr COLEMAN: It is more oversight of the project. No doubt as it moves along it will be reported back to government.

Mr WOOD: One of our concerns is whether there could be a blowout. Obviously the figure of \$20m was picked, and we there are some infrastructure requirements that have not been included in that cost. Is your job to also keep an eye on the expenditure that is allocated?

Mr COLEMAN: If there is a budget blowout it would come across my desk to come back to government and go to Cabinet.

Mr WOOD: Due diligence probably has some political repercussions. I do not say that in a bad way but do you look at, from a high level, whether due process was taken into account in regard to – should there have been more community consultation, perhaps an environmental impact statement, and also the planning issues looked at in relation to redevelopment? Should some of that been done a little earlier? It appears a tender was gone out but consultation and some of the other issues do not appear to have been looked at in that much depth before these decisions were made.

Mr COLEMAN: My understanding of the way the process is working is that the tender has gone out and those other matters are being handled in parallel. It something mitigated against them making a decision to proceed with that tender they could pull back.

Mr WOOD: Who would do the parallel work?

Mr COLEMAN: That is the Major Projects team.

Madam CHAIR: Could you explain the organisational structure? What is your relationship with the Major Projects team? I am a little unclear.

Mr COLEMAN: Whilst they sit within the Department of the Chief Minister they answer directly to the Chief Minister. I am responsible for looking after the staff and the budget there, HR, all matters that reside within the department. The actual activities of the major projects team answer directly to the Chief Minister or minister responsible for the particular project, in this case minister Higgins.

Madam CHAIR: In regard to seniority, are you higher than Gary Barnes or at the same level?

Mr COLEMAN: On the books we are the same level. He moved sideways.

Madam CHAIR: So, the work undertaken by the major projects team does not go directly to you, it goes to the Chief Minister.

Mr COLEMAN: That is correct. They will pass information past me, probably because of my previous experience. If there are other implications for the agency in regard to needing more staff to cater for a project, that would need to come to me, but the project in answerable directly to the responsible minister.

Madam CHAIR: What is Mr Barnes' position title?

Mr COLEMAN: Coordinator General.

Madam CHAIR: The qualification for a project to become a major project, but not necessarily having major project status such as this – is that correct? It does not have major

project status, but is being managed by the major projects team; what are the qualifications for that?

Mr COLEMAN: It depends on the complexity of the matter and how much across government needs to be dealt with for a project.

Madam CHAIR: When was this handed to the major projects team?

Mr COLEMAN: If memory serves me right it was around September, it may have been earlier though.

Madam CHAIR: So, this committee should perhaps be talking to the Coordinator General of the major projects team.

Mr COLEMAN: For specific details, yes.

Ms MANISON: Just to be clear, there seems to be many different departments, as well as different ministers around the Cabinet table, with a role and an interest in the delivery of this project. Since September, the Department of the Chief Minister is ultimately the lead agency in the delivery of the Richardson Park upgrade, is that correct?

Mr COLEMAN: Via the major projects unit.

Ms MANISON: Who is the responsible minister for the delivery of the Richardson Park upgrade, given it is DCM managing the project?

Mr COLEMAN: It is minister Higgins.

Ms MANISON: Okay. So he is directly the lead minister?

Mr COLEMAN: Yes. He would sit down with the Major Projects team when they are having their coordination meetings. He is not the only minister who sits with the Major Projects team when they are doing particular projects. Another minister dealing with another matter for another major project will sit with that team to be updated and briefed on what is happening across the service. It is a very effective way of bringing things together.

Ms MANISON: What was the reason for the decision for the Richardson Park upgrade to be handled by the office of Major Projects as opposed to being led by the department of Sport?

Mr COLEMAN: Initially, fundamentally because of the complexity of the matter because it is dealing with land tenure matters, planning, adjoining landowners. It is quite a complex project because it involves multiple agencies.

Ms MANISON: But ultimately ...

Mr COLEMAN: To be fair, some of those skills do not reside within the Department of Sport and Recreation.

Ms MANISON: Ultimately, the control of the budget, the monitoring and the expenditure of the budget with regard to the project will come down to sign off from the minister for Sport through advice from the Coordinator General? You as the Chief Executive of the Department of Chief Minister does not have a role in that?

Mr COLEMAN: That is correct. It will come through me, but the Coordinator General is responsible for the report.

Ms MANISON: Okay. Thank you, Mr Coleman.

Mr WOOD: One of the financial questions that has been asked was about the ongoing cost of running the facility. Does your department do some costings to see what the facility will cost to run and what revenue you think will be received to offset that costing?

Mr COLEMAN: I imagine that the ongoing funding of the facility would be known by the Department of Sport and Recreation, but I do not have knowledge of that.

Mr WOOD: Okay.

Madam CHAIR: One last question. How many projects is the Major Projects team managing at present?

Mr COLEMAN: I cannot provide you with a definitive number ...

Madam CHAIR: Approximately.

Mr COLEMAN: ... but I am happy – at least a dozen.

Madam CHAIR: Okay. So this is one of the big ones for the government at the moment?

Mr COLEMAN: There are lots of projects on the books at the moment.

Madam CHAIR: If there are no more questions, I thank you very much, Mr Coleman, for addressing the Public Accounts Committee this morning. Thank you very much.

Mr WOOD: Thank you for coming.

Mr COLEMAN: Thank you very much.

Madam CHAIR: We will have a break and come back at 11 am or earlier.

The committee suspended

NATIONAL RUGBY LEAGUE (NRL) and NRL NORTHERN TERRITORY

Madam CHAIR: I welcome to the table to give evidence to the committee Jaymes Boland-Rudder, Head of Government Relations and Campaign Management for NRL NT, John Mitchell, General Manager for NRL NT, and Nigel Roy, Operations Manager for NRL NT. Welcome to this public hearing of the Public Accounts Committee.

We thank you for taking the time to talk to us today. This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you may say should not be made public you may ask the committee to go into a closed session and take your evidence in private.

I would like you to all state your names in full and the capacity in which you are appearing. You are welcome to make an opening statement if you want.

Mr BOLAND-RUDDER: Jaymes Boland-Rudder, Head of Government Relations and Campaign Management for the national rugby league.

Mr MITCHELL: John Mitchell, General Manager, NRL Northern Territory.

Mr ROY: Nigel Roy, club and competition coordinator for NRL NT.

Madam CHAIR: Would you like to make an opening statement?

Mr BOLAND-RUDDER: I apologise that Dave Smith was unable to accept the committee's invitation. Dave recently resigned as CEO of the NRL and our chairman, John Grant, asked me to appear in his place. Hopefully I can be of assistance to the committee, along with these gentlemen.

At the outset we state that the NRL and NRL NT support the government's commitment to invest \$20m into Richardson Park. We believe the investment will help grow participation in rugby league and deliver a better experience for our fans. We are also encouraged by the government's approach to the facility being multiuse and multipurpose and we hope other rectangular sports such as touch football, rugby union and soccer can share in any benefits from the investment.

I understand, courtesy of Mr Wood, the committee's inquiry is looking at the government's decision-making process for Richardson Park investment and why it was chosen ahead of investing in other facilities. I think the decision is only explainable by government, but hopefully we can help shed some light. In that sense, NRL and NRLNT have been involved in discussions with governments of all political persuasions over a number of years about investments in rugby league facilities. That includes potential investment in a multisport venue at Marrara, upgrades at Richardson Park and investment at Palmerston.

As with all sports, we are passionate about advocating for investment in facilities that will benefit our fans and participants, and will hopefully help us grow as a sport. The NRL and NRLNT were advised on 27 April that government would announce as part of its 28 April budget plans to invest \$20m to upgrade Richardson Park. Before this date, NRL and NRLNT were not aware of any government budget allocations for new or upgraded facilities at Richardson Park or Marrara. Whilst the announcement of the \$20m towards upgrades at Richardson Park was unexpected, investment in upgrading rugby league facilities is always

welcome. In that respect, we are happy to work with government towards making the best out of the facility.

We currently have over 2200 registered players in the Northern Territory making 101 teams. Having the right facilities in place is very important for us as a sport. We think investment at Richardson Park could help make sure we have the right facilities in place to continue the growth here in Darwin.

Furthermore, as our sport grows, and this is especially from an NRL perspective, we want to see a team from the NT – probably Darwin – play in a second-tier competition. We have been very encouraged by the entry of the PNG Hunters into the Queensland cup. That has been done through the support of the PNG government, in the right facilities and corporate partners there. Given the success, we see no reason a team in the future – hopefully the not-too-distant future – with the right facilities in place and support from government and corporate partners, could not occur in the Northern Territory.

In this respect, having a dedicated rectangular field capable of hosting games for television broadcast is very important.

With the support of the Territory government we hosted a series of matches involving NRL teams in the Territory. From 2006 through to now we have had 10 games and we are contracted for another two years to deliver four more games involving Parramatta Eels in the Territory. Currently those games that are played in Darwin are played at TIO Stadium. As you know, that is an oval-shaped field and ours is a sport with a rectangular field. From our perspective we would prefer our elite content to be played on a rectangular field. It makes for a better atmosphere, a better sight line for our fans. It is also better for our players. They perform better on a rectangular field.

In that sense, having a purpose-built rectangular field capable of hosting our elite content is very important. Without it I worry about the ability for us to grow the elite content offerings in Darwin. But with it, I am confident we can work with government and parliament to grow those offerings. In that sense, we will continue to work with the government through their Richardson Park advisory group to make sure the investment in Richardson Park is suitable to host NRL content and the weekly NRL NT content. Also, we ultimately want it to be capable of being utilised as a multipurpose venue by other sports. We believe that will deliver the best value for the taxpayers.

As stated at the outset, we are supportive of investment in rugby league facilities. Hopefully that context is helpful for the committee. We are happy to answer any questions.

Madam CHAIR: Thank you.

Ms FYLES: When did rugby league – and this might be best directed at Mr Mitchell. Obviously you left the Richardson Park venue and publicly stated you were looking to build a new headquarters at Warren Park. When did NRL NT make the decision to go to Richardson Park?

Mr MITCHELL: To go to or to leave?

Ms FYLES: To go back to. You publicly stated that you were looking at Warren Park as a ...

Mr MITCHELL: Obviously it was the day we heard the announcement that \$20m would be spent at Richardson Park.

Mr WOOD: You did not know that was coming?

Mr MITCHELL: Not at all.

Mr WOOD: Were you involved in any discussions in relation to moving back there?

Mr MITCHELL: No.

Mr WOOD: Did the government give you any reason why it was redeveloping it?

Mr MITCHELL: One of the main reasons I think was the fact they owned that facility already. That was the main reason I think.

Mr WOOD: Were negotiations with South Darwin a problem in relation to Warren Park?

Mr MITCHELL: No, we had two signed MoUs at South Darwin – sporting league to move into that facility.

Mr WOOD: What happened to the May 2012 report? Was that looked at by this government? I know it went in towards the end of the last government, but ...

Mr MITCHELL: Was that ...

Mr WOOD: The report by ...

Mr MITCHELL: The submission?

Mr WOOD: Yes, the submission for a \$16m upgrade of Warren Park. What happened to that report? Did it sit on a shelf?

Mr MITCHELL: We continued to talk to the government about that, but obviously as soon as the announcement was made it was shelved.

Mr WOOD: Did this government look at that project seriously?

Mr MITCHELL: Yes, I believe so.

Mr WOOD: Did it give any reason why – I know they say occasionally on of the issues was the lease – they thought that was not a good proposal? It was supported by all the clubs, the board and the national rugby league also supported that.

Mr BOLAND-RUDDER: Yes, we were involved in discussions with the current government about the proposal to move to Marrara. We had a good dialogue. Throughout that they were – whilst there was good dialogue, they were clear there was no government commitment towards the facility. They made the announcement about Richardson Park in conjunction with the budget. When we enquired as to why that decision had been made they explained there were budgetary considerations. I guess maybe the Richardson Park offer was, from a budget sense, perhaps more affordable.

Mr WOOD: That was \$16m, they are spending \$20m. Admittedly yours is a couple of years old.

Mr BOLAND-RUDDER: It was a couple of years old. In that submission it was made clear they were approximations, not rigorously tested figures. We were going through a process of testing those figures and doing some additional work to ensure any more formal submissions included more accurate costings. The \$16m was a rough estimation; I would not put too much weight on that as an exact cost. That was in 2012 also, so bear in mind

there is inflation, especially when it comes to construction. I think construction inflation is a bit quicker than regular inflation. I think \$16m would be at the low end.

Mr WOOD: Were there any discussions with rugby union in relation to sharing facilities?

Mr MITCHELL: Very primitive – I had discussions previously with the chap before Mark Heath, I cannot recall his name. We had preliminary discussions, but it did not go any further. We have used that facility for our finals over the last two years.

Mr WOOD: I want to ask about the future use of Richardson Park. We have been told that touch football does not need to go there, AFL is happy if it is there, soccer and rugby union – from what I have read in their reports – are not interested in going there. You left Richardson Park because of maintaining as it was a costly exercise. I know it is open for other people to use, but how much use do you see – I was reading your letter here, which spoke about six events. I read it to the minister and he said the letter says something in one place and something different in others. The letter says here that rugby league be allowed six rent-free events. Does that mean you only want to use it six times a year, or you want to use it all through the Dry Season?

Mr MITCHELL: I would like to use it every week and, often, every night.

Mr WOOD: Would you see it as being home for a club, or a centrepiece for rugby union and rugby league.

Mr MITCHELL: The home of rugby league and all clubs using it.

Mr BOLAND-RUDDER: In addition to the weekly content the NRLNT could provide, we want to also use it for our elite content, such as the Eels games over the next couple of years. Also, should we have a second tier team from Darwin enter, we would make that the home field for the second tier team.

Mr WOOD: What do the clubs think of that? I am speaking from the bias of the Bears. They enjoy having more games on their home turf because there is more people in, more money for the club. Are we going back to the previous way of doing things where most games will be played at Richardson Park?

Mr MITCHELL: In preliminary discussions around scheduling matches we would look at continuing to utilise the three clubs' home venues. But we envisage a double header at Richardson Park every Saturday, so there would be one home venue utilised each weekend.

During this year we provided Palmerston, Litchfield Bears and South Darwin with six opportunities, Warren Park also with the juniors all year. I would like to see a lot of the 18s, 16s and 14s played under lights when it is better conditions for rugby league. Obviously it is pretty hot during the day. There are opportunities there, Gerry, for the use of Richardson Park during the week.

Mr WOOD: How do the clubs see this change? Are they happy with it or there are some different views?

Mr MITCHELL: The general consensus is they are all pretty confident about the future of rugby league. That is the main issue at stake here.

Mr WOOD: So they would be supportive of this move back ...

Mr MITCHELL: All clubs have indicated their support, yes. Obviously clubs with home venues have a vested interest in having as many games as possible.

One of the good things that has happened over the last couple of years with allowing home clubs to stage matches is that the clubs have taken a lot more control and responsibility of running the game, Gerry. When all games were played at Richardson Park the clubs basically turned up to play there and that was it. The sport itself had to be responsible for the running of the game. The culture has changed and for the better, I must say.

Mr WOOD: You would not be looking at one club taking it over as their home ground?

Mr MITCHELL: Not at all, no. I would be against that.

Mr WOOD: Do you think it can pay for itself, because that is one of the big issues. You could not stay there – and I know it will not be your facility. The government would be hoping for maximum return for putting you back there.

Mr MITCHELL: There is a lot more opportunity for Richardson Park than just sport. I see it as a fantastic venue for festivals, concerts and all sorts of other things.

Mr WOOD: We were told no concerts by the minister

Mr MITCHELL: That is interesting. That is probably because of the noise constraints in the area. That is a pity because the venue would be well suited to that. From our point of view this is an entirely different financial model we are working with the government on. Previously our game could not support itself so we had to move out.

Madam CHAIR: Could we just clarify how much it was costing you to be at Richardson Park? There seems to be some discrepancy. Was it \$5000 a week? That is the figure we ...

Mr MITCHELL: Between \$250 000 and \$270 000 per annum. That was power and water, council rates etcetera. The maintenance was becoming very much an issue. It is a fairly rundown venue.

Madam CHAIR: That is \$5000 per week. The minister thought that was inaccurate.

Ms FYLES: There was also an amount owing when you left, is that correct?

Mr MITCHELL: An amount owing?

Ms FYLES: Did you have debts?

Mr MITCHELL: Absolutely. I have no problem – it is public knowledge that we were a sport in debt.

Ms FYLES: Were you taken by surprise by the government's announcement to go to Richardson Park over Marrara?

Mr MITCHELL: Surprised, yes, but excitedly surprised. For \$20m to a sport ...

Ms FYLES: Would you have been just as excited to go to Marrara?

Madam CHAIR: For \$20m, that is a good question.

Mr BOLAND-RUDDER: Any time you have \$20m thrown at your sport you are very excited. It is a great day for rugby league in the Northern Territory when the government

says it wants to throw \$20m and the opposition is saying it wants to throw millions of dollars at your sport as well. It is fantastic.

Ms FYLES: This committee is not critical of investment in sport at all.

Madam CHAIR: No, not at all.

Ms FYLES: We are looking at where the expenditure is and the issues associated with that, and also the ongoing feasibility and viability.

Mr MITCHELL: Yes.

Madam CHAIR: A lot of work was put into planning to move to Marrara over the previous few years, is that correct?

Mr MITCHELL: Correct, yes.

Madam CHAIR: For it suddenly to be shelved and go in a different direction would have come as a surprise.

Mr BOLAND-RUDDER: A surprise, yes.

Ms FYLES: Has the government given you a reason why it suddenly shifted back to Richardson Park?

Mr BOLAND-RUDDER: Through discussion - as I alluded to before, I think it is a budgetary consideration around the cost.

Ms FYLES: Do you feel \$20m could be equally well spent at Marrara?

Mr BOLAND-RUDDER: Not sure. Without completing detailed planning and costings it is difficult to give an accurate answer. I think \$20m invested in a sport will absolutely improve the sport and improve the facilities, regardless of where that investment is. But without doing the detailed work I am not sure if \$20m is enough at Marrara.

Ms FYLES: If your view had been sought prior to the investment decision, would the NRL have expressed a preference for the new Marrara development or Richardson Park?

Mr BOLAND-RUDDER: In the discussions we had with government previously, we had been sitting with the NTRL – as they were known then – advocating for Marrara, yes.

Ms FYLES: In our roles, as elected members, we must ensure all interests of the community are looked after. I do not think anyone is denying the investment in rugby league and other sports in the Territory as being a good thing, but talking about games being played each night and double headers on Saturday nights, are there any risks to upgrading Richardson Park that you foresee?

Mr BOLAND-RUDDER: We have said to the government, through the advisory group, we think in addition to upgrading the park it is very important they invest in the access. When we look at stadiums from an NRL perspective - we play in stadiums all over the country – you can have the best stadium, but if you do not have good access it does not work for the community. Making sure the road and pedestrian access is right, and that there is public transport access, is really important for getting Richardson Park right.

Ms FYLES: In your experience of stadiums in other areas, would you be surprised at such a significant investment so close to residential properties?

Mr BOLAND-RUDDER: No, you see stadiums close to residential properties – 1300SMILES Stadium in Townsville abuts residential properties.

Ms FYLES: Is it an enclosed stadium?

Mr BOLAND-RUDDER: There are hills at either end and there are stands on the sidelines. There is Leichhardt Oval in Sydney, home of the Balmain Tigers – now the West Tigers – which is seen as a spiritual home for many rugby league tragics. It is smack bang in residential suburbia. You see people drinking beers on their balconies watching the game and we wish they had paid for a ticket. It is not abnormal.

Ms FYLES: Obviously the NRL takes its community obligation very seriously as we see work across a number of programs. Would it cause concern to the national rugby league that there is concern from the local community about this expansion? Currently they have a small, suburban stadium which seats around 1500 people. I do not think anyone would argue if that was resurrected and games were played as they have been in the past. But

quite a substantial increase to 10 000 seats and the associated effects is causing quite a deal of stress. What would be NRL's ...

Mr BOLAND-RUDDER: Yes, we see that wherever we have stadiums in residential areas. It is important that the user of that stadium, whether it is rugby league or whatever sport it may be, has a good working relationship with that community so that you can co-exist.

Sometimes it can be a challenge, but ultimately it is making sure the lights are off at the right time and you do whatever you can to minimise noise outside reasonable hours. Coming back to the access point, make sure there is good public transport or pedestrian access, or where there is parking it is not impeding too much on the residential area. We want to be good neighbours as a sport because we want to have a good relationship with the community.

Ms FYLES: One of the issues is the committee is getting different figures thrown at us. But we can quite clearly see the figure of \$100m for Marrara is for a completely different stadium. But if you compare apples for apples, we would potentially build something at Marrara with the \$20m.

Mr BOLAND-RUDDER: A brand new greenfield site for \$20m for a 10 000 stadium?

Ms FYLES: No, not for 10 000 seats. Obviously the figure of 10 000 seats permanently at Marrara is around \$100m. If you drop it down to \$42.5m that gets you 5000 permanent seats. What we are getting at Richardson Park is X number of permanent seats but quite a lot of temporary stands ...

Mr BOLAND-RUDDER: Yes.

Ms FYLES: You could develop something similar at Marrara?

Mr BOLAND-RUDDER: I am not sure. I have not seen detailed plan, as I said earlier. You would have to do some detailed planning. Obviously we did some initial works in 2012 and the figure then was somewhere between \$16m and \$17m. That delivered something basic, but something you could use.

Ms FYLES: Do you have concerns about parking and accessibility of Richardson Park?

Mr BOLAND-RUDDER: As I said, that is something we have raised at the advisory group and said we need to make sure we get this right. They can get it right. You will have to forgive me, I am a Sydneysider and do not know the names of all the roads around that area. But there is a long road that leads into the stadium from where the main road where the race track is. Make sure if you will use some of the area around the race track for parking that there is good pedestrian way built alongside the road there ...

Mr WOOD: They are also talking about a Namarluk Drive connection. That was from the Department of Education.

Mr BOLAND-RUDDER: Also building a bus layover so there is easy access to run buses to and from the city – it is easy for people to be dropped off and then at the end of the game there is somewhere safe for people to wait for and board buses.

Ms FYLES: Do you have any cost projections to run this facility?

Mr MITCHELL: We do not, no.

Ms FYLES: You do not have any whole of life costs or anything for the facility?

Mr MITCHELL: No.

Ms FYLES: Where is demographic for rugby league players currently in Darwin and the Top End area?

Mr MITCHELL: Over 65% are the other side of the Berrimah Line.

Mr WOOD: We heard from AFL yesterday that one of the reasons they are looking at giving the Banks club dual occupancy with Waratahs at the Gardens is because they see an increase in population due to infill in Darwin. I do not know if you have seen any move – they have obviously seen people coming from the CBD area.

Mr MITCHELL: That is encouraging, absolutely.

Mr WOOD: I think it is because some of those facilities might die otherwise.

Mr MITCHELL: That is right. No, I have not seen that at all.

Ms FYLES: The lights required to play under and for television, what is the height of the towers?

Mr BOLAND-RUDDER: I cannot recall the height. I know the lux has to be 1400, and I know that if you do not have the lights there permanently – the rental cost to wheel them in for broadcast purposes you are looking at – we had to wheel them in for a game in Wagga this year, which is in southern New South Wales, and it was to cost between \$180 000 to \$200 000 for the game. You would want to build something permanent for the cost exercise.

Mr WOOD: You can turn them down and you can reduce the numbers on.

Mr MITCHELL: For our games we play at 200 lux.

Mr WOOD: Sometimes I cannot see the tries in the far corner at Richardson Park, I must admit.

Mr BOLAND-RUDDER: Is that the light?

Mr WOOD: There are shadows on the present ground which make it hard sometimes to see. The other issue with Richardson Park is the poles have always been in the way.

Mr MITCHELL: That is right.

Mr WOOD: There was a try but the pole was in the way.

Mr BOLAND-RUDDER: One of the good things about lighting technology these days is if you invest in the right technology with LED lights you can operate them remotely and control your lighting levels and your lux. I could control it from here on my mobile phone and turn it up and down as needed.

That is an important aspect, picking up on your point, Ms Fyles, around having a good relationship with the neighbours and making sure your lights are switched off at the right time. I could switch them off from here if someone had forgotten to switch them off if I got a call. Also, you can reduce it to 100 lux for training, which minimises the impact on the neighbours and also delivers a cost saving

Ms FYLES: With Richardson Park you were incurring significant costs previously, some of which you have aligned to the age of the facility. There would also be costs in the ongoing operation of a new facility; is that correct?

Mr BOLAND-RUDDER: Yes.

Ms FYLES: The site has mangroves nearby, so the playing surface would need to be premium quality. Historically we have seen issues with the grass, do you have concerns around that or any costs associated with that potentially going forward?

Mr MITCHELL: The turf laid there would be 2015 turf. The current turf was laid in 1955, and I do not know if you are aware but a small fire went through and burnt it. I could not believe how uneven it was. You must recall, rugby league's home at Richardson Park was set up by volunteers.

Mr BOLAND-RUDDER: With the modern day irrigation and drainage, the right turf and the right fill, it does not become an issue. If they tried to reuse the current surface we would tell them not to do that. It is clear from the advisory group that is not the government's intention.

Ms FYLES: How many people would you expect – there is a two-year contract remaining with the Eels; what numbers are attending those games?

Mr BOLAND-RUDDER: In Darwin we have been getting between 9000 and 10 000. That is why we said we wanted to make sure we are not locking people out. The minimum number for stadium capacity for us is 10 000.

Ms FYLES: What would you get at a comparable game in regional areas elsewhere in Australia?

Mr BOLAND-RUDDER: I think it was 8000 or 9000 for a game in Cairns with the Rabbitohs, I cannot remember who they played, on the Anzac Day weekend. For the city/country game in Wagga Wagga, which I referred to earlier about the lighting, I think we got 12 000 which was the ground's capacity and we had to turn people away.

When you look around regional NSW and regional Queensland, crowds for an NRL game usually are somewhere between 8000 and 10 000 people. You made reference, Mr Wood, when we were talking before, to the facility in Mudgee. The capacity there is about 10 000 ...

Mr WOOD: I think 10 000 to 15 000.

Mr BOLAND-RUDDER: ... Fifteen thousand is pretty ambitious, you would be sitting on each other's shoulders. In Wagga they told us they could fit 15 000 and we got 12 000 and had to turn people away because they were crammed in like sardines. You have to be careful ...

Mr WOOD: Not good in hot weather.

Mr BOLAND-RUDDER: No.

Mr WOOD: You do not have to answer this one, John, but there were some people who were not happy about going to Warren Park. Do you think that the move to go back to Richardson Park was through lobbying by some of those people. I understand why they want to go back. I do not have a problem with that because, as you say, it is the spiritual home of rugby league. Did you feel there were others who never wanted to go to Warren Park and were pushing the government to make a decision the other way?

Mr MITCHELL: Hmm. Possibly.

Mr WOOD: Okay, thanks.

Ms FYLES: What do you consider the main risks of upgrading Richardson Park?

Mr BOLAND-RUDDER: The main risks? Access. You need to get that right. That is from an elite content point of view when you are getting crowds of 10 000 people there. You need to also ensure that we get – there is a proposal to have two fields, so you have your main field and a second field – an appropriate gap between the two fields, which we are working through with the advisory group at the moment. We will ...

Ms FYLES: On the plans we have seen – and I am sure you have seen them too – that the minister released, is that gap adequate at this point, or would that have to be expanded.

Mr BOLAND-RUDDER: They are considering some options at the moment. Minimum standard for an NRL game is 5 m from the sideline to the edge of play.

Ms FYLES: What is the current proposal?

Mr BOLAND-RUDDER: I am not sure of which proposal the minister has provided the committee with, so I could not say, I am sorry.

Mr WOOD: We have it somewhere.

Mr BOLAND-RUDDER: Getting that right is very important.

Madam CHAIR: So it has to be 5 m?

Mr BOLAND-RUDDER: Yes. We will not play an NRL game unless you have 5 m between your sideline and your hard edge. It is unsafe for our players and we will never put the ...

Ms FYLES: As in grandstand or fence?

Mr BOLAND-RUDDER: Yes. We will not put our players at risk. Let us say they are sliding for a try or someone has tackled somebody over the sideline, you want 5 m because hitting a fence or a grandstand at that speed is very painful.

Mr WOOD: The width of a rugby league ground is variable?

Mr BOLAND-RUDDER: Sorry.

Mr WOOD: You have give and take in the width on a rugby league ground have you not?

Mr BOLAND-RUDDER: No.

Mr WOOD: How do Storms fit into Olympic Park?

Mr BOLAND-RUDDER: It is built to ...

Mr WOOD: I thought rugby league grounds had some maximum and minimum widths and lengths.

Mr BOLAND-RUDDER: The dead ball are you talking about?

Mr WOOD: No, just the width of the ground itself.

Mr BOLAND-RUDDER: No, it is not variable.

Ms FYLES: Does it concern rugby league – Marrara is a sporting hub and there is a lot of infrastructure. The NTIS is there and there is ...

Mr BOLAND-RUDDER: I think governments of all persuasions should be commended – I come from Sydney and look at that precinct and it is a great one.

Ms FYLES: Building on that precinct, would it be concerning that rugby league will not be a part of that and the opportunities for training and accommodation that potentially might be available in the future and are there currently?

Mr MITCHELL: There is a club there at the moment. I would like to see that club facility upgraded. We utilise that for junior rugby league now and have done so for the last four years. It works very well for people there. There are two fields there, and we think there is enough room for three fields. I think there is an opportunity for that whole area to be upgraded and as rugby league moves forward and improves into the future perhaps some upgrading of that facility would be warranted.

Mr BOLAND-RUDDER: I think that is a longer term ambition.

Mr MITCHELL: Very much so.

Mr BOLAND-RUDDER: We still want to maintain our presence at Warren Park as well – South Darwin.

As I said, all governments should be commended for what they have created at Marrara.

Ms FYLES: Nobody is disagreeing with the investment in rugby league and the rectangular field for the Top End, but we have that precinct there with so many other facilities and traffic management plans in place it is a natural fit. You said yourself you were taken by surprise at Richardson Park. Are you concerned you would not be a part of that future? Marrara is getting the tennis facility up and running.

Mr BOLAND-RUDDER: For us in the future it is important that we have a dedicated rectangular field that we can our elite games and is suitable for broadcast. That is really important for our future. The government will deliver that at Richardson Park so we are encouraged by that. If the government had said Marrara we would not have been opposed to that either. As I said, it is about getting that rectangular field for our elite content, as well as ensuring there is the ability to play our week-in-week content, which John and Nigel run. We have a good facility, whether it is for the double headers or weekly content. We can achieve that at Richardson Park.

Madam CHAIR: I thank you all for coming this morning to talk to us, Mr Nigel Roy, Mr John Mitchell and Mr Jaymes Boland-Rudder.

The committee suspended.

DEPARTMENT OF LANDS, PLANNING AND THE ENVIRONMENT

Madam CHAIR: I welcome to the table to give evidence to the committee Mr Rod Applegate, Chief Executive Officer at the Department of Lands, Planning and the Environment. Thank you for coming before the committee today, we look forward to hearing your perspectives.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public hearing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you say should not be made public you may ask that the committee go into a closed session and take your evidence in private.

Mr Applegate, please state your full name and the capacity in which you are appearing. You are welcome to make an opening statement.

Mr APPELEGATE: I am Rodney John Applegate, the Chief Executive of the Department of Lands, Planning and the Environment. I have no opening statement because I received a request at 5.01 pm last night, and I do not know what I am here for.

Madam CHAIR: Thank you very much for coming at such late notice. We realised after talking to representatives from Treasury, Finance and Infrastructure that the Department of Lands, Planning and the Environment has had a role in the proposed refurbishment of Richardson Park in the broader Ludmilla area. We are interesting in hearing what you have to say.

Ms MANISON: Following some of the discussions we have had with the Departments of Infrastructure and Education, with the sporting bodies associated with Richardson Park, and with the local residents we have heard many issues about the land constraints and questions around what can and cannot be done within the area. We also heard about drainage works around Ludmilla Creek and so forth. I am trying to get an understanding of what current work the department is doing in that area looking at the land and particular issues with that you are working on.

Mr APPELEGATE: Do you need my name again?

Madam CHAIR: No, you are right, Rod.

Mr APPELEGATE: In relation to Richardson Park, I have been invited to sit on a working group to try to progress it. My role in that was initially to get the lease back off NT NRL and if there will be any land changes in subdivisions, my department would be responsible for doing that work.

In relation to broader issues around Richardson Park, my agency is currently in the middle of an extensive program of flood relief and mitigation. For the last four or five months we have been cleaning out, under contract, every stormwater drain and pipe in the Ludmilla – whatever is across the road with Department of Defence help – drains and pipes under the roads, etcetera. We have removed over 600 tonne of sediment out of those pipes in the last four months which will go a long way to improving the drainage and the competency of the drainage system in the Ludmilla catchment where there have been instances of flooding on very small return period rainfall events.

On top of that, we are currently in the process of reinstating the major drain that takes the water that comes out from underneath Bagot Road through five large pipes and takes that off to Ludmilla Creek. We are in the process of cutting that 30 m wide drain out of the swamp

and dealing with all the associated problems that come with dealing with acid sulphate soils when you disturb these muds.

On top of that, I am in negotiations with the Department of Defence for them to do some work in flood mitigation on their land, which is likely to involve the construction of a number of detention structures to slow flow coming off all their land and control its egress under Bagot Road and into Ludmilla Creek.

Ms MANISON: Do you have any maps you could provide to the committee that outline the current areas around the Richardson Park area, the Ludmilla school area, the old Namarluk school site, where the land has been subject to flooding and water issues? Do you have any projections that that will be completely dealt with by the drainage works you are currently undertaking?

Mr APPEGATE: My department can probably knock up some maps on flooding. I am not sure if we get out there during the event and mark where the water goes, but our modelling would suggest that was done in both Rapid Creek and Ludmilla Creek catchments. A combination of the works we are currently doing and the works we hope the Department of Defence will commit is like to reduce the peak floods by at least 30% - flood height, and I guess increase the return period events so that instead flooding occurring on Bagot Road as a one in five year event it might go to what it was designed for, one in 15 or one in 20.

The incidence of flooding on Bagot Road and at Ludmilla school should be reduced for regular rainfall events that have caused problems in the past. We are hopefully increasing the return period before there is a problem – the intensity event.

Ms FYLES: When did you become aware that the government intended to redevelop Richardson Park?

Mr APPEGATE: I think in the budget paper.

Ms FYLES: Did you provide any advice?

Mr APPEGATE: Not me, no.

Ms FYLES: Did your department provide any advice?

Mr APPELEGATE: My department – previously there would be some information that was canvassed around a history of what might happen at that site, and NTRL doing silly things like thinking they can deal with land which is not theirs. I think we had to pull them up – previously the department had to pull them up and say, ‘You can’t just flog our land off and do deals with developers and things like that’. I am aware, as you probably are, of the minute that went up suggesting to a previous minister that there was the possibility to do other things on that site if Richo park was not to be there. I am not sure where that memo went because it came back unsigned. That was in late 2014.

Ms FYLES: Your department did not provide any advice to the ministers prior to them making the decision to spend \$20m at Richardson Park?

Mr APPELEGATE: I am not aware of any advice going from the department prior to the Cabinet deliberations on the budget last year specifically around Richardson Park.

Mr WOOD: Are you doing any of the traffic studies or road design? One of the roads mentioned - when I say that, I mean planning where the road might go, not the actual design of the road. Namarluk Drive was mentioned by Ken Davies today, and there could be access down there. It is mentioned in one of the plans we have. You were talking about a note; attached to that note is the possibility for the land to be developed.

I gather there is a group looking at storm surge and all sorts of things around this development, are you involved in possible options for roads and parking?

Mr APPELEGATE: I have asked engineers in my department to look at options as to how we can get better traffic management and parking in the long-term. My minister recently asked me to look at providing additional road access to Ludmilla School; there is a problem in left-in, left-out on Bagot road that causes heaps of problems. We are exploring how we might provide an alternative access route off Namarluk Drive, or coming in from the back of the swamp area where the horses train.

Madam CHAIR: Douglas Street.

Mr APPELEGATE: There is land adjacent to the current access area which could be infilled to a certain extent to allow for a wider road to be built, which could then cut across the back of Richardson Park and the school and potentially go north to Namarluk Drive. That would probably require some acquisition of land because the current easement between Anglicare and the school is not wide enough for a normal road.

Mr WOOD: There is a power line down there as well.

Mr APPLEGATE: You can move those.

Mr WOOD: Was there any thought given to using the Ludmilla playground areas towards the language centre as car parking?

Mr APPLEGATE: No, not from my perspective.

Mr WOOD: I wonder where we will find places. I know we are talking about buses. But you can get about 300 cars in there now so where would the majority of cars end up if you had a big event like a ...

Mr APPLEGATE: My understanding, from discussions in working groups, would be that for large events what we have done in the past is utilise land within the Turf Club or something. I remember going there one night for a game and being totally soaked walking back from the game.

Ms FYLES: Getting stuck or soaked?

Mr WOOD: Fell in the mangroves on the way.

Mr APPLEGATE: Sorry?

Mr WOOD: Fell in the mangroves on the way.

Mr APPLEGATE: No, I did not have that much to drink. No, there is the other large piece of land that is currently in the hands of one of the telcos, which has a tower on it. I do not if it is currently being used, but that is long term we would be looking to see whether that will come back to the Crown. But none of this is formal. No one has asked me to do anything in relation to that in the context of the current redevelopment of Richardson Park.

Mr WOOD: From a planning perspective, there will be a requirement for DCA to look at an upgrade of the facilities on both those parcels of land. One is the school land and one is the Richardson Park land.

Mr APPLEGATE: I have advised the working group that a development application will need to be lodged for the proposed development going ahead. We are going to fill it and lift it. Car parking requirements and all that need to be considered, so they need to lodge a DA.

Mr WOOD: So once the plans come in that the government has agreed to, then that will be the time that then there will be a development application so you have something to go to the Development Consent Authority with. There has to be some plan.

Mr APPLEGATE: Yes. You have talked to DoI which is currently playing with different versions.

Ms FYLES: Will it be DCA and Planning, or just DCA?

Mr APPLEGATE: A development application, because the land is currently zoned appropriately, will go to the DCA.

Ms FYLES: But some of the land from the school will have to be rezoned?

Mr APPLEGATE: No.

Mr WOOD: It could go under the present zone.

Mr APPLEGATE: I am not sure where the school land is going because I cannot get any clear answers out of anyone on whether I am taking land off the school or not. So I just wait until I am told.

Mr WOOD: It is a funny ...

Ms FYLES: In terms of the ...

Mr WOOD: Sport and recreation is allowed. Sorry.

Ms FYLES: No, you are right.

Mr WOOD: Unless it is ...

Mr APPLEGATE: Richo is organised recreation, school is CP. We are talking about putting an oval somewhere. It can go on both ...

Ms FYLES: Field.

Mr APPLEGATE: Field. I do not know, it is a rectangle. It is the good football. I am going to wait. I am over all that. I am just waiting to be told what I have to do. That school has a very large bit of land. I do not think they need it, but anyway.

Ms FYLES: With regard to the height of potential light towers, they would be assessed at that point?

Mr APPLEGATE: They will be part of the DA. DoI would be in a position to advise you, but I understand there is a lot of new flash lighting that does not cast light into other areas. We have done it at Palmerston with new ovals.

Ms FYLES: In your capacity as executive for the environment, does that cover noise pollution?

Mr APPLEGATE: The issue with noise is something you would need to talk to the EPA about. It is not something I currently have any powers or legislation to regulate.

Madam CHAIR: Local residents told us last night in our public forum that it looked like work has commenced on the redevelopment of Richardson Park, which we understand is not happening. Is that your plant and equipment?

Mr APPLEGATE: Yes, that is my fault.

Madam CHAIR: That is your business going on at Richardson Park?

Mr APPLEGATE: Yes. Part of the opening of the drain – when I got the lease back so I had the land I decided I would use the bottom section of Richo as a disposal area for the acid sulphate soil muds that come out where we treat them on a new hardstand which is on the last section of Richo park abutting the swamp. All the trucks there at the moment, the excavators, the swampies, dozers and tippers are all related to my excavation of the drain. It has been a fairly complex process in that we have had to build a haul road parallel to the

drain to get the excavators down there and the tippers. We then bring the muds out and put them on a pad that has been built on that Crown estate. It is then treated with lime, and when we get the tick from the environmental auditor that it is all good it is removed and disposed of.

Madam CHAIR: Given some of the local residents are quite distressed about the proposed redevelopment of Richardson Park, could you consider some sort of communication to them about what you are doing there. They are very concerned that the redevelopment has started when in fact what you are doing is quite separate from that.

Mr APPLEGATE: I understand that we have. We would not do anything without getting the local Landcare group on side because they have quite an interest in not only the Crown land adjoining Richardson Park, but what happens within Ludmilla swamp. We have had extensive conversations with them.

Madam CHAIR: There was a representative last night from the Ludmilla Creek Landcare Group. I am surprised they did not ...

Mr APPLEGATE: Hopefully she confirms that we have talked. One of my guys told me and we have not heard any noise out of them. They are very similar people to local residents – because that is what they are – but there is no reason we could not do more to advise local residents what we are doing.

Madam CHAIR: I think they would appreciate that.

Ms FYLES: What are the current lease arrangements with Richardson Park?

Mr APPLEGATE: I got the lease back off – I cannot remember, but at the end of the day I got it from the receivers.

Ms FYLES: When was that?

Mr APPLEGATE: I was asked on 10 September to get the lease back after DSR spent the last 18 months arguing with them. I registered it with the title office on 28 October.

Ms FYLES: What was in those arrangements to get the lease back?

Mr APPLEGATE: My staff negotiated an arrangement whereby we paid some compensation to them for recompense to surrender the lease of \$100 000, GST inclusive. That was based on the fact they had been enjoying a revenue stream from the Optus tower for the last few years. Part of negotiations, and to stop all the nonsense continuing, was to give them five years of the revenue stream upfront and we will recover it from Optus over the next five years.

Ms FYLES: When does the lease with Optus finish?

Mr APPLEGATE: I am afraid I do not know. I think it is an exemption under the ...

Mr WOOD: They get a renewal.

Mr APPLEGATE: But it is not under 12 years. Telecommunications have an exemption under the *Planning Act* for long-term leasing, but I will clarify that.

Ms FYLES: So, NRLNT received \$100 000 from the government to ...

Mr APPLEGATE: No, we gave \$100 000 to the receiver. Restructuring Solutions was the liquidator.

Ms FYLES: Were they acting on behalf of NRLNT?

Mr APPLEGATE: Yes, it would have been. At the end of the day, we are negotiating with the NRL and the liquidators because NRLNT held the lease, but ...

Mr WOOD: Have you secured the site more, so the building does not go further into disrepair?

Mr APPLEGATE: Last week I transferred the lease to the Department of Sport and Recreation for its care and control.

Mr WOOD: So they have to keep an eye on it hopefully. It would be sad – if it goes ahead you do not want to be spending more money on a building that gets into a worse situation because it is not being cared for.

Mr APPLEGATE: It is in a pretty crook state now. It needs some work.

Mr WOOD: It needs some tender loving care. You would not want it to have a fire and do some major damage.

Mr APPLEGATE: When I was last down there inspecting my drain, I thought the fencing was fairly secure. I could not get in to have a wander.

Mr WOOD: We did not have any trouble getting in.

Mr APPLEGATE: I was only down one end where my dozers were.

Madam CHAIR: Thank you very much Mr Applegate for joining us this morning. We really appreciate your time. That concludes the public hearing of the PAC. Thank you to everyone who has attended.

The hearing concluded.
