

The Estimates Committee convened at 8.30 am

## **MINISTER CHANDLER'S PORTFOLIOS**

### **DEPARTMENT OF EDUCATION**

**Madam CHAIR:** Good morning everyone, and good morning everyone listening at home and at work. We are here with the minister and representatives of the Department of Education. We have Nathan Barrett, member for Blain, Gary Higgins, member for Daly, me as Chair and member for Drysdale, Natasha Fyles, member for Nightcliff, Lynne Walker, member for Nhulunbuy, and Alison Anderson, member for Namatjira.

The order for questioning is the shadow minister followed by other members of the Estimates Committee, followed by other members at the table with me this morning. Minister, I welcome you and invite you to introduce the people accompanying you today.

**Mr CHANDLER:** Thank you, Madam Chair. I introduce officials from the Department of Education who are appearing with me today. On my left is the Chief Executive of the department, Mr Ken Davies. To Ken's left is Greg Moo, and to my right is Catherine Weber. We will also have Susan Bowden, who is sitting behind us at the moment, filling in from time to time.

**Madam CHAIR:** Minister, I invite you to make an opening statement of no more than five minutes, and you may also choose to table answers to written questions. I will then call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving on to output specific questions, and finally non-output specific budget-related questions.

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

Minister, would you like to make an opening statement on the Department of Education?

**Mr CHANDLER:** Thank you, Madam Chair. I would like to make some introductory remarks about the Education portfolio in the 2014-15 Budget. The budget for the department in 2014-15 is \$870m. That is an increase of 4.7% which has been achieved in a time of spending restraint through a combination of control of expenditures and new investment under the Australian government's Students First program. Before the rhetoric begins, that is an increase in the budget, not a decrease.

In this budget, we are maintaining our commitment to reducing costs for families and putting quality teachers in quality schools. We continue to invest in improving and expanding school facilities and funds for new projects that will drive innovation and improvement in Northern Territory schools. Northern Territory schools will remain the best resourced schools in the country. This budget builds on this resourcing for the betterment of young Territorians.

We are supporting school families with the \$6.6m Back to School entitlement scheme. This provides \$150 per student every year to assist parents with back-to-school expenses.

This year, we are also investing \$5.9m in early childhood services, including an additional \$1.7m to assist families with young children by increasing the subsidy to service providers and extending the subsidy for childcare to providers of family day care services.

The opportunity afforded by this Education budget is to make a real and substantial improvement to education outcomes for Indigenous students. Indigenous students represent over 40% of the student population, and the Northern Territory will only reach its economic and social potential when Indigenous students have the same life opportunities as all other Northern Territory students.

An amount of \$2m will be committed to roll out new curriculum and resourcing materials, and training for teachers, in all remote schools to provide consistency in delivery of literacy, numeracy, and oral English programs.

We are investing \$5.2m for additional classrooms in remote schools to support the increased student attendance and retention we are achieving in our partnerships with communities and the Australian government.

We are maintaining the early childhood services provided through the Families as First Teachers, even though we have no certainty over continued Commonwealth support for this vitally important program.

We are integrating early education services with other agencies and service providers through the five new child and family centres in Maningrida, Ngukurr, Gunbalanya, Yuendumu, and Palmerston to improve opportunities for children in this critical phase of their learning and development. We know improving outcomes for Indigenous students is a complex and difficult challenge, but we do not shy away from this challenge.

We are seeking a step-change in outcomes for remote Indigenous secondary students by establishing residential boarding facilities in the regional towns and delivering first-class secondary and vocational programs in regional high schools. An amount of \$5m is allocated in 2014-15 for accommodation facilities to provide remote students with improved access to secondary education. The budget allocates \$11.6m, in partnership with INPEX and their Ichthys LNG project partners, to establish a leading-edge facility that positions the Territory as a world-class provider of contemporary distance and online education services for secondary students.

We already have the world's best primary school distance education services through the Alice Springs and Katherine School of the Air. We plan to extend this excellence into secondary education for regional and remote students in the Territory and beyond.

A great opportunity afforded by this budget is for schools arising from the most significant reform of school resourcing and management since the school councils governance framework was established in the 1980s. Over three years, \$17m is allocated to increasing school autonomy in the introduction of independent public schools. One-line global school budgets and a student-centred needs-based school funding model will empower decision-making at the school level so principals, school managers, and school councils can make the decisions about the best mix of teachers and programs to meet the learning needs of their students. Independent public schools will go further with increased flexibility to select their staff, and greater scope to engage with their local school and business communities. The budget maintains this government's commitment to supporting an efficient non-government school sector with per capita student grants, boarding student grants, and assistance with the interest costs of capital works.

The improvements in services I have outlined are complemented with investments to improve existing education facilities and planning for new schools in the near future. There is \$34.9m allocated for repairs and maintenance of schools across the Territory, including \$4m targeted to repair and upgrade schools and facilities in Central Australia.

A school infrastructure plan for the greater Darwin area has been developed to cater for the projected rise in student population. New schools entering the design phase include a special education school in Palmerston for \$20m, enhancements to the Henbury School for \$10m, and a preschool and primary school in Zuccoli for \$37m. In addition, the capacity of Rosebery Preschool will be doubled with a \$1.2m injection.

We will provide \$5m to offer vocational education and training and employment pathways in schools, including through trade training centres and pre-employment programs across the Territory, in partnership with mining, pastoral, tourism, and other industries. These are valuable employment pathways for Territory students who do not wish to pursue tertiary studies, and target industries that are seeking skilled workers.

In summary, this is an increased budget. We are building schools and investing in a new *Education Act*. We have invested in special education. We have undertaken one of the most important pieces of work any government in the Northern Territory has done in many years; that is, the Indigenous education review. We are reviewing middle and secondary education. We are moving towards school autonomy and global budgeting. We are focusing on our classrooms and outcomes, not outputs.

In summary, this government is committed to targeting spending towards improved outcomes, and this budget does exactly that.

Madam Chair, I will be tabling the questions on notice which are whole-of-government. Any agency-specific questions can be asked through outputs.

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

**Ms FYLES:** Yes. To clarify, you are tabling the whole-of-government written questions, but not the Education ...

**Mr CHANDLER:** Yes, agency specific. We can use this time to answer those questions.

**Ms FYLES:** You are not able to table them?

**Mr CHANDLER:** No, I just choose to answer the questions when they are asked.

**Ms FYLES:** Okay, no worries. I am glad you see a rise in student numbers, something the Minister for Public Employment continually states we have not seen when, over the last few years, we have seen a rise in student numbers.

Your budget figures you just quoted, when you take the childcare subsidies, Sports Vouchers, and a number of other programs, the actual budget for government schools is \$670m. Why are you still cutting the Education budget?

**Mr CHANDLER:** I do not agree with your statement. It is money that is going into education. How you break that down and use that is a matter for government and the Department of Education. Overall, the budget for Education has increased this year.

**Ms FYLES:** If you ask parents what they consider an Education budget, I do not think they would consider Sports Vouchers, childcare, Back to School payments - although they appreciate those things – as part of our government schools, in our classrooms. There is tertiary education funding and capital works in there. So, when you break down the figures there has been a cut to our Education budget.

**Mr CHANDLER:** Again, I disagree. I do not know if you talk to the same parents I do, but I know the vouchers are spent on things which directly assist students. It certainly assists parents, because it would be money, ultimately, they would have to pay. So, it is all about money being spent in education. It is something Territorians love, and they appreciate the government is assisting them in that area.

**Ms FYLES:** But it is not money for government schools. That figure has, in fact, declined.

**Mr CHANDLER:** Again, I disagree. We could argue uphill and down dale about this all day, but the reality is ...

**Ms FYLES:** I think we will for three hours or so.

**Mr CHANDLER:** We probably will be. The reality is this is an increased budget. How you want to break that up - we could start to take money out of Transport and look at how much the buses cost, and add that into Education, and we could show a larger budget ...

**Ms FYLES:** Maybe that is a trick for next year.

**Mr CHANDLER:** No, I do not think we will go there. ... for next year. There needs to be a strategy applied to budgets and, as I said before, everything we put into the budget this year is directly related to education.

**Ms FYLES:** I find it concerning. Last year, we had \$685m. That has been cut this year to \$670m. If we take away the \$25m for new capital works, our budget for Education comes down to \$645m, which is significantly less than the \$685m budget we saw in 2013-14 for government schools education.

**Mr CHANDLER:** There is no doubt the department has done a great job in finding savings in certain areas of its operation, but it is not money that is going to affect the classroom. The reality is, when we took over government we took over a very bloated education system. I remind listeners and the committee that in the last five years of the Labor government, the student cohort grew by about 187 students in the Northern Territory. At the same time, the department grew by over 800 staff. That is not sustainable: 187 extra students, but over 800 staff were employed by that same department. I argue that many of those people were doing jobs that did not have a direct benefit to the classroom. Our focus is on the classroom and ensuring we do not affect what happens in the classroom in any way.

I can tell you there were savings made in certain areas. I know there were savings made in the number of vehicles the department had, and when we got rid of some executive staff I did not think it was really necessary to have. With every executive staff member that went, that was a car no longer needed for the department. So, to try to draw a conclusion that a reduced budget in Education somehow diminishes education in some way, is pretty naïve. The fact is there are ways all government departments can find savings without impacting results in the classroom.

**Ms FYLES:** Do you agree that the budget – sorry, the budget has gone from \$685m to \$645m, and a lot of that has been excess staff in the agency at executive level, but there has been a decline.

**Mr CHANDLER:** Member for Nightcliff, the 2013-14 Budget showed for Education \$640.645m. The 2014-15 Budget is \$670.362m.

**Ms FYLES:** Sorry, minister, can you repeat those figures for me?

**Mr CHANDLER:** Sure. In the 2013-14 Budget we had – and this is for government education ...

**Ms FYLES:** Yes.

**Mr CHANDLER:** ... \$640.645m and in 2014-15 that went up to \$670.362m. Again, the fact ...

**Ms FYLES:** Then, if you take away the \$25m in capital works it brings it down to \$645m for actual government schools.

**Mr CHANDLER:** The capital works budget goes to the Department of Infrastructure. It might sit within Education, but it goes to the Department of Infrastructure. The reality, though, is, as I said before, we could start to pick on other areas of government and say that is money that comes from or is related to Education, and stick it all into Education. But, that is not really being fair and open. The reality is the money you see in Education this year is an improvement on last year.

**Ms FYLES:** So, within the \$670m, \$25m of that will go to the Department of Infrastructure for capital works? Of the \$670m you just quoted me for the 2014-15 Budget, \$25m will go to Infrastructure for capital works? Is that what you are saying?

**Mr CHANDLER:** Yes, it is already in the Infrastructure budget and not out of this \$670m. It is already sitting in its budget.

**Ms FYLES:** No worries. A breakdown of the proposed funding for Territory schools under the former federal Labor government included numerous packages: \$300m in base funding for all Territory schools for resource standards; \$195m to Darwin and Palmerston schools recognising the challenges of educating Indigenous students; \$921m for Territory schools recognising their regional and remote areas; plus \$160m for Territory schools recognising the fact that schools with small enrolments face additional challenges. What is the total amount we are receiving under the Abbott government?

**Mr CHANDLER:** I will get that number for you. The reality is there were many partnerships between the federal government and the Northern Territory government. Many of those partnerships took up a lot of administrative time. I know both governments are very interested in going to more global funding. Christopher Pyne, the federal minister, would prefer to have a one-line item budget ...

**Ms FYLES:** Of course he would, it is much easier.

**Mr CHANDLER:** Each of the states and territories ...

**Ms FYLES:** It does not mean it is better for our kids.

**Mr HIGGINS:** All those figures sent the Commonwealth government broke.

**Mr CHANDLER:** The reality is I am so glad we did not sign up to Gonski. There was a lot of pressure from, of course, the opposition at the time, from the unions, and from the community ...

**Ms FYLES:** A lot of pressure from parents and teachers.

**Mr CHANDLER:** ... about signing up to Gonski. I argue - and I know because I was part of the discussions behind the scenes - that the Northern Territory did very well out of those negotiations. In fact, it did better than we would have under Gonski. The argument that seems to be doing the rounds today is the outer years funding is where there is a difference of opinion between the federal government and the states and territories.

The reality is no former government could ever be held accountable for those outer years promises that were made. At a recent ministerial conference in - I think it was Canberra - where we had Education ministers from both sides of the political camp in one room, when that subject was raised about the outer years, I asked the question: 'How many of you ministers can promise money in the outer years?' The truth is you cannot. No Treasury will allow you to promise money in the outer years. It was like an ambit promise that this money was ever going to come to the states and territories.

I am telling you right now the Northern Territory, within the forward estimates, has done far better out of this than had we signed up for Gonski.

**Ms FYLES:** There would be many people who would disagree with that. One of the cases may be that the former federal Labor government package insisted that you could not cut Territory-based funding to our schools under Gonski, whereas this package allows you to pull out your funding.

**Mr CHANDLER:** I can guarantee you that every single dollar the federal government's Christopher Pyne has provided for the Northern Territory in the forward estimates, and the issues in this budget ...

**Ms FYLES:** What was that figure, minister?

**Mr CHANDLER:** About \$301m, I believe it was. \$301m is going into education - 100% of that money is going into education.

**Ms FYLES:** Are you able to give us a breakdown for that figure? What is it aimed at?

**Mr CHANDLER:** If you look at the budget papers you can clearly see what the forward estimates show; that we are spending - an estimate to spend in Education ...

**Ms FYLES:** In that Budget Paper No 4?

**Mr CHANDLER:** Budget Paper No 4? Budget Paper No 3, sorry. I want to read this:

*The Australian government provides funding to the Northern Territory Department of Education to support programs that target improved student outcomes with a particular focus on improving outcomes for disadvantaged students including Aboriginal and Torres Strait Islander students. Revenue is received from Students First arrangements ...*

That is the money that is untied, the \$301m we have just mentioned:

*... 10 National Partnership Agreements and 16 Commonwealth grant programs. Students First includes funding that was offered by the previous federal government and replaces the National Schools Specific Purpose Payments, the NSSPP, and the Low Socioeconomic Status School Communities and Rewards for Great Teachers National Partnerships.*

*The Australian government funding to state and territory governments is subject to the accountability requirements set out by the Australian Education Act and to the federal financials framework which consists of the Federal Financial Regulations 2009, the COAG Reformed Fund Act 2008 and the intergovernmental agreement on federal financial relations.*

*The Department of Education also acts as a post box in that it receives money from the Australian government which is passed directly to the non-government sector.*

A breakdown of that money from - I have the numbers here for 2013-14 and 2014-15 if you want those numbers?

**Ms FYLES:** Yes, thank you.

**Mr CHANDLER:** The Students First National Partnership is \$207.351m ...

**Ms FYLES:** That is 2013-14?

**Mr CHANDLER:** Yes, 2013-14. I will just give you the breakdown ...

**Ms FYLES:** Can you give me that figure for 2014-15 and maybe 2015, going forward?

**Mr CHANDLER:** I can. It is \$207.351m in 2013-14. Revenue received as of 31 March 2014 - because they are made in payments - is \$177.04m. The published budget for 2014-15 is \$258.079m. I can give you the breakdown from government and non-government, if that helps?

**Ms FYLES:** No, I would not mind the breakdown going forward 2015-16, 2016-17 and 2017-18 if you have it.

**Mr CHANDLER:** You are not interested in the non-government sector?

**Ms FYLES:** I will come to that, but I would not mind the breakdown.

**Mr CHANDLER:** Member for Nightcliff, the 2013-14 Budget was \$149.863m.

**Ms FYLES:** For Students First?

**Mr CHANDLER:** Yes, 2013-14 is \$207.351m, for 2014-15 is \$258.079m, for 2015-16 through to 2017-18 is \$706.066m ...

**Ms FYLES:** Is that split evenly, or we are not sure? Then, after 2017-18 we will see the funding change to a indexation arrangement for schools. What is your view on this? What lobbying have you and your other colleagues made to the federal government?

**Mr CHANDLER:** Every time we speak to our federal colleagues we do lots of lobbying, as is pretty standard - and that goes across all governments. The discussions I have had with Christopher Pyne in Canberra have been very productive. Christopher is aware of some of the challenges we face in the Northern Territory, and of the work we are trying to do, particularly around Indigenous education. It goes without saying the awareness he demonstrated to me clearly showed he had not only interest in assisting the Territory into the future, but I am certain we will not be left behind with any future negotiations.

**Ms FYLES:** Collectively, the states could receive a significant amount less funding?

**Mr CHANDLER:** That is a hypothetical. In the last meeting we had with all ministers from around the country, we talked about this at length. As I said in that meeting, the federal government has a responsibility to assist states and territories with education.

**Ms FYLES:** They are not so sure of that.

**Mr CHANDLER:** They are fully aware of that.

**Ms FYLES:** They are getting the message?

**Mr CHANDLER:** That support will be there in the future. There is no doubt and I have no concern - whether it is a perceived threat or threats put out from the rest of the community, the unions or oppositions around the country - that the federal government will walk away from assisting in funding education. That is just wrong.

**Ms FYLES:** I am not sure that is the view of our own Chief Minister. He issued a media release on 18 May raising his concerns and the urgent meetings the states had, that the Territory stands to lose \$312m in education funding over the next decade. That statement contradicts your own Chief Minister.

**Mr CHANDLER:** Not necessarily. I have had meetings with Christopher Pyne. As I said ...

**Ms FYLES:** Chief Minister Giles came back from Sydney and said the Territory stands to lose \$312m in education funding.

**Mr CHANDLER:** They are on figures I said to you earlier - they are part of an ambit claim, I suggest, in the Gonski reforms, where they talked about the money in outer years - I have just explained to you no

Treasury in the country will hold a government to money promised or committed in the outer years. It just cannot be done.

**Ms FYLES:** The Chief Minister wants to use that figure, but you choose not to when it suits?

**Mr CHANDLER:** No. I am saying I understand the processes of Treasury. I also understand the processes when it comes to what was promised under Gonski. There was only ever a commitment given in the first four years and in the two years after that. It is outside the forward estimates, and Treasury rules state you cannot be making promises outside that time period. I argue that any money that was promised, strangely enough, was far more money than was ever offered in the forward estimates. So ...

**Ms FYLES:** It is in contradiction to our own Chief Minister, who came back from Sydney and issued that media release?

**Mr CHANDLER:** No, what I am saying is those figures are taken from the ambit claims that were put out there that there was all this extra money being put into Gonski, funnily enough in the outer years ...

**Ms FYLES:** In the independently authored report.

**Mr CHANDLER:** ... not in the forward estimates.

**Ms FYLES:** With the \$272m over four years from the federal government – sorry, \$258m in Commonwealth funding under Students First that we talked about for 2014-15. Going back to that figure, \$133.8m relates to government schools. Can you itemise that \$133.8m spend on government schools, please?

Maybe I can be a bit more specific to help you. Can you show us the increase in spending for each school by the end of the agreement period?

**Mr CHANDLER:** I can give you the breakdown. From that \$258.079m, \$133.843m is going to government schools and \$124.236m to non-government schools.

**Ms FYLES:** Can I have the breakdown of what the government schools portion will be used for? What proportion is capital, what is recurrent? What benefits will we see to our schools over that period?

**Mr CHANDLER:** You will see 100% of the money going schools.

**Ms FYLES:** Are you able to break it down a little further? It is a significant amount of money. What proportion is capital, what proportion is recurrent?

**Mr CHANDLER:** Core education services in the 2014-15 year is \$46.400m and 2015-16 is \$59.9m. Then we have education infrastructure at \$25.944m in 2014-15 and \$19.996m in 2015-16. In global school budgeting transition, \$5m in 2014-15 and \$7m in 2015-16.

**Ms FYLES:** Is that your \$25m for new capital works?

**Mr CHANDLER:** Yes, the \$25.944m is our contribution to infrastructure. The reason we did not want to use the federal money for recurrent is obvious. That is what has happened in previous years. When you do not have a commitment from any entity that is ongoing after the forward estimates, you do not want to lock that money into recurrent, so it is all going into infrastructure.

**Ms FYLES:** Is the \$25m the Territory government talks about for infrastructure the federal government's \$25m?

**Mr CHANDLER:** It is \$25.944m.

**Ms FYLES:** But, is it the same pool of money?

**Mr CHANDLER:** You have 2013-14 money, \$35.365m, 2014-15, \$25.944m, then 2015-16 \$19.996m.

**Ms FYLES:** I will have a look at those figures. Obviously, they are in the written questions also.

Moving on to staffing figures, can you please provide total staffing numbers and wages for 2012-13, 2013-14 and 2014-15? I will ask for these now in case you need a bit of time to get those figures.

In the 2014-15 Budget Paper No 3, page 199, staffing is calculated at 4133, whereas the staffing for 2013-14 was 4368. That is a cut of 235 since last year. Do you still stand by your comments that only 35 teachers have been cut?

**Mr CHANDLER:** Absolutely. When reporting the size of the Department of Education workforce, the quarterly averages are used for consistency with fast facts - the quarterly workforce reports, annual reports, and the Northern Territory public service whole-of-sector workforce metric reports. However, point-in-time measures are also provided where appropriate - at 26 March 2014, in Pay 20 of the year and, in some cases, head counts are also provided.

In the January to March 2014 Q3, average paid FTEs were 4150, but the head count was 4624. In Pay 20 March 26 ...

**Ms FYLES:** Which year?

**Mr CHANDLER:** In 2014. ... the average paid FTE, 4268, with the head count, at that time, of 4742. The average paid FTE for this quarter was low due to a number of pay periods being affected by payroll deductions, industrial action, and incomplete processing of contracts associated with the start of the school year.

Like you, I was often frustrated with the numbers put forward, until it was explained to me. It is such a fluid dynamic with the Department of Education, with well over 4000 employees, on any given day there can be a dramatic change in numbers put forward. When you are asked questions as we are right now - even the Chief Minister asked me how many people work for the Department of Education. I can tell him what they are today, tomorrow ...

**Ms FYLES:** I am not going on what they are today or tomorrow, because I understand there are fluctuations. What I am saying is budget papers for 2014-15 show 4133 teachers. Yet, the same budget papers, which you would assume would use the same formulation, show 235 teachers less, of 4368. Do you still stand by your comments that only 35 teachers have been cut?

**Mr CHANDLER:** Absolutely. We will not shy away from this: there are many positions within the Department of Education which were not directly related to classrooms.

**Ms FYLES:** Are you able to provide a list of those positions?

**Mr CHANDLER:** Not a breakdown of the positions; this is a small place. You are going get down to people's names and addresses next.

**Ms FYLES:** I think you could show us the level and positions.

**Mr CHANDLER:** Sure, I have no problems with providing that information ...

**Ms FYLES:** Thank you.

**Mr CHANDLER:** I want to put on the record that the vast majority of those employees within the Department of Education were on contracts. Many were ...

**Ms FYLES:** But a contract is still a teacher. You came to government saying no frontline teachers, no frontline staff would lose their job. You cannot get any more front line than a teacher.

**Mr CHANDLER:** Member for Nightcliff, you might argue that point, but there is a difference between contracts and permanent. I can tell you, coming into government, there were ...

**Ms FYLES:** They are still teachers in our schools we need.

**Mr CHANDLER:** Under the Labor government, close to 30% of the total population of teachers in the Northern Territory were on contract. Today, that is about 17%. There are literally ...

**Ms FYLES:** Because you got rid of them all.



**Mr CHANDLER:** ... hundreds and hundreds of teachers ...

**Ms FYLES:** Gone from our schools.

**Mr CHANDLER:** ... who have been converted from contracts to permanent positions. When you come in here arguing we are not supporting teachers, we have turned hundreds of contracted positions into permanent ones. The reason? We want ...

**Ms FYLES:** But a number of positions have also been cut.

**Mr CHANDLER:** ... people to commit long term to the Territory. Having so many teachers on contracts was not fulfilling, I do not think, government's obligation to support teachers. As I said, under Labor, which you are part of, the reality is nearly 30% of teachers were on contracts. Today, that is 17%.

**Ms FYLES:** Can you provide a list of the number of contract teachers at each school who did not have their contracts renewed?

**Mr CHANDLER:** Contracts are contracts. They are for a specific period ...

**Ms FYLES:** But there are still positions which have gone from our schools. Children do not come into the classroom and know that their teacher is on a contract or is permanent but, at the end of the year, those teachers move on and there are fewer teachers in our schools. Can you provide a list of the number of contract teachers at each school who did not have their contracts renewed?

**Mr CHANDLER:** I do not think ...

**Ms FYLES:** You are not able to provide that?

**Mr CHANDLER:** I do not think that is part of the argument because you are going to get down to individuals, and I do not think it is in the best interests ...

**Ms FYLES:** It is not individuals, it is schools. I have a list here of schools which have fewer teachers in them. We are trying to work out ...

**Mr CHANDLER:** If I look at that list, there are three or four schools you have highlighted which have fewer. How many have more?

**Ms FYLES:** There is a significant number of schools which have fewer teachers. Alawa Primary School, three fewer teachers ...

**Mr CHANDLER:** There is a significant number of schools which have more. The reality is there are 35 fewer teachers at this time than we had last year. The majority of differences in employment within the Education department have come from what you might, essentially, call the backroom within the department, and are not necessarily affecting the ...

**Ms FYLES:** So, you are not able to provide us with a list of the contract teachers at each school who did not have their contracts renewed? You are not able to give us Alawa Primary School, with three teachers gone?

**Mr CHANDLER:** I am able to, but I will not give you that information because you are asking for individual names.

**Ms FYLES:** We are not asking for names; we are asking for schools and contract positions which are not there. It is pretty simple.

**Mr CHANDLER:** I have to take some guidance on that because we would be starting to push the boundaries of confidentiality. There are people who had contracts. The nature of a contract is just that ...

**Ms FYLES:** We are not asking for names. We are asking you - you could even break it down to the northern suburbs, Darwin, or Palmerston - to show us how many contract positions have gone from our schools.

**Mr CHANDLER:** Labor does not want the truth. The reality is ...

**Ms FYLES:** We are interested in the truth, minister. This is your chance to table these documents and show us. I have a number of questions based on schools and staff leaving.

**Mr CHANDLER:** If we go back to the numbers in schools, using the formulas as we did for the first 12 months ...

**Ms FYLES:** You changed the formula so there were fewer teachers for the students, so there must have been reductions. You have said yourself ...

**Mr CHANDLER:** I will answer the question if you want me to answer the question. In the first 12 months of this government, we were still using the same formulas the former Labor government used. What we saw using that formula was a reduction in teachers in our schools - under the Labor formula. The reality today - as I have been up-front from the word go - is we were going to lose 35 teachers from our school systems. That is the entire Northern Territory, with over 4000 employees in the Education Department. We were up-front when we said we would lose 35 teachers when we changed the formula.

What has not been acknowledged is the additional teachers who have gone into the early years of Education, which we know is where we need to support education. But, there was a reduction of 35. There are instances where there were contract teachers in our schools who had specific period contracts that were not ...

**Ms FYLES:** They were still teachers in our schools.

**Mr CHANDLER:** ... extended because they were replaced with teachers who were permanent teachers working with the department who were put back into the schools ...

**Ms FYLES:** That is what we are asking you - to show us the figures.

**Mr CHANDLER:** My advice is we can look for that information and get as accurate information as we possibly can.

**Ms FYLES:** That would be appreciated.

**Mr CHANDLER:** So, I will take it on notice.

**Ms FYLES:** Are you able to provide us with what schools have had more than five teachers leave?

**Mr CHANDLER:** There are no schools that have lost more than five positions ...

**Ms FYLES:** No, you put a cap, five per year. We have schools that lost five teachers at the end of last year that are set to lose five more teachers at the end of this year.

**Mr CHANDLER:** In what you have argued uphill and down dale in the community you are not taking any consideration of the school's ability to split one position. They may choose to use one full-time position to employ two people. If that is a contracted position and it was not extended, you could have ...

**Ms FYLES:** That would push the numbers up, minister, if we had one position ...

**Mr CHANDLER:** Exactly.

**Ms FYLES:** We are seeing fewer teachers in our schools.

**Mr CHANDLER:** It is where we get these inflated numbers you refer to from time to time. But, when it talks about full-time equivalents versus how many people - and that is the reality; sometimes we are talking more people because they may have part-time positions.

**Ms FYLES:** That would push your numbers up, minister. What we have seen across our middle and senior schools is every single middle and senior school has lost at least five teachers. What people are anxious about is at the end of this year they are set to lose five more. Some schools were set to lose 10, 13 teachers at the end of last year. That was capped at five. That was somehow meant to be a rejoicing moment. They are set to lose five more.

**Mr CHANDLER:** The reality is we are moving to global funding. Right? It will be up to the schools to sit down with their school communities and work out where their priorities are in how they want to use their budget allocation. The difference in the past has always been the department provides the numbers of staff each school is entitled to. We are moving away from being so prescriptive that this is what a school can do and cannot do. We are going to a global funding model which gives absolute autonomy for the school principal and the school councils to determine what and how they want to use that budget. You could end up with more teachers in the system or, in fact, fewer teachers in some areas if that is what ...

**Ms FYLES:** That is what people are scared of. I have a number of questions on global budgets, but if I can just ask ...

**Mr CHANDLER:** ... the schools choose to do.

**Ms FYLES:** ... the final questions on these figures, because I am conscious of time. If we could, please, to reiterate, get a list of the contract teachers at schools who did not have their contracts renewed, the number of support staff cut from schools, how many support staff will be cut this year, and how many staff have lost their jobs and been subsequently rehired by the department? If I can get those figures, I am happy to take them on notice.

**Mr CHANDLER:** Yes, we will take them on notice.

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#### Question on Notice No 6.1

**Madam CHAIR:** I hate to make you say that again, member for Nightcliff, but please restate the question.

**Ms FYLES:** Would you please list the number of support staff cut from each school, how many support staff will be cut this year, how many support staff lost their jobs and subsequently were rehired by the department, and how many teachers lost their jobs and subsequently were rehired?

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

**Mr CHANDLER:** I accept the question with the rider that you will often get information where you could have a school that chooses to employ two or three support staff in lieu of having one single full-time position so the numbers could be seen as ...

**Ms FYLES:** That would push the numbers up though, minister.

**Mr CHANDLER:** No, listen for a second. You could have a school that is allocated one full-time position and they may employ two or three people on two or three hours a day. If we give you a list of people or staff it may be different. The school may have lost one allocation, for instance but, potentially, two or three people could be allocated to that one position. You then will use these figures, as you will in opposition, to say this particular school has lost three people when, in fact, they have lost one full-time equivalent.

**Ms FYLES:** No worries, minister. I am sure the department will work all that out.

**Madam CHAIR:** The question asked by the member for Nightcliff of the minister is No 6.1.

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**Ms FYLES:** Minister, something I have been asked to raise today is whether you are aware of the situation at the Douglas Daly School and the changing of the teacher assistant position from full-time to part-time? Is the department aware of that?

**Mr CHANDLER:** Member for Nightcliff, my advice is the department is aware of it. They are working with the committee out there at the moment.

**Ms FYLES:** Minister, the school had a full-time AO2 staff member until the end of 2012, but when the Top End Group Schools was dismantled it was allocated a part-time staff member. I understand the teacher now has to take phone calls, deal with visitors and tradespeople, as well as handling minor accidents through the school day. The council has continually asked for a commitment for a full-time AO2 staff member. We are not talking huge dollars; just about the safety of students at that school. Could you undertake to look at that matter and, hopefully, reinstate that full-time position?

**Mr CHANDLER:** We have already answered that. The department is looking and working with the committee at the moment.

**Ms FYLES:** I know there has been significant correspondence and, to date, it has not been dealt with. That is why I am asking, in this forum, if you could undertake to reinstate that full-time position for the AO2 staff support at a one teacher school.

**Mr CHANDLER:** I have already answered the question. The department is looking and working with the committee at the moment. They will determine the right action to take in that area.

**Ms FYLES:** The department determined they could change from a full-time to a part-time position. I am asking you, as Minister for Education, to undertake to look at that and reinstate that position.

**Mr CHANDLER:** I am telling you we are looking into it, and I will judge it on its merits.

**Ms FYLES:** You are unable to reinstate that full-time position?

**Mr CHANDLER:** You could be asking me for 10 positions. I will look at the situation and then address it.

**Ms FYLES:** We have a number of situations across the Territory like this where school councils have contacted you, and I have been copied into the correspondence. People feel frustrated when they contact you and your department directly and they still cannot get responses. That highlights the cuts we have seen in our education system and the frustration people are feeling.

**Mr CHANDLER:** With over 4000 employees, with tens of thousands of students in our schools every day, news flashes come through from little incidents and big incidents that happen every single day. For one or two of those things to slip through, or take a bit longer to resolve, happens from time to time - and will continue to happen from time to time. The department works very hard in trying to resolve each and all of the issues.

**Ms FYLES:** We would agree 18 months is a long time for a school to have a part-time position when there would be serious safety concerns.

**Mr CHANDLER:** This school you are talking about has six students and, of course, smaller schools are always more difficult to resource.

**Ms FYLES:** Yes, but that is why we have additional funding through the Top End Group Schools, which was cut.

**Mr CHANDLER:** No, that is not correct. We are just going to a different style of budgeting. Those ...

**Ms FYLES:** Good words.

**Mr CHANDLER:** ... discussions - even with partnerships we have with the federal government - will continue into the future about how we can better support people in remote locations across the Territory. It is a tough challenge and it was a tough challenge under Labor and the form CLP government. But, what we have to do out there is a better job than we are doing today.

**Ms FYLES:** Minister, this is a direct safety concern from your cutting to our education system. You dismantled the Top End Group Schools. There was money from federal Labor under Gonski to support regional and remote schools. I think the figure was \$180m to support regional and remote schools. The school might only have six students, but those six students deserve an education the same as kids in our urban schools. It is not safe to have one adult with students, you need two people.

**Mr HIGGINS:** To look after six? You have to be joking?

**Ms FYLES:** I ask you to please look into that. The council is at frustration point. They have sent that correspondence through various times.

**Mr CHANDLER:** I have given you that commitment that I will look into that situation. I can tell you of the many schools I have visited across the Northern Territory - some of the remotest, including homelands - I have come across schools that are resourced beyond what I expected, with many passionate teachers.

Compared to some of the schools I visited in north Queensland, the resources in our schools leave Queensland for dead.

**Ms FYLES:** We are not comparing ourselves to other states, we are comparing ourselves to the cuts we have seen.

**Mr CHANDLER:** We should compare ourselves, because what I have found is ...

**Ms FYLES:** It is just an excuse to cut teacher and support staff numbers.

**Mr CHANDLER:** It is not an excuse to cut teachers and resources from our children. I can show you the evidence is very clear in this, in that the results we are getting, particularly in our remote schools, are not something any of us can be proud of. Unless we change the method of delivery of education, we will not see the improvements those students deserve. The resourcing in our schools is second to none in schools I have visited – not only in the Northern Territory, but compared to schools I have visited in other jurisdictions, not only here, but overseas.

**Ms FYLES:** Are you aware of the recent cuts to the CSIRO education program which left Darwin, as I understand, as the only capital city without a hands-on science program?

**Mr CHANDLER:** That is not correct, because I know there has been support from the private sector in that area to continue with that program.

**Ms FYLES:** Have you been lobbying with the Commonwealth government to ensure that funding stays, so that we have the CSIRO science programs which provide vital opportunities for our young kids to learn - the Double Helix program, etcetera?

**Mr CHANDLER:** There are many opportunities we are looking at the moment, no more so than the discussions I have had in relation to open education and how that can ...

**Ms FYLES:** But, talking about science, have you lobbied your federal minister?

**Mr CHANDLER:** Absolutely. I am having a look at what Questacon does in Canberra and some of the programs they have which are remote programs, and how it could be used in the Northern Territory. Science is a necessity in our schools, and my challenge is ensuring we can get a quality science program in as many schools as ...

**Ms FYLES:** We have a quality program that has been cut by the federal government. Are you lobbying for it be reinstated or to stay?

**Mr CHANDLER:** There are many different program. You can argue ...

**Ms FYLES:** This is a CSIRO program.

**Mr CHANDLER:** ... whether one is a better program or not. But, there are many different science programs out there. The CSIRO does an amazing job, and we are in discussions ...

**Ms FYLES:** It is a world leader and a vital program.

**Mr CHANDLER:** ... at the moment on how the CSIRO might move into the Berrimah Farm area and strengthen their ties, research facilities, and science programs in the Northern Territory.

**Ms FYLES:** The CSIRO program is world renowned. This children's program has been going for decades, so it would be great if you could lobby Christopher Pyne to ensure that program stays.

**Mr CHANDLER:** Happy to have it on the agenda.

**Ms FYLES:** Minister, can you confirm whether any ministerial staff have sat on selection committees for public service positions within the Department of Education?

**Mr CHANDLER:** That does not occur from my office.

**Ms FYLES:** Would you like to check? I would like the question clearly answered, whether any ministerial staff have sat on Department of Education selection panels.

**Mr CHANDLER:** Not that I am aware of, and they would not have come out of my office.

**Ms FYLES:** The Chief Minister yesterday told the committee that his answer was no, then he was forced to apologise, so I am clarifying.

**Mr CHANDLER:** I have just heard from the Chief Executive that it is not.

**Ms FYLES:** Sorry, I missed that.

**Mr CHANDLER:** Not correct.

**Ms FYLES:** There have been no Department of Education panels where they have had ministerial staff sitting on them?

**Mr CHANDLER:** No.

**Ms FYLES:** Minister, can you give us an update on the EBA negotiations?

**Mr CHANDLER:** Those questions should be put forward to minister Elferink. What I can tell you is there has been a level of frustration in dealing with the union. I thought I had a pretty good relationship with Matthew Cranitch, but it soon became obvious their entire campaign was based on a political exercise, and not in the best interests of teachers.

I can only give you an undertaking that I want to work with the new president. I hear we have a new president who has just been elected. I am yet to have a meeting with him, but we are in the process of trying to set up a meeting with him as soon as we possibly can. At the moment, it is doing the union and teachers no favour whatsoever, withholding what is rightfully theirs - a genuinely offered and up-front pay rise.

**Ms FYLES:** Last year you told people at a rally outside parliament that you would put cuts on hold pending a number of reviews. Is that still the case?

**Mr CHANDLER:** That is still the case, and there will be - with this particular budget, we are lucky we did not sign up to Gonski, and the federal government was very helpful in that regard. It has given us additional money we can now put into things like special education. It is something that, in this budget, I am encouraged to see money and support from my Cabinet colleagues, so we have a new special needs school in Palmerston.

**Ms FYLES:** I disagree with your comment about support from your Cabinet colleagues. Education has been the budget cut continually. What is the cost of advertising for teachers ...

**Mr CHANDLER:** I did not see you in the last meeting.

**Ms FYLES:** ... to vote yes in the EBA ballot?

**Mr CHANDLER:** Sorry, what was the question?

**Ms FYLES:** What is the cost of advertising to urge teachers to vote yes in the EBA ballot?

**Mr CHANDLER:** I will not have that information, unless it is handed to me.

**Ms FYLES:** Minister Elferink refused to answer the question, and directed it to you.

**Mr CHANDLER:** The total estimated expenditure - I can give you a breakdown, if you would like. Design, is this ...

**Ms FYLES:** If I can have the total figure of urging teachers to vote yes in the EBA ballot.

**Mr CHANDLER:** It is \$26 090. As the Chief Executive rightly pointed out, none of the advertising has been encouraging teachers to vote in any particular way; it is just to vote to make a decision. In fact, even the

e-mail which I have been cc'd into from the Chief Executive to principals and teachers says just that. This is about voting and being heard, not about which particular way to vote. That is very important.

**Ms FYLES:** If the teachers vote down this offer, and there is no new offer as indicated by the Minister for Public Employment, what will be the total amount saved by the department, and how will savings be used by the department? Will it be retained, or will it be returned to Treasury?

**Mr CHANDLER:** That is a discussion for government to have in regard to what our next move would be. I am hoping we get a result from the ballot and teachers want to be given and accept a pay rise.

**Ms FYLES:** Teachers have made it quite clear this ballot is not about their pay rise. It is about losing vital conditions they fought hard for.

**Mr CHANDLER:** This is where I have been very frustrated through the process, because some of the argument has not been about the EBA. They are using the EBA as, if you like ...

**Ms FYLES:** Teachers are frustrated by your government's policy decisions which are impacting on our education systems.

**Mr CHANDLER:** I will tell you what they are frustrated about. It is not knowing what the truth is. The truth is often muddled by what information is put out by you and the Labor Party, time and time again. I have often thought you must have a unit that works on trying to find information, then put out something ridiculous.

**Ms FYLES:** Absolutely not, minister. I talk to teachers every day, and they do not want to see this fundamental change.

**Mr CHANDLER:** I have written to you; we have put information out through the media and other mediums ...

**Ms FYLES:** And they do not accept it. They do not accept the premise of the change.

**Mr CHANDLER:** ... which tell you the truth, yet, the figures which are often promulgated by you and others - the union included - are quite different to what the truth is. People are frustrated because they do not understand or know what the truth is ...

**Ms FYLES:** They do understand.

**Mr CHANDLER:** ... because the water is muddled continually. I tell you, if I believed half of the things you put out, I would have been out there rallying last year with my own placards to the government - if it was true, but it was not ...

**Ms FYLES:** You can do that within the Cabinet room; you can save these cuts.

**Mr CHANDLER:** ... true. It was not true.

**Ms FYLES:** Teachers do not want to see these fundamental changes to our education system. They want the government to start negotiating in good faith.

You made an election promise for a \$5000 bonus on completion of the first four years of teaching remote, and a subsequent bonus of \$5000 for the second year teaching remote - \$10 000 over two years. Is that being scrapped, or has that promise gone out of the window?

**Mr CHANDLER:** We broke that into two areas. The first one was that part of the conditions of being in our remote areas was after four years there was six-months study leave. The second component has not been carried through. That was reflecting on other conditions around the country. Even talking to teachers interstate a few weeks ago, compared to their remote allowances, we are ...

**Ms FYLES:** We are not comparing, we are talking about the Territory. You made a promise. You have broken that promise.

**Mr CHANDLER:** ... already providing the very best remote conditions compared to other states in Australia. So ...

**Ms FYLES:** Minister, you would have known other states' conditions going into the election. You made a clear promise of \$5000 on completion of four years and an addition \$5000 on the second year teaching remote.

**Mr CHANDLER:** At this stage we have not taken or continued with that.

**Ms FYLES:** So, that is not in the budget?

**Mr CHANDLER:** No, not in this year's budget, no.

**Ms FYLES:** Last year you said it is not included in this budget; if it becomes part of the EBA negotiations as far as Cabinet is concerned, we will have a look at them. You have dumped that election commitment?

**Mr CHANDLER:** No, the election commitment is not dumped. We are looking at what conditions we employ teachers under in the Northern Territory. I can tell you, compared to other jurisdictions – and this is ...

**Ms FYLES:** So, it is not part of the current EBA?

**Mr CHANDLER:** This is about ongoing discussions I will continue to have in Cabinet. It is about ongoing discussions this government will have with future EBAs. But, at this point in time, the conditions we provide for teachers in the Northern Territory under the previous agreement and the yet-to-be signed agreement are better than any other jurisdiction. You have to be ...

**Ms FYLES:** But you made a promise. You said it would be in the EBA and it is not.

**Mr CHANDLER:** ... very careful that the conditions you provide are enough incentive to bring quality teachers to the Northern Territory, to the point ...

**Ms FYLES:** Surely, minister, you would have thought about that before you made a promise?

**Mr CHANDLER:** Absolutely! The thing is I have always maintained ...

**Ms FYLES:** But you have gone back on your promise.

**Mr CHANDLER:** I have always maintained we need to have a level of incentive in the Northern Territory to ensure we can continue to attract quality teachers. What I now know is the incentives we have in place are better incentives ...

**Ms FYLES:** But, minister, surely you would have known that going into the election and making that promise?

**Mr CHANDLER:** I am telling you now that I know we have better incentives in the Northern Territory than there are in other jurisdictions.

**Ms FYLES:** So, you have dumped that election commitment.

**Ms WALKER:** Madam Chair, I have a question for the minister. It is with regard to the EBA and ...

**Mr CHANDLER:** I will be very careful that there are only certain things I will answer in regard to the EBA because it does not fit under my portfolio.

**Ms WALKER:** Okay. This does directly involve you, minister. I have attended so many rallies on the steps of this parliament I cannot remember exactly when this one was ...

**Mr CHANDLER:** When you were in government?

**Ms WALKER:** ... but it was protesting cuts to Education as a community ...

**Mr CHANDLER:** On the steps? Rallies when you were in government or in opposition?

**Ms WALKER:** No, no, rallies petitioning you as the government. This was late last year. I cannot remember if it was October or November. At that rally, you were presented with a bark petition by



respected Indigenous educator, Ms Gurruwun Yunupingu. It was a petition protesting cuts to Indigenous education.

I have been asked by Ms Yunupingu, as you would be aware, where that petition is. Essentially, you responded to my e-mail to say that it was not in your office. The intention was always that that petition be hung in a public place in the parliament and appropriately captioned that it was never a gift per se, it is not a picture to be hung on a wall. Why is it, then, that it hangs in the Chief Minister's conference room? He has written to advise me it is there. There has clearly been a misunderstanding. It is not the wishes of Ms Yunupingu that her bark petition protesting the cuts to Indigenous education sit on a minister's conference room wall.

**Mr CHANDLER:** Member for Nhulunbuy, thank you for letting me know that, because until that point I was unaware of where it was. I was in the process of trying to find the petition. The last I saw it was on a chair outside Parliament House ...

**Ms FYLES:** You do not visit the Chief Minister then?

**Mr CHANDLER:** When you wrote to me I was thinking to myself, 'When was the last time I saw the petition?' and it was on the chair outside Parliament House. I know when I walked in I did not have it in my hands. I had been making some inquiries to find out where the bark petition was. Now you have let me know where it is I can take it up with the Chief Minister, because I am aware the return of the petition is required. I would be happy to see what I can do in that regard.

**Ms WALKER:** It either needs to be returned or it needs to be on display in a public part of the parliament where all visitors to the people's parliament can see the petition and understand what its intention is.

**Mr CHANDLER:** Either one or the other? If it goes into a more prominent position or ...

**Ms WALKER:** With a caveat that if the request of the petition to resource Indigenous education to the expectations of the Indigenous community is not met, then it needs to be returned to Ms Yunupingu.

**Mr CHANDLER:** I will speak to the Chief Minister in that regard. My understanding on the day was that after we had attended the rally Mrs Yunupingu wanted to have photos with the Chief Minister and the bark painting. That was the last I had known, but now we know where it is at least I can speak directly to the Chief Minister.

**Ms WALKER:** Thanks for following up, minister.

**Ms FYLES:** One last question, do you ever go to the Chief Minister's office?

**Mr CHANDLER:** Pretty often, yes.

**Ms FYLES:** Minister, how many staff are being cut to achieve \$11.2m in administrative efficiencies as identified on page 37 of Budget Paper No 2? This is the highest for any Territory government agency, higher than Police. Why are you taking an axe to your own agency?

**Mr CHANDLER:** This is central office staffing. It also covers figures for fleet and travel reduction, not just staffing ...

**Ms FYLES:** Are you able to table how many staff are being cut?

**Mr CHANDLER:** I do not have those figures here. It will not be reflective of what is going on in schools because it is all just backroom staff.

**Ms FYLES:** It is still staff being cut from our education system?

**Mr CHANDLER:** No, not all, there is fleet, consultancies and everything. That is the total amount of money found in efficiencies within what was a very bloated department. The department has done a tremendous job in finding ways to reduce unwanted waste. You have to remember, with the efficiencies all departments are required to find, we are talking taxpayers' money, and we have a responsibility to ensure that money is spent wisely.

**Ms FYLES:** Minister, what programs are being cut to achieve \$4.7m in program efficiencies and rationalisations as identified on page 37 of Budget Paper No 2? That is higher than the Department of Children and Families and higher than Tourism NT. What programs are being cut?

**Mr CHANDLER:** There are reductions to funding to both CDU and BIITE ...

**Ms FYLES:** What are these reductions?

**Mr CHANDLER:** If memory serves me correctly, it is about a 4.7% reduction to BIITE.

Every department across government is required to provide savings. We cannot continue to spend more than a government earns. Unlike the former Labor government, who seemed to have wanton disregard for the way public monies were spent, one of the most difficult things we have had to contend with coming into government was finding ways to get the spending habits of this government under control ...

**Ms FYLES:** Minister, for ...

**Mr CHANDLER:** Have there been decisions made that are unpopular, which we did not want to make in the first instance? Absolutely, but they are necessary unless we want to continue on a road of wanton spending and little regard for future Territorians.

Let us talk about that for a second. This is about education, a future for your children and the children of others in the room. We hinder them with a legacy of debt that is unfair to them ...

**Ms FYLES:** Larger class sizes and less support.

**Mr CHANDLER:** ... a legacy for them to continue with for years to come. A responsible government lives within its means so it does not leave our children with a debt from us living beyond our means.

**Ms FYLES:** Minister, Batchelor Institute provides vital and unique ways of educating Indigenous people. It is a world-renowned program. Cuts of \$4.2m is pretty significant. Are you able to provide detail?

**Mr CHANDLER:** Savings measures have been applied right across the sector, including CDU and BIITE. No doubt, they provide relevant and effective ...

**Ms FYLES:** BIITE provides child protection courses and teacher-aide courses that are so vital for our Indigenous community, and you are cutting \$4.2m from their funding.

**Mr CHANDLER:** The figure you threw out there, to get it on the record ...

**Ms FYLES:** It was a figure you just gave me - \$4.27m of BIITE funding.

**Mr CHANDLER:** That is \$4.77m across the sector - CDU and BIITE. An amount of \$500 000 is coming out of BIITE.

**Ms FYLES:** There is \$500 000 out of BIITE and how much out of CDU? I was going off the figures you read.

**Mr CHANDLER:** CDU is \$2.6m.

**Ms FYLES:** What is that for? What is the \$2.6m cut for?

**Mr CHANDLER:** Repairs and maintenance and minor new works. With any money that is provided to either BIITE or CDU, it comes down to their management and how they will choose to ...

**Ms FYLES:** Absorb the cuts.

**Mr CHANDLER:** Absolutely.

**Ms FYLES:** Have you spoken to the chancellor about that \$2.6m? What was his view?

**Mr CHANDLER:** On numerous occasions. No one likes the fact they will have a smaller budget than they did last year, but they are pragmatic enough to understand they cannot, like all of us, live beyond their

means. They are paid good money, are well regarded managers, and they will manage this. They are pragmatic about it.

**Ms FYLES:** Minister, the GEMS program was successful, you cut that program and said you would restart a similar program. What is the current status of that?

**Mr CHANDLER:** You are right. The issue I had with GEMS was it was like a lot of education programs put together under the former government which were bolt-ons. There were bolt-ons after bolt-ons ...

**Ms FYLES:** It was not, it was a successful program to support our girls in schools.

**Mr CHANDLER:** I can show you the stats out of the different programs. There were elements of success in certain areas but there were not ...

**Ms FYLES:** It was successful and the girls are missing it. Have you been to Sanderson or to Nightcliff Middle and heard from them?

**Mr CHANDLER:** Compared to the Clontarf program, which is something I want to see for girls in the Territory - something very similar ...

**Ms FYLES:** But, what is the status? Where is it at?

**Mr CHANDLER:** We are looking at that right now because what ...

**Ms FYLES:** You have been looking at it since the end of last year.

**Mr CHANDLER:** You can argue that, but the point is we have had a particular program ...

**Ms FYLES:** Which was successful.

**Mr CHANDLER:** ... that was delivering different results in different areas. Under the Smith Family, there are certain elements of that program that are still being used in some schools ...

**Ms FYLES:** Certain NGO sectors picked up where you dropped off.

**Mr CHANDLER:** What I wanted to see was when I had a look at the outcomes for children versus the cost in education, the outcomes for children ...

**Ms FYLES:** There were more successful outcomes there.

**Mr CHANDLER:** There were far more successful outcomes in the Clontarf program for boys than there was through the GEMS program for girls. I recognise we need to have a similar, well-structured program, wherever possible, funded along the same lines as the Clontarf program.

I agree with you that we need a program, but it has to be a well-structured program we are designing at the moment.

**Ms FYLES:** So, where in this budget is the funding for that program?

**Mr CHANDLER:** It is within the Education budget. A lot of this design work that goes in at the moment is being done by the department.

**Ms FYLES:** Obviously, there would be a breakdown for the Clontarf program. Where would the GEMS or similar program be in the budget?

**Mr CHANDLER:** That was the problem in the past; there was not a particular budget line for GEMS, it was absorbed by the Department of Education. What I want to have ...

**Ms FYLES:** You undertook to develop a program and, nine months down the track nothing has been developed and there is no budget for it.

**Mr CHANDLER:** Not quite correct, because we are working on that at the moment. What I will not put out there ...

**Ms FYLES:** You cannot point to me in the budget where ...

**Mr CHANDLER:** No, just like you could not point to where GEMS was.

**Ms FYLES:** GEMS was a real program in our schools that is sorely missed.

**Mr CHANDLER:** I asked you the same question. Point to it in the previous budget papers.

**Ms FYLES:** You are letting down our middle school girls.

**Mr CHANDLER:** No, point to it. That is the question you give to me. Point to it in the budget papers.

**Ms FYLES:** You have had nine months to develop a program, but there is nothing.

**Mr CHANDLER:** We are developing a program, but I will not put a program out there until we have something well-structured that is going to deliver similar outcomes to what we see with the Clontarf program.

**Ms FYLES:** Do you have a time frame approximately for that?

**Mr CHANDLER:** As soon as possible, but I do not want a second-rate program put in our schools that could fall over. We want this to work. We want to focus on outcomes and not ...

**Ms FYLES:** Minister, GEMS was receiving outcomes. Our girls miss it and they question why they miss out.

On 28 May, the Chief Executive announced changes to the structure of the department, including a new Executive Director North, a new role for Director of Secondary Education, new special school management arrangements, and a new role of General Manager for Indigenous Education. How many executive contract staff, by grade, were there in the department, as of August 2012, and after the most recent May 2014 restructure?

**Mr CHANDLER:** I have the previous years here to put some context into this. At 23 June 2011, there were 51.7 positions. How is there a 0.7?

**Ms FYLES:** It is an FTE, you are always telling me that.

**Mr CHANDLER:** On 21 June 2012, there were 52, on 20 June 2013 there were 45.5, and on 5 June 2014 there were 34. We have gone from a high of 52 senior executives within Education to 34 on 5 June 2014.

**Ms FYLES:** You would expect that to be similar after this new restructure announcement?

**Mr CHANDLER:** I believe there will be one additional position, so it will go to 35.

**Ms FYLES:** Thank you. What was the cost of advertising in the Education Changes: The Facts campaign?

**Mr CHANDLER:** My advice is it was run by DCM, not Education.

**Ms FYLES:** Education did not pay anything? In special education, \$20m is allocated for a new special school at Bellamack. The school will cater for 140 preschool to Year 9 students. Do you have a time line for completion, and what is the plan for students beyond Year 9?

**Mr CHANDLER:** That is a great question.

**Ms FYLES:** Do I get a gold star?

**Mr CHANDLER:** Something I am quite excited about is we have allocated \$20m this year for a new special needs unit in Palmerston. The reality is we have a fantastic special needs facility at the secondary college which has had additional money. In fact, they are building extensions to the secondary unit right now. The idea is we have a standalone school which can take children from preschool years through to Year 9, then, at that stage they would then move over to the secondary facility, which is a good idea, rather than to have a comprehensive school ...

**Ms FYLES:** Just to clarify, where will the two sites be? The primary will be at Bellamack ...

**Mr CHANDLER:** At Bellamack, yes, and the secondary unit will be where it is now at Palmerston Secondary College. There is more expenditure going on there at the moment.

**Ms FYLES:** Is there more expansion there?

**Mr CHANDLER:** There is, yes. The reality on the Bellamack school is it is also going to take some level of pressure off Namarluk. I believe at the moment there are about 30 students bussed from the rural area or Palmerston into Namarluk each day who could, when this school is complete, benefit from the new school. It will take pressure from Namarluk as well, which will be a good thing.

**Ms FYLES:** What is the total allocation for special education?

**Mr CHANDLER:** Do you just want the capital works being spent?

**Ms FYLES:** Total allocation for special education.

**Mr CHANDLER:** Special schools and units provide educational programs for students with disabilities who meet the eligibility criteria. The Northern Territory government facilitates access to special education through three modes: special schools, special centres or units, and special programs.

Across the Northern Territory there are four special schools and 10 special centres dedicated to the delivery of education services to high-support-needs students. These schools are staffed at a ratio of one teacher to five students, with a dedicated special education support officer with every teacher.

Unlike some messages which have gone out to the community, when there were changes made to teacher/student ratios special education was not changed at all ...

**Ms FYLES:** Can I just interrupt on the question, as it directly relates? Henbury School saw a drop of 27 teachers in May 2012 to 22 in May 2013, so it lost five teachers.

**Mr CHANDLER:** The only areas where student numbers have changed in schools would have a direct effect on teacher numbers. If student numbers go up teacher numbers will go up.

**Ms FYLES:** Henbury is pretty full, but anyway, five teachers.

**Mr CHANDLER:** There are also four special programs catering for students diagnosed as having a hearing impairment or autism. I have the breakdown here. Do you want to know enrolment numbers across the schools?

**Ms FYLES:** That would be helpful, and the total allocation.

**Mr CHANDLER:** Okay. Current approved or recognised special schools in settings with enrolments are listed in the following table: Acacia Hills School ...

**Ms FYLES:** Do you want to table that document?

**Mr CHANDLER:** It is not a long table. Acacia Hills School, 53 - that is in Alice Springs; Kintore Street School in Katherine, 21 enrolments; Namarluk School which, as most people know, in Alawa is a primary school and there are 140 enrolments; Henbury School, which caters for middle and secondary in Casuarina is 90; and Centralian Middle School Special Education Centre, 13 ...

**Ms FYLES:** Is that current years?

**Mr CHANDLER:** That is the current enrolment.

**Ms FYLES:** Current enrolment.

**Mr CHANDLER:** Yes.

**Ms FYLES:** Do you have the previous. Sorry, Henbury was 90?

**Mr CHANDLER:** Henbury 90.

**Ms FYLES:** Yes. What was the previous year for Henbury? That is 2014 enrolment.

**Mr CHANDLER:** We can take that on notice if you want.

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**Question on Notice No 6.2**

**Ms FYLES:** Can I get 2012 and 2013 for ...

**Madam CHAIR:** Member for Nightcliff. Do you want to say that in your - otherwise you will say it all over again. Member for Nightcliff, please restate the question for the minister.

**Ms FYLES:** Minister, if I could please get a breakdown of 2012, 2013, and 2014 enrolment across the special education schools?

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

**Mr CHANDLER:** I do.

**Madam CHAIR:** The question asked by the member for Nightcliff is No 6.2.

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**Mr CHANDLER:** Just to speed up the process, member for Nightcliff, I will not continue to read those out.

**Ms FYLES:** Okay, no worries.

**Mr CHANDLER:** Just the totals: 503 enrolled students across all of that sector.

**Ms FYLES:** Yes.

**Mr CHANDLER:** We will include that information with the previous years. In regard to capital expenditure, there is an additional \$33.8m in the 2014-15 and 2015-16 years for special education.

**Ms FYLES:** You do not have a breakdown of the total allocation for special education funding?

**Mr CHANDLER:** Yes, I do. The 2013-14 Budget estimate was \$46.86m and the 2014-15 Budget is \$48.03m.

**Ms FYLES:** Does that include capital works?

**Mr CHANDLER:** No, that is just the ...

**Ms FYLES:** In May 2012, the previous Labor government announced a \$30m five-year funding program for special education. Is that \$30m still being rolled out?

**Mr CHANDLER:** Sorry, I missed that.

**Ms FYLES:** Under the previous Labor government, in May 2012 there was a \$30m over five years funding for special education. Is that still being rolled out?

**Mr CHANDLER:** It was \$33.65m. I can go through what was spent in different schools of that particular money, then show what we have added to that since.

**Ms FYLES:** I was more interested if it had started to roll out and is still being rolled out, rather than the specifics in the interests of time. There have been some minor changes?

**Mr CHANDLER:** There have been. For instance ...

**Ms FYLES:** But it is still in the order at that figure?

**Mr CHANDLER:** Yes, but in the original plan the previous government in 2009 committed \$10m to the new Palmerston Bellamack Special School. We realised that \$10m is not going to do it, that is why it is \$20m this year. We have just added to that original program.

**Ms FYLES:** Yes, no worries.

**Mr CHANDLER:** I should also clarify that there was \$2m going to go into the Woodroffe Primary School. That has been reduced to \$500 000 because the rest of that money will go into that new school at Bellamack.

**Ms FYLES:** Is that being reduced now or when Bellamack opens?

**Mr CHANDLER:** The \$2m was not spent at Woodroffe ...

**Ms FYLES:** Okay, it was forecast? They had a \$1.5m reduction, but it will be made up when ...

**Mr CHANDLER:** That is right, yes.

**Ms FYLES:** So, there is a little shortfall for a little while?

**Mr CHANDLER:** No, because it was never spent, so it ...

**Ms FYLES:** It was ...

**Mr CHANDLER:** They have not built it yet. It is just that instead of building it here, it will go into the new school.

**Ms FYLES:** Oh I see. Apologies. I am done with the global questions.

**Ms ANDERSON:** Minister, to go further to a similar question the member for Nightcliff asked. In the breakup of the support staff that has affected schools throughout the Northern Territory, would you also count the Indigenous support workers and money to Aboriginal schools in that number as well?

**Mr CHANDLER:** In the original question?

**Ms ANDERSON:** In the original question the shadow has asked you. I think you have taken the question on notice.

**Mr CHANDLER:** Can we re-read the question back? You do not have it?

**Ms FYLES:** Sorry?

**Ms ANDERSON:** Asking for the breakup of the support staff that has been lost in schools. In that, there would also be the support workers in remote Aboriginal schools that have been lost? As you know, Indigenous employment is your biggest problem in the Northern Territory ...

**Mr CHANDLER:** So, you want us to include those figures?

**Ms ANDERSON:** I would really like to have a look at those figures.

**Mr CHANDLER:** We are happy to include that in the ...

**Ms ANDERSON:** We asked you a question in Question Time about those support workers being lost in remote schools and the answer we received was there were none. We definitely know support workers have been lost in remote schools. You reiterate repeatedly, minister, the fact that Indigenous education - the poor literacy and numeracy in the Northern Territory has put the government in a critical situation ...

**Mr CHANDLER:** Absolutely.

**Ms ANDERSON:** ... where you are now starting to compare other jurisdictions to the Northern Territory. If the Northern Territory government takes away support workers - which are the base workers for Indigenous kids - who have language capacity and can communicate with the children and also communicate with your classroom teachers, then we are in a very bad situation in the Northern Territory if we see that happening

through this government's failure to recognise Indigenous kids are at the bottom end of the human rubbish dump, as I call it. We need to be honest and transparent in the way we talk about Indigenous education even in the comparison, minister, when we compare the Northern Territory to other jurisdictions. You do not know your jurisdiction if you are talking about Queensland. Queensland is not on a similar par to the Northern Territory. There are only two jurisdictions you can compare to the Northern Territory which have the same language and the barriers of language. They are the bottom end of Western Australia and South Australia which is the Pitjantjatjara and Ngaanyatjarra jurisdictions.

**Madam CHAIR:** Member for Namatjira, because the bulk of the information will come out of that question, if you want to ask for the specific data, we will do it on notice, and that way you will get the right information.

**Ms ANDERSON:** Madam Chair, it is important that we highlight, when questioning the minister on whether those support staff have been taken out, that we have an argument behind why the support workers are vital in remote Aboriginal schools.

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#### Question on Notice No 6.3

**Madam CHAIR:** Member for Namatjira, can you please specifically state your question for the record.

**Ms ANDERSON:** Minister, more information on what the shadow has asked for, in the break-up of support staff being taken out in Territory schools. We would like clarification and variation of how many of those positions are in remote schools?

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

**Mr CHANDLER:** Yes.

**Madam CHAIR:** The question asked by the member for Namatjira is question No 6.3. It is an additional question to No 6.2

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**Mr CHANDLER:** It is important to know the Department of Education, in quarter three - January to March 2014 - we had 550 Indigenous employees. That is 11.9% of the total workforce for Education. By comparison, the Northern Territory public service has 8.4%. Education is providing 11.9% of our workforce as Indigenous compared to 8.4% across the Northern Territory public service.

**Ms ANDERSON:** Madam Chair, is that full-time employment or ...

**Mr CHANDLER:** That is the head count, so that would be full-time employment.

**Ms ANDERSON:** Individual people.

**Mr CHANDLER:** Yes, 550.

**Madam CHAIR:** Are there any further questions on the statement?

**Ms ANDERSON:** Another one on the statement, thanks, Madam Chair. Minister, you have compared schools across other jurisdictions. Can you elaborate on which jurisdictions you are comparing the Northern Territory schools to?

**Mr CHANDLER:** I would love to. I had the opportunity to go to north Queensland, which is just one jurisdiction I have compared schools in - but one of note. Noel Pearson's schools use a method of teaching called Direct Instruction, a very explicit way of teaching. I reckon it would be hard to teach, from a teacher's point of view - not being a teacher - they earn their money over there; it is a very full on method of teaching.

However, in the classrooms I walked into, school after school and classroom after classroom, I came across engaged students. These children were more engaged than I have seen in many other schools, particularly in the Northern Territory, where they did not seem to be disrupted. We were walking into classrooms with an ABC camera crew and the *NT News*, so there was a lot of momentum walking into a classroom. You occasionally had a child look around and, then, look straight back at the teacher. They were engaged in their learning.



I got the opportunity to speak to teachers while we were there, and I asked, 'What makes you so enthusiastic about this method of teaching?' They said it was because they see the results. I had spoken to teachers who had left those schools and came back. They had gone into mainstream schools and thought it was not working and went back to some of these classrooms in Cape York, like Aurukun.

If I can touch on the resources. I walked into classrooms in Aurukun - I think it had 19 classrooms - and there were hardly any computers. There was one SMART Board in the entire school. We have schools where there are SMART Boards in most classrooms, and resources like you would not believe, compared to what we saw over there. We went into classrooms that did not have matching chairs and tables in some rooms, whereas we seem to have excellent resources in our schools, but are not getting the results we should be getting. Everyone has an excuse that we need to have the very best of everything before we see an improvement in results ...

**Ms ANDERSON:** The DI schools in Cape York would be on NAPLAN as well. What is your NAPLAN reading of the Northern Territory literacy and numeracy compared with the DI schools?

**Mr CHANDLER:** There are two things. I will be very careful here. DI in Cape York has been running for three or four years now. In certain schools it has only just started. In those, to have that teaching method, once a child has gone through the entire program, you will see progressive improvements, especially over what we have.

Ken, you showed me a chart about our NAPLAN results in the Northern Territory. This is why we have to do something different. We just ...

**Ms ANDERSON:** What is the comparison between the Cape schools still on NAPLAN and us?

**Mr CHANDLER:** The comparison is that our results in the Northern Territory are well behind every other jurisdiction. We are coming off a low base, and we are so far behind. This chart here - and I know that people outside will not see this - is from Bruce Wilson's report. This is our remote schools, but this is not comparing our remote schools with the likes of schools in north Sydney and Melbourne. These are like for like, mapping schools like Halls Creek against Aurukun. We are behind them, which is why we have to challenge the way we have done things in the past and come up with a solution that provides a better opportunity for Indigenous children, no matter where they are in the Northern Territory.

**Ms ANDERSON:** These days Direct Instruction has a cultural portion or component to the curriculum.

**Mr CHANDLER:** It does.

**Ms ANDERSON:** How would you then develop the Indigenous cultural aspect of DI in the Northern Territory? In fact, in the trip to north Queensland, you did not take one Aboriginal person from your department to see that school.

**Mr CHANDLER:** My initial trip will not be the last. There have been more people go since then, and there will be more who go as we form that relationship and build on how we will move forward in that space. We are getting excellent support from Noel Pearson and the Cape York Academy. As you know, we have the Indigenous education review, and the department is now working on the implementation plan.

We are working very closely, but there will be more people who go to Queensland. The more people who witness what is happening there will be convinced it is something we should be exploring in the Northern Territory.

**Ms ANDERSON:** Minister, we need to be very careful because of time. How much of the Territory taxpayers' money did we waste doing these journeys to the Cape? As you know, a similar trip was taken four years ago ...

**Mr CHANDLER:** Would it help if you come along, Alison?

**Ms ANDERSON:** There will be another one coming, hopefully, this time with Indigenous people who can put the cultural aspect of DI together for the Northern Territory schools. We would love to give you a hand, we know remote schools and our Aboriginal culture. One of the things you have to be very careful of with the cultural aspect of DI in the Cape is they do not have the strong cultural aspect as we do in the Northern Territory ...

**Mr CHANDLER:** I believe you are right.

**Ms ANDERSON:** They get to learn to speak their language, ours is the foundation and we already have that. It needs to be different, respecting the outcomes they are getting in the Cape, but also understanding that we have a deep entrenched culture in the Northern Territory,

**Mr CHANDLER:** I agree with that. I should put on the record, though, when I went to north Queensland - I believe you were coming originally, but there was a change of ...

**Ms ANDERSON:** I cancelled it because you were going, and I thought you should have the limelight, not me.

**Mr CHANDLER:** Right, okay. Thank you, I appreciate that. You are absolutely right; those people who have seen it witness something you do not see in the Northern Territory. But, the critical thing in all of this is it provides consistency. I do not think that is what we have in our schools, particularly our remote schools. At every school I go to, they are using different maths, English and reading programs. We have a transient society. If a child goes from one school to another – and it might be because of sorry business or other reasons – they would be walking into a school they are not familiar with, but also a teaching method they are not familiar with.

If there is one thing we can do with remote schools in the NT, it is bring in consistency, whatever the program is, so if a child goes from one school to the next school they are not out of their depth because they know something straightaway which they are familiar with. That is one thing Direct Instruction can do.

**Ms WALKER:** Madam Chair, on the back of that, if I could make a comment as well? The member for Namatjira is correct. You must engage with Indigenous education leaders in the Territory in a visit to Cape York. I know teachers at Yirrkala School who hold bachelor degrees and decades of experience, including Ms Gurruwun Yunupingu.

However, I also caution you, having visited the Cape York Institute with Malarndirri McCarthy a couple of years ago and spent time with Noel Pearson and participated in a role model of Direct Instruction. What you have to remember is Direct Instruction is just one part of the Cape York reforms. They have a Families Responsibilities Commission which impacts and makes positive change on children's and families' lives. You cannot just cherry pick out DI as being the silver bullet – you and I know it is not a silver bullet – in addressing Indigenous education in the Northern Territory. I wanted to make that comment and to caution you about that. We are talking about a wider suite of reforms here.

**Mr CHANDLER:** Member for Nhulunbuy, we agree on something. It is so true, though, there are many aspects to what we saw over there. I particularly like the fact that many of the parents are paying into a scheme which helps support their children's education. I love the fact there is community involvement in ensuring kids are going to school, and the schools can rely on those community elders stepping in when families have children not attending school. You are absolutely right, it is not the one thing, it is a combination of things which are truly needed to address some of the concerns with Indigenous educational outcomes.

**Madam CHAIR:** Are there any further questions on the statement?

**Mr BARRETT:** Yes, I will move on from that, talking about the Indigenous education as well. There is an Indigenous education review currently in place. I am wondering how much is assigned to that in the budget.

**Ms FYLES:** We have questions on that further on.

**Mr CHANDLER:** I am happy to answer that now. The truth is, on coming into government - and the member for Blain is right - there needed to be a review of Indigenous education. The reality is if you are happy with the results we are getting with what we are providing for Indigenous children, let us just continue to do things the way we have always done them.

I can tell you right now I am not happy. There is so much more we can do to provide opportunities for Indigenous children. It is everything from – throwing on my Lands and Planning hat for a minute - the fact that we need to have the ability for people to use land, for Indigenous people to have business, to buy their own homes, and provide real economies in communities. Then, do you know what? We are educating our kids for a chance and we need to be giving them a choice.

The way we are going at the moment it is as if, for a long time, remote Indigenous education was put into the too-hard basket. However, it is not through the lack of effort of resourcing, money, and even attitudes of the former government. I am not, in any way, going to play politics, because I do not think there is anyone involved in remote education - whether it is the current government, the former government, teachers, or anybody out there – who does not want better outcomes for Indigenous students.

We all want the same outcome, but it is how we get it. Unless we get past the fact the results we have today are based on the resources and approach taken in the past, we are not going to go anywhere.

At a recent ministerial conference interstate, ministers from both sides of the political camp - both Labor and Liberal – were commending the Northern Territory for working in this space and having the courage to take on the challenge. The only ones who do not seem to get that we have to work in this space to improve it is the Labor opposition ...

**Ms WALKER:** Oh, rubbish!

**Ms FYLES:** And teachers, parents, and some secondary students.

**Mr CHANDLER:** I tell you, every damn teacher and parent I speak to, Natasha, wants to see improvements in this space. No one has ever said to me they are happy with continuing to do things the way we always have. I do not know who you are speaking to, but if you are speaking to fair dinkum teachers they all want to see better improvements ...

**Ms FYLES:** Fair dinkum teachers now!

**Mr CHANDLER:** Teachers who want to see improvements for students. You can sit there and smirk and smile if you want, but the reality is, it is too important. This is too important a subject to get wrong, which is why this review has been done, member for Blain. It is why we need to put more money into ensuring we have the ability to not let this report sit on a shelf, but to implement the recommendations. It is why we put money aside in this budget. It is why we have the Department of Education now working on an implementation plan. It has until the end of July, I think. I will present that in August to Cabinet to get Cabinet to sign off on the direction we are going to take with Indigenous education.

However, we need to do it so much better than we have done in the past. Will it cause some challenges? Absolutely. Will it be an overnight fix? I pick up on what the member for Nhulunbuy said earlier that she and Malarndirri McCarthy visited Cape York. That must have been pretty much just after Direct Instruction had been introduced. Even Noel Pearson said to me, 'If you had come across here a few years ago you probably would not have been that excited because it was new'. We had the opportunity of seeing a program that had been bedded down for the last three or four years, so the results and the participation by those children in the classroom are the result of a few years of bedding down a new system.

I would not suggest to you that we would get perfect results overnight. If we choose to use Direct Instruction in remote schools in the Northern Territory it will take a number of years. It is why Bruce Wilson, quite rightly, pointed out in his report that whatever we do in this space we should be doing it for the long term - a commitment of at least 10 years on a particular pathway.

Of course, four or five years down the track, if it looked like it was an absolute failure you would have to be foolhardy to keep it going. But, you have to provide at least a long-term commitment to this change before you are going to see some results.

**Ms ANDERSON:** Madam Chair, I have one global question of the minister as well, on review. Minister, this discussion has taken place. The review is suggesting the Northern Territory government look into boarding schools for the future.

Yet, if you talk to Aboriginal mums and dads on the communities, like me, we have been sending our kids to boarding schools forever - for the last 20 years. We have been sending them to Wiltja, Warrawa, St John's, and Kormilda College. It is absolutely unreal to get a dorothy dixer, I presume, from the member for Blain asking about the review when he is a former teacher at Kormilda College. He should know we have been sending remote Aboriginal kids to boarding school forever and a day – as I said, for 20 or 30 years.

If you have a look at the front end of scrutinising education in the form of a review, one would think you would have the back end as well. That is the end we are talking about - some kind of review into what is failing there – to try to get the two to match or equal up, and get the results, as a society, we are all looking

for at the moment. You have had a review into the front end of education failure. We are telling you, as parents, we have been sending our kids to boarding schools for the last 20 to 30 years, yet, you have not had a review into this process. You will jump to your conclusion that is the end result. Without a review you are concluding, as a government, as a minister, that is where you are going in that space.

**Mr CHANDLER:** Nothing is certain. I had to ensure, through the budget process, member for Namatjira, is we had money there if we choose to go down that line - if Cabinet says this is what we should do based on the evidence we have. I did not want a situation where we have a review and recommendations, but we have no money to implement recommendations if we choose to.

Noel Pearson's north Queensland academies demonstrate that, in the primary years of school, they are building a solid foundation in children. All those children have the expectation that to continue their education they have to go to a boarding facility. That is not the case in the Northern Territory; not all children go to boarding facilities. Yes, you are right, some parents choose to send their children - I think every Indigenous member of parliament, at one stage, went to a boarding school. There are some really good results which have come out of that process.

The issue we have is it probably will not be for everyone. We will have to cater for those few who do not want their children to go away. That is where open ...

**Ms FYLES:** The majority.

**Mr CHANDLER:** I would not say the majority, member for Nightcliff. You are making a pretty broad assumption there ...

**Ms FYLES:** You are going to force them to go away.

**Ms WALKER:** You do not know the communities of East Arnhem.

**Mr CHANDLER:** There is an old saying that if you spread the glue too thinly it does not stick. That is what we have seen here.

We had over 500 children go through the senior years last year and very few - around 20 - passed. That is the result of a failed system. We are failing these children, not providing a system that gives them the opportunity to pass. Look at teachers in a remote community with 14, maybe 20 children in the school, ranging from primary through to the secondary years. How is a teacher supposed to provide all those children with a broad enough curriculum to get them over the line is beyond me. You have to make the decision ...

**Ms FYLES:** You do not want to give them a choice.

**Mr CHANDLER:** ... as they have done in north Queensland for years, that they provide a primary school education for children ...

**Ms ANDERSON:** Minister, with the DI - Noel or the academy will tell you it has taken them seven years to get those schools from bad to fair.

**Mr CHANDLER:** Absolutely.

**Ms ANDERSON:** That is where they are today, seven years down the track. If you are looking at that system, be prepared for the seven years. You have just had a review that has, quite clearly, indicated that the future direction of this government should be boarding schools for our children. We are telling you, as parents from communities, we have been sending our kids to boarding schools for the last 20 to 30 years and we have not had the outcome.

Your review has told you to do something. You said you do not want to promise any money to go over there because you know it will cost too much money. You will not take the risk so you will not do a review into that tail end, but just presume it will work and drag us over there.

**Mr CHANDLER:** No, I do not think you are correct. In the discussions I have had with Kormilda College and other people working for boarding facilities, one of the biggest differences is the children coming into those boarding facilities are so far behind they spend the first few years trying to get them up to speed. That is why they go through the system with lower outcomes than you might expect from colleges like

Kormilda. They get a better opportunity, but they are spending the first few years trying to get them up to the level they should have entered the school ...

**Ms ANDERSON:** We have known that, minister, for the last 20 to 30 years.

**Mr CHANDLER:** If we fix the primary years in our remote schools, building solid ...

**Ms ANDERSON:** That will take you seven years through some form of Direct Instruction.

**Mr CHANDLER:** The longer we put it off the longer we will not see that positive change. We have a responsibility. As Minister for Education, I have a responsibility to have the courage to make that change. The longer we put it off, the longer we continue to do it the way we have always done, we will never see the results change. We have to give these kids a chance. If we can fix those early years of education so when they go to Kormilda, St Philip's, or other schools they are already ahead of the game because they have a sound foundation to come from. We have to fix up that area of education before we can give them a better chance.

I guarantee if we go down this road, in four, five, six or seven years from now, the quality of kids coming out of our primary schools into our boarding facilities and schools like Kormilda is going to be of a better standard, which gives them a better chance to matriculate.

**Ms FYLES:** Minister, Direct Instruction is a private instructional method. What would be the cost to the department to buy that method from a private supplier?

**Mr CHANDLER:** It is something we are looking at. There are a number of providers of this type of teaching method. It is something, I am advised, we would be able to purchase within our current resources.

**Ms FYLES:** That MySchool website shows that Cape York, with that method, has 372 students and 44 teachers, so the teacher ratio is intensive, with fewer than 8.5 students for each teacher. Based on attendance, it is one teacher for six students, so it is an expensive method. Some of the results you have spoken about positively in big, broad terms. If you look at Aurukun, reading is better, but persuasive writing, grammar, punctuation, and numeracy are worse, and 17% of the students did not participate in the tests. I urge you to take caution going forward with that model; it is expensive, intensive ...

**Mr CHANDLER:** Tell me - worse than who?

**Ms FYLES:** On the MySchool website it is worse than the average.

**Mr CHANDLER:** But, worse than the Territory?

**Ms FYLES:** Worse than the average. Also, Bruce Wilson told 7.30 NT the boarding school model is very expensive. What scope in the budget is there to accommodate such an expensive model? What are the costs for boarding students? What modelling has the department done to determine the expected costs for the Territory?

**Mr CHANDLER:** I will answer that back to front. There is about \$40m in the budget over the forward estimates to ...

**Ms FYLES:** Over four years, so that is \$10m a year. We have to build these schools.

**Mr CHANDLER:** In some cases, we will. There will also be versions of public private partnerships which could be with existing ...

**Ms FYLES:** Can you expand on that?

**Mr CHANDLER:** Absolutely. There is a possibility we could be working with those already in existence, helping expand those facilities rather than try to build new facilities. These are all areas we will be exploring if we choose to go down that line. Back to the original question, the first part of that question was?

**Ms FYLES:** That Direct Instruction is a private method, it is very expensive. Principals are horrified that parents do not know what is happening. The consultation in the Arnhem region was at 5 pm on a Friday. What consultation has taken place with communities? The member for Namatjira has left the room now,

but she is expressing concern for parents. Principals feel families do not know what is going on. What consultations have you taken part in to date?

**Mr CHANDLER:** Bruce Wilson's consultation around the Territory was quite comprehensive ...

**Ms FYLES:** I disagree completely with that statement.

**Mr CHANDLER:** You can disagree with that if you like ...

**Ms FYLES:** Visiting Arnhem Land at 5 pm on a Friday - I think it was for an hour - is not real consultation.

**Mr CHANDLER:** That was not the only consultation. The decisions on what we do with remote Indigenous education have not been made yet. There is still a lot of consultation to go through. If you read the report ...

**Ms FYLES:** It is in the budget, it seems fairly certain.

**Mr CHANDLER:** ... and I hope you have read the report ...

**Ms FYLES:** I have had a briefing too, you will be pleased to know.

**Mr CHANDLER:** Good, excellent ...

**Ms FYLES:** You are always telling us to have a briefing.

**Mr CHANDLER:** That is fine. The consultation will continue. When the government decides what it wants to do in this area, there will be further consultation. I know you have read the report and had the briefing. Bruce Wilson was adamant that you cannot go on this alone. This has to be something where you bring the community to with you. The community needs to understand what potential changes, challenges, and opportunities would be available should the government choose to go down the line in this case.

**Ms FYLES:** Have they accepted all the recommendations of the review?

**Mr CHANDLER:** The implementation plan is being worked on at the moment.

**Ms FYLES:** You have accepted the recommendations?

**Mr CHANDLER:** Cabinet is yet to accept the recommendations, because we have to look at the implementation plan. It goes to Cabinet and, should Cabinet sign off on it, we will move to implementation. You have to remember that ...

**Ms FYLES:** It seems odd to make an allocation for funding of boarding facilities and to appoint a general manager for Indigenous education review implementation, if Cabinet has not had a discussion or accepted the recommendations.

**Mr CHANDLER:** As I explained to you earlier, it was very important for me, when we were going through this year's Cabinet budget discussion, I had money allocated in the budget to implement the recommendations. If ...

**Ms FYLES:** That would surely indicate that you are willing to accept them and move forward?

**Mr CHANDLER:** I do not know how you would work in government, but I did not want to get to the point ...

**Ms FYLES:** I would have had the decision before budget Cabinet.

**Mr CHANDLER:** I would have not arrived to the point of having a completed report, having recommendations and an implementation plan put to Cabinet in, perhaps, August of a particular year, then have to wait until next March, April, June before having the money to start the implementation plan. I have the money up-front, then we can move towards implementation. We can work from day one from when we get Cabinet sign-off. What I do not want to do is have to wait 12 months.

**Ms FYLES:** It seems you are indicating Cabinet will sign off on it, regardless of what ...

**Mr CHANDLER:** You are trying to put words into my mouth now. What I am saying to you ...

**Ms FYLES:** It seems very obvious when you have a general manager of the Indigenous education review ...

**Mr CHANDLER:** I do not know how you plan ...

**Ms FYLES:** ... implementation in place ...

**Mr CHANDLER:** I honestly do not know how you plan. If we were using your ...

**Ms FYLES:** When you are funding boarding schools you are going down that path.

**Mr CHANDLER:** ... particular model I would not be able to move on this until 1 July 2016 at the earliest, using your method of accounting.

**Ms FYLES:** What I am saying is, for somebody who has not accepted the recommendations or made up their mind, it seems strange to fund boarding schools and to appoint a general manager for Indigenous education implementation review. Anyway, that is ...

**Mr CHANDLER:** I do not think you are going to win that argument. We have to plan for these things and we are ...

**Ms FYLES:** You are talking like it is happening, and I am saying that consultation has not been deep. Parents and principals are concerned.

**Mr CHANDLER:** I can give you one commitment right here. There is something happening, and it is going to be different to what we did before. What we are working on now is an implementation plan. I want to be ready on day one that we get Cabinet sign off on this, so we can start working. It is pointless waiting another 12 months for this, because that is another potential year lost to a system which is failing our children - and I will not stand for that.

**Ms WALKER:** Madam Chair, I have a question of the minister in relation to boarding schools. A couple of things - the boarding school designated for Garthalala has been abandoned since changes in governments federally and in the Territory. There is much talk about a boarding facility in Nhulunbuy, which has alarmed many of my Indigenous constituents.

At the consultation session I attended on a Friday afternoon at 5 pm in Nhulunbuy with Bruce Wilson about the review, he spoke about the program of boarding facilities being operated on a trial basis, and that it was important it be operated on trials to measure the success. I assume he makes that comment so we avoid building white elephants.

The boarding facility designated for Nhulunbuy is not only associated with the Indigenous education review, it is tagged as an economic driver for the community. I am deeply concerned - and I am not alone - that it is proceeding as an economic driver with no consultation with the wider community. I know your head of Infrastructure and the architect for Education have been out there, obviously, planning a facility for somewhere in Nhulunbuy.

How can a project which is under the Department of the Chief Minister, designated as an economic driver on the list of future industry for Nhulunbuy, at the same time be part of a review which has yet to go to Cabinet for approval? We seem to be putting the cart before the horse here in regard to Nhulunbuy and northeast Arnhem Land boarding facilities.

**Mr CHANDLER:** I thought, member for Nhulunbuy, you would be overjoyed there would be new infrastructure being constructed in Nhulunbuy.

**Ms WALKER:** I would. I would love to see a Corrections facility, purpose built. I would love to see the \$13m committed for building at Gove hospital. I would love to have seen the \$5m patient facility, a boarding facility at Gove hospital. That money was returned. A number of federally-funded projects are not progressing under the CLP. I would have loved to have seen the Garthalala facility proceed but, as I said, that has been abandoned.

Yes, we welcome infrastructure, but what we also welcome is consultation to ensure, in particular, our Indigenous communities are on board with this, so we do not have a white elephant sitting in Nhulunbuy at the end of the day.

**Mr CHANDLER:** The idea would be not to have white elephants. I want to unpack this very closely. We have two amounts of money on offer here. There is money we are putting into the Indigenous remote education review, and is money the federal government is offering for a number of different initiatives. Unlike the former government, I want to take advantage, where we can, of federal money.

I want to cover off on one thing - this will give people a good understanding of the costs of educating our children in the Northern Territory. If you were to put a child through the public system in the Northern Territory in a provincial location, the cost per NTCE completion is about \$86 115; in remote - and this includes Tennant Creek and Nhulunbuy - about \$158 348; and very remote \$1 460 789. That is currently what the government is spending on educating children.

With those figures, we could not afford to roll out a model of Direct Instruction or other ways of delivering education. I do not know what else you could do because the money is already there – it is allocated for what it is currently costing. We do things a little differently than the way they have been done before.

It does not matter - I said this before - what method of teaching we use as long as it is consistent. You are going to have a better outcome than an inconsistent model we have had across remote areas of the Northern Territory.

**Ms WALKER:** Going back to boarding facilities, minister. We are talking about planning is proceeding. I believe a location has already been identified and it could well be existing infrastructure that is to be renovated. This is entirely at odds with your consultant's review about the importance of trialling facilities.

**Mr CHANDLER:** Bruce has made a number of recommendations and assumptions through his report. Whether Cabinet decides to sign off on every single one of those recommendations is yet to be seen.

At the moment, we have an opportunity to accept some federal money to build a particular facility in Nhulunbuy. The reality is that is going to play right into this government's hands. It is like a free kick in helping us in that area, should that final decision be made. It is pretty likely ...

**Ms WALKER:** All of this is not new money.

**Mr CHANDLER:** It is pretty likely ...

**Ms WALKER:** Only one of three boarding facilities was built, so the money is already there.

**Mr CHANDLER:** It is likely I will be recommending to Cabinet most, if not all, of Bruce Wilson's recommendations. I am certain Cabinet - without trying to prejudge what they will say - will want to see some major changes in remote Indigenous education. That will, I suggest to you, mean moving towards boarding facilities.

It is a fact we have an opportunity from the federal government at the moment. We should take that opportunity. It is something that will be good for Nhulunbuy. If it provides better student outcomes ...

**Ms WALKER:** Not without buying the families who will be required to send their children there without a choice.

**Mr CHANDLER:** That will be part of the process.

**Ms WALKER:** When will you start consultations, minister?

**Mr CHANDLER:** Consultation happens all the time. Let me get through the implementation program and get the decisions made so, then, we can start to move in the area of consultation.

**Ms WALKER:** Does this mean you will be defunding and closing down homeland schools?

**Mr CHANDLER:** No. Why would we do that when we are talking about boarding facilities which are for seniors? You are not going to take an entire school away ...



**Ms WALKER:** Because there are teenagers in homeland schools and, if you remove those ...

**Mr CHANDLER:** There are teenagers in homeland schools, but it does not mean you are going to close the school ...

**Ms WALKER:** ... children into a boarding facility, you ...

**Mr CHANDLER:** You just made an assumption we are going to close schools because we are, perhaps, not going to run a secondary facility from that school. It does not mean we are going to close the school.

**Ms WALKER:** Will you guarantee that all the homeland learning centres and outstation schools will remain?

**Mr CHANDLER:** Sorry, the ...

**Ms WALKER:** Will you guarantee that homeland learning centres and homeland schools will remain and be continue to be supported at exactly the same level?

**Mr CHANDLER:** The level of support will be dependent on the students who attend those particular schools. There is no talk ...

**Ms FYLES:** So, you will not cut that option forcing them into boarding schools?

**Mr CHANDLER:** There is no talk of closing down these schools. I have said already on the record that there will be occasions where you have students and families which do not want to go down the way of a boarding school. As a government, we are going to have to work with those communities to find solutions for those problems. There is not ...

**Ms FYLES:** They are not problems, they are children who deserve an education.

**Madam CHAIR:** Please stop interrupting the minister. I have given great latitude.

**Mr CHANDLER:** The reality is, if you listen to Noel Pearson, it took many years to change the community's views on the boarding facility models. It was not an overnight decision in Queensland. However, they found in north Queensland many years ago that they too failed their secondary students in remote areas. It is why they made the decision to go to regional boarding facilities to provide a better education for those students.

Then, they shifted the focus to their primary use - which they have now done in recent years - applying Direct Instruction, a different way of teaching children. It provides a sound foundation for those children to be ready for the years of secondary facilities at a far better academic level.

**Ms WALKER:** I caution you, minister, there are many worried families, not only in homelands but in the larger communities like Gapuwiyak, Yirrkala, Gunbalanya and Maningrida, as to the implications of your, to date, unconsulted boarding facilities are all about. Thanks, Madam Chair.

**Madam CHAIR:** No further questions on the statement? It is 10.30 am so I will call a five-minute break. Thank you.

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The committee suspended

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**Madam CHAIR:** Minister, welcome back. We will close questions on the statement. The committee will now proceed to consideration of the estimates of proposed expenditure contained in the Appropriation Bill, as they relate to the Department of Education.

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

**Madam CHAIR:** Are there any agency-related whole-of-government questions on budget and fiscal strategies, as that is where we are up to. The member for Nightcliff has a couple of points of clarification for you, minister.

**Ms FYLES:** I do not have any global questions, but I wanted to ask whether would you be able to table written question 180 'portfolio specific'. It has quite a few parts to it, including non-teaching positions in all government schools and other issues. I was wondering if it is possible to get that tabled?

I am happy to come back to that. Can I ask one more question? We were talking earlier about the \$5000 bonus on completion of a full teaching year in the same remote school. I need some clarification because you indicated to me that policy was no longer in place, yet, in the written question answers we received, it said it has completed. I want to make sure we are not misleading Territorians on that.

**Mr CHANDLER:** I have that information here.

**Ms FYLES:** Thank you. I am not sure if you heard that second point.

**Mr CHANDLER:** In question 180, there is 1A, 1B, 1C, 1D - four parts?

**Ms FYLES:** Yes, that sounds similar.

**Mr CHANDLER:** No problems. Sorry, the ...

**Ms FYLES:** The second one I have refers to when we were talking about the remote teacher incentive, the CLP election commitment. You indicated to me that policy was not taking place. In the written question answers tabled for us - I had a chance to look at them in the break - it said the \$5000 bonus on completion of the full teaching year in the same place, and the subsequent year, has been completed. I wanted to make sure we were not misleading Territorians by saying one thing when, in fact, the other had taken place?

**Mr CHANDLER:** No, I do not believe we have. I do not think it is misleading. It is a fact we have had a look at what the entitlements were in the country. We think the entitlements we are offering now, without the additional money, are not warranted, so we have closed it off.

**Ms FYLES:** Minister, you might want to revisit page 3 of the written questions then - written question 174.01 - because it clearly states the remote teacher retention incentive \$5000 bonus on completion of a full teaching year in the same remote school, and a further \$5000, is completed. I will leave that with you.

**Mr CHANDLER:** I will review that question.

**Mr WOOD:** I think this is a global question. It is about the contract to build the new canteen and special education unit at Taminmin. I have been informed the contractor has left town owing quite a bit of money to a number of local contractors. Have you heard anything about that? Could you get back to us today with some information?

**Mr CHANDLER:** I can take that on notice, only if we have the information.

**Mr WOOD:** There are a number of local contractors, I gather, out of pocket because this person has - my understanding ...

**Mr CHANDLER:** Was it a subcontractor on the ...

**Mr WOOD:** No, the contractor for the new canteen and special education unit has left town. The word I have is quite a number of contractors are owed money. If you could find that out for us.

**Mr CHANDLER:** Can we take that on notice?

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#### **Question on Notice No 6.4**

**Madam CHAIR:** Member for Nelson, please repeat the question for the record.

**Mr WOOD:** Minister, I have been informed the contractor who built the canteen and special education unit at Taminmin has left Darwin, and there are quite a number of subcontractors owed money. Could you find out whether there is any truth in the report I have received? If so, could you find out what the story is, please?

**Mr CHANDLER:** I will take it on notice, but with the proviso that I am taking a question on notice which affects other ministers. Obviously, the Department of Infrastructure would have the responsibility to manage this contract.

**Mr WOOD:** I understand that ...

**Madam CHAIR:** Perhaps you can answer from your department. If you want to ask again in Infrastructure to get the full answer, that has not come up yet.

**Mr WOOD:** Yes. All right.

**Madam CHAIR:** Great. That question from the member for Nelson is No 6.4.

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

### **OUTPUT GROUP 1.0 – GOVERNMENT EDUCATION**

#### **Output 1.1 – Early Years**

**Madam CHAIR:** The committee will now proceed to Output Group 1.0, Government Education, Output 1.1, Early Years. Are there any questions?

**Ms FYLES:** Yes, thank you, Madam Chair. Minister, in October 2013, you said there was a need to target further teaching positions in the early years, but this budget cuts early years education by 44% in real terms. Can you explain why you are cutting early years education, particularly when you have said it is investment in the early years that is most important?

**Mr CHANDLER:** The differences you see in the budget are not directly related to any specific cuts to education. It is a fact that there are many agreements that were in place with the federal government that are not continuing. We are currently in negotiations with them on a number of fronts. We fully anticipate that some of this money will be forthcoming from the federal government, but we cannot put it in the budget because we do not have sign-off at this stage.

You will not see a dramatic change in things. In fact, the Family as First Teachers is a program the federal government does not want to fund anymore, . We have committed, as a government, to continue with that because I believe in the program. It is a fabulous program and is something we should roll out further.

**Ms FYLES:** It is pleasing to hear you believe in the Family as First Teachers program. But, minister, we are talking about a nearly \$10m shortfall in the budget - 2013-14 was \$21.8m, 2014-15 is only \$10.9m. That is a significant amount of money short in our early years budget.

**Mr CHANDLER:** The Australian government funds a number of early childhood activities delivered by the Department of Education, as I have already stated. These activities are universal access to early childhood education, supplementary rare current assistance, implementation of the national quality framework, development of five child and family centres – which we took up and the the former Labor government left in limbo - the Australian Early Development Index, and partial funding of Family as First Teachers.

The total early childhood Australian government funding to the Territory for 2013-14 is \$15.97m. Total expenditure of the Australian government funding to 31 March was \$7.64m. The Territory has not received any funding agreements from the Australian government for 2014-15, therefore, there are no guaranteed funding amounts reflected in this budget.

The Territory is committed to fully fund Family of First Teachers until December 2014, and has received advice of an extension of Australian government funding arrangements for six months. The Territory continues to work with the Australian government to confirm continuity of early childhood funding.

**Ms FYLES:** We are directly seeing the federal government's budget cuts within our early years education budget?

**Mr CHANDLER:** The NTNPA, on universal access, supports improved participation by children in quality early childhood education in the year before full-time school, with a focus on vulnerable and disadvantaged

children. The NTNPA has enabled the Northern Territory to increase preschool access and participation from 480 hours to 600 hours per year. That is 12 hours to 15 hours per week ...

**Ms FYLES:** Minister, I appreciate the documents you are reading from, but I am concerned - we have a media release here from 18 May from the Chief Minister raising his concern about \$312.3m in education funding cut by the federal government. We have seen direct results in the first budget output area. We are missing \$10m in our budget.

**Mr CHANDLER:** Again, I do not know how you do your budgeting. Until I have an agreement with someone I cannot put it in the budget. We fully anticipate we will continue negotiating with the federal government to ensure that ...

**Ms FYLES:** But we are two weeks away from the start of the financial year. What are the plans for that?

**Mr CHANDLER:** I can give you an example. Family as First Teachers has been given a commitment to the end of this year because we agree and ...

**Ms FYLES:** But, potentially, if we do not see an agreement signed, that program could disappear at the end of this year?

**Mr CHANDLER:** They are hypotheticals. We are forming agreements with the federal government all the time. That is how departments work. I cannot put it in the budget until I am absolutely certain we have that money. We have an adjustment later in the year, as you would appreciate, and you will, no doubt, see any changes or agreements we have made at that time.

**Ms FYLES:** When is your next planned meeting with the federal government minister Pyne to lobby him for this \$10m we are missing?

**Mr CHANDLER:** I speak to minister Pyne quite regularly, whether it is a formal meeting or a phone call. Lobbying is something I am paid to do.

**Ms FYLES:** You can see it is quite concerning that, with weeks to the start of the year, we are \$10m short in our early years budget.

**Mr CHANDLER:** Minister Ley was here last Friday opening a new childcare facility, which is fantastic. They are committed to the Northern Territory. In every conversation I have with Christopher and minister Ley - I am supportive of the fact they appreciate some of the challenges we have here.

However, in this particular budget line, a number of agreements have come to an end. We are in the process of renegotiating but I cannot put them in the budget until we have sign-off.

**Ms FYLES:** That is all I have for Output 1.1, Madam Chair.

**Madam CHAIR:** Any other questions on that output area? That concludes consideration of Output 1.1.

### **Output 1.2 – Preschool Education**

**Madam CHAIR:** The committee will now consider Output 1.2, Preschool Education. Are there any questions?

**Ms FYLES:** Thank you, Madam Chair. Minister, in your opening speech you alluded to the fact \$37m is allocated over two stages for a preschool and primary school in Zuccoli. Could you provide us with time lines for completion of the two stages?

**Mr CHANDLER:** Only what I have in the budget papers, but I will give you some background. Most people are aware John Glasby was tasked to report on where the growing needs were for education infrastructure in the greater Darwin area. He indicated a number of hot spots, Palmerston being one.

In his initial report, we could have started to build a preschool and primary school this year, but the land we have identified for that school is in Zuccoli and we are in the process now - wearing my Lands and Planning hat – of getting that land sorted out. We are doing the headworks and it is all part of this year's budget. However, I cannot build the school until I have the headworks.

With the special needs school, that land is already developed, already has the headworks, so we can move on that quicker. It is the only reason we are doing this special needs school before we are doing the preschool and primary school. It is very much in front of mind. In 2016-17 there is an allocation for the preschool and primary school Stage 1 of \$25m, and a further \$12m allocated in 2017-18 for Stage 2.

**Ms FYLES:** We probably will not see that school come online until 2018 school year?

**Mr CHANDLER:** Correct, unless there is a budget shift in that time. At this stage, I say we would go to the design in 2015-16, commence work 2016-17 or 2017-18.

**Ms FYLES:** Minister, I understand you are aware Wanguri Primary School has a class in the conference room. That school is at bursting point. I have two questions. What is in the budget to build a proper classroom at that school? Second, in answering that, what is the update on planning for a school at Lyons/Muirhead?

**Mr CHANDLER:** Two good questions which go back to the report John Glasby did. The northern suburbs is a hot spot. Lyons/Muirhead - if I could swap portfolios for a second, we have identified land in the northern suburbs for a new school to be built ...

**Ms FYLES:** In the Lyons/Muirhead area?

**Mr CHANDLER:** Yes, we are negotiating with the federal government at the moment, as that is land it currently holds. It is willing to provide that land for ...

**Ms FYLES:** It has always been on the plan to have a school there. Is that correct?

**Mr CHANDLER:** Yes, but you have to make sure - to say something and do it is two different things. The interesting thing with the northern suburbs is we have a changing demographics, and some schools ...

**Ms FYLES:** We have seen that over many years. It would be great to have Tiwi Primary School and Rapid Creek Primary School right now. We need to ensure we protect our investments as things change.

**Mr CHANDLER:** If you listen to the answer, the work John has done has indicated where there is a shift in demographics. When I was into football training years ago I used to run around some of our suburbs and see lots of kids but, now, older people live there because those children have moved on and grandparents are in those suburbs. It is interesting to watch how suburbs change over the years.

From a department point of view, we have some really good infrastructure in areas where the numbers are down in schools. We have other schools bursting at the seams and, from a department point of view, we are working on strategies regarding what we do to a particular school to encourage more parents to choose that school over another school. We are working on those strategies now. I was at ...

**Ms FYLES:** Minister, can I interrupt you and ask a question?

**Mr CHANDLER:** I was at a facility recently – I have a mind blank, isn't that terrible? I have visited so many schools recently - with the farm ...

**Ms FYLES:** Alawa, my old school, minister. Do not forget it.

**Mr CHANDLER:** Alawa, right. There is a fantastic new preschool facility there, yet, in the morning group – for two-and-a-half days a week - there are about 14 children who go.

**Ms FYLES:** I have visited and seen that.

**Mr CHANDLER:** The other two-and-a-half days of the week, there are 10 children. That whole facility caters for 24 children over the entire week. You think ..

**Ms FYLES:** I will tell my parents to move out and let some young families move in.

**Mr CHANDLER:** Yes, let some young people move in. You have some tremendous facilities in the northern suburbs that are well underutilised. The Alawa principal is doing some ...

**Ms FYLES:** A lot of Labor investment there.

**Mr CHANDLER:** Yes, there is a lot of ...

**Ms FYLES:** Minister, I might seek a ...

**Mr CHANDLER:** ... taxpayers' investment. But, about what you are asking ...

**Ms FYLES:** Minister ...

**Madam CHAIR:** Member for Nightcliff, please stop interrupting.

**Mr CHANDLER:** ... we have to work on using the infrastructure we have and encourage parents to go to those schools and provide some relief to the schools that are busting at the seams.

**Ms FYLES:** Minister, I will seek a briefing, if it is all right with you, on that data ...

**Mr CHANDLER:** Happy to provide.

**Ms FYLES:** ... but you can assure us that no schools will be looked at closing under that review?

**Mr CHANDLER:** I do not think we can afford to close any schools.

**Ms FYLES:** Just checking. That is all I have on that output.

**Madam CHAIR:** Are there any other questions on that output? That concludes consideration of Output 1.2.

### **Output 1.3 – Primary Education**

**Madam CHAIR:** The committee will now call for questions on Output 1.3, Primary Education. Are there any questions?

**Ms FYLES:** Thank you, Madam Chair. Minister, can you give me an update on the status of the gifted students program at Moil Primary School?

**Mr CHANDLER:** I am happy to take that on notice.

**Ms FYLES:** Okay, I will restate that question and expand further.

**Madam CHAIR:** Yes, thank you.

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### **Question on Notice No 6.5**

**Ms FYLES:** What is the status of the gifted students program at Moil Primary School? What is in the budget allocation for the program this year? Will you rule out disbanding the program?

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

**Mr CHANDLER:** I will take the question, but those kinds of decisions will be school decisions.

**Madam CHAIR:** The question asked by the member for Nightcliff is No 6.5.

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**Ms FYLES:** Minister, what are the current class sizes in primary education?

**Mr CHANDLER:** As per the EBA, the maximum class size is 27 as agreed to. From working in school councils long enough, I understand from time to time when a teacher is away and principals are left hurrying around trying to move students from one class to another, they occasionally will breach that ceiling. But, that is only on the agreement of the teacher of the day, and it happens only occasionally in our school system. In most cases, they are able to get hold of a relief teacher to come in to fulfil those duties. As per the agreement ...

**Ms FYLES:** Do you have the figure for class sizes in primary education?

**Mr CHANDLER:** Sorry, what was that again?

**Ms FYLES:** Do you have an average figure of class sizes in primary education based on the formulas I am sure ...

**Mr CHANDLER:** I will take that on notice. It is nothing we are trying to hide from, but we have put more teachers into the primary years of education. Our schools are now funded based on the attendance of school children. As most people know, the way we work that out is we take a measure on the two highest performing weeks of attendance in each term to work out an average. It is a bit different to how the former Labor government did it. However, you cannot argue that both systems still rely on attendance at school to fund schools.

Essentially, if you have schools where attendance rates and enrolments are growing, you will see an increase in teachers. In schools where there has been a reduction, you will also see a reduction in teachers.

**Ms FYLES:** You must agree, though, that your formula is flawed. We saw a situation at one of our middle schools where its enrolment was growing. Enrolments were sitting on the principal's desk, yet, under the formulation they were to have three fewer teachers. It desperately needed those teachers and, thankfully, at the last minute was allowed to keep three teachers. You must agree the formula makes it difficult for schools.

What were the class sizes for primary and secondary schooling for each of the past three years? That would probably be my question on notice.

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**Question on Notice No 6.6**

**Madam CHAIR:** Minister, do you accept that question?

**Mr CHANDLER:** Can you ask the question again?

**Ms FYLES:** What are the current class sizes in primary education, which we were just talking about, and what were the class sizes for primary and secondary schooling for each of the past three years?

**Mr CHANDLER:** I am happy to take that on notice.

**Madam CHAIR:** That question will be No 6.6.

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**Mr CHANDLER:** I point out that in the formulas which we worked out this year there were schools that had additional pressures, for whatever reason. The Education department funded an additional 26.5 teachers into those schools where there was a request or need provided for.

**Ms FYLES:** We very much appreciate that, but it was the undue stress at the end of last year of teachers and principals being told they were not going to be funded on this ...

**Mr CHANDLER:** You talk of undue stress regarding something that has happened in all the years you have been alive, Natasha. Schools have had this ...

**Ms FYLES:** What I am talking about is we had schools ...

**Mr CHANDLER:** No, schools have had ...

**Madam CHAIR:** Member for Nightcliff, please do not interrupt.

**Mr CHANDLER:** Listen! Schools have had this issue every single year since we have had them. Even over the school holidays, principals are not even aware whether or not a particular teacher is going to come back. They could resign in the school holidays. You could have enrolments which come in on day one in the new year. Schools have this issue every year. This year, like any other - were there concerns? Of course there were. Were they dealt with? Yes, they were dealt with because we have good managers in our schools who, with a combination of working with the department, had those issues addressed, just like they have in every other year.

**Ms FYLES:** It created additional pressure because your formulation changed the ratio.

**Mr CHANDLER:** You created the additional pressure in all the misinformation that was put out there.

**Ms FYLES:** I am not creating this. I am talking about schools that came to us and talked through situations where they knew they had more enrolments, but your formulation meant they were to lose teachers, and it was a last-minute decision to put teachers in place.

**Mr CHANDLER:** It was not a last-minute decision. These things were adjusted, as they are every single year, and have been for years beforehand. Of course, there are going to be changes, particularly over a Christmas period where schools deal with those same issues every single year. They dealt with them this year. I argue the percentage of schools affected was lower this year than has been the case in previous years under the other model. We were more reactive to the situation this year than we have ever been before.

**Ms FYLES:** Minister, \$5.2m is allocated to increase capacity in remote schools. What schools are targeted, and how were they chosen?

**Mr CHANDLER:** Member for Nightcliff, can you ask that question again?

**Ms FYLES:** Within the primary education budget \$5.2m, as I understand, is allocated to increase capacity in remote schools. Which schools are targeted, and how were they chosen?

**Mr CHANDLER:** The total required is \$5.2m. Maningrida School, Shepherdson College, Borroloola School ...

**Ms FYLES:** And that is for capital works, is it?

**Mr CHANDLER:** ... Ntaria School and Ali Curung.

**Ms FYLES:** Okay, but it is all for capital works?

**Mr CHANDLER:** Yes.

**Ms FYLES:** Coming back to the written questions you just tabled for me after the break when I requested them, it seems that only 1A, B, C and D have been answered. We are still missing the data from questions 2, 3 and 4 and 5. From the data you gave me, it shows a reduction in the 2013 agreed FTE to 2014 agreed FTE of 182, between the end of 2013 and the start of 2014. Maybe we can get the full figures, and you could expand on that reduction we have seen of 182.

**Mr CHANDLER:** Sorry, we have them here, Natasha. Can I table these?

**Ms FYLES:** The 2014 agreed FTE, including all staff across schools - in December 2013 we had 3905 and in January, your own data shows us as having 3723, which is a reduction of 182. That was between the end of 2013 and the start of 2014.

**Mr CHANDLER:** When you add up, you have in model numbers, out of model numbers, admin within schools. If you are alluding to the fact that you think we have 180-odd fewer teachers, you would be wrong, because it is right across ...

**Ms FYLES:** It was staffing levels in schools.

**Mr CHANDLER:** Staffing levels in schools, but as I said in model, out of model ...

**Ms FYLES:** There are 182 fewer, whether it is teachers, support staff, or teacher assistants.

**Mr CHANDLER:** That is across 154 schools.

**Ms FYLES:** So, 182 fewer teachers, support staff, and teacher aides within our schools? Your justification is that is across 150 schools. But, but that is still 182 fewer teachers, teaching staff, or teacher's aides.

**Mr CHANDLER:** On average, it is about 1.2 positions.



**Ms FYLES:** But, we have seen a loss. That is a lot higher than the 35 staff you have always claimed.

**Mr CHANDLER:** No, 35 teachers.

**Ms FYLES:** So, we have lost 35 teachers and we have lost 182 teacher aides and support staff within our schools?

**Mr CHANDLER:** Yes.

**Ms FYLES:** That was just from the December 2013 to January 2014? We also asked for the figures from 2012, 2013, 2014 and 2015 predictions. We do not have those. I am not sure if you are able to get them. They might be in the data I am missing.

**Mr CHANDLER:** Yes.

**Ms FYLES:** Minister, when was the last time professional orientation was conducted for new teachers?

**Mr CHANDLER:** January.

**Ms FYLES:** It definitely took place at the start of January this year?

**Mr CHANDLER:** Yes.

**Ms FYLES:** How many staff have been recruited from interstate, and what are their classifications? You may need to take that on notice.

**Mr CHANDLER:** We are happy to take that on notice, that is fine.

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#### **Question on Notice No 6.7**

**Madam CHAIR:** Please restate the question for the record.

**Ms FYLES:** How many staff have been recruited from interstate and what are their classifications?

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

**Mr CHANDLER:** I do.

**Madam CHAIR:** The question asked by the member for Nightcliff is No 6.7.

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**Ms FYLES:** Minister, the federal government has announced a review of the Australian curriculum. What submission will the Territory government make to the review, and in what areas in the Territory curriculum do you believe changes need to be made?

**Mr CHANDLER:** Recently, I received a letter from minister Pyne requesting the information. The Chief Executive and the senior officers will be putting together some information. One of the things we have spoken about on a number of occasion at the ministerial level, though, is the Australian curriculum and where we should be heading into the future. There is a consensus that there needs to be some more consistency across Australia in a number of areas, the same as I suggest we need consistency in remote education. It would be good to see more consistency across most states and territories. At that last meeting, there were different views, I believe, on some of the sciences ...

**Ms FYLES:** The Territory will definitely be making a submission?

**Mr CHANDLER:** Oh, absolutely.

**Ms FYLES:** That closes in a few days?

**Mr CHANDLER:** In 2012 all Northern Territory schools implemented mathematics and English from Transition to Year 10. In 2013, all Northern Territory schools implemented science and history from Transition to Year 10. In 2014, all Northern Territory schools are able to commence familiarisation activities

and preparation for implementation of geography; in 2015, the arts, health, and physical education, technologies, economics and business, and civics; and citizenship in 2016. Those time lines are pending ministerial and the NT Board of Studies approval.

During Semester One 2014, Department of Education is working with schools and stakeholder groups to provide feedback to ACARA on the Australian curriculum. On 20 January 2014, the Australian government announced the review of the Australian curriculum. Profession Ken Wilshire and Dr Kevin Donnelly are leading the review.

The Northern Territory Department of Education prepared a response to the review and received endorsement from NTBOS and members prior to submission. A preliminary report has been presented to the Australian government with a final report to be completed by 31 July 2014. A preliminary report has gone in. For the final report, we have until 31 July to have it completed.

**Ms FYLES:** Thank you, minister. Something that is of great concern - as you would be aware, you sit on school councils as do I - is the global budgeting. How will the \$5m identified in Budget Paper No 3 in funding to support the transition to global school budgeting be rolled out?

**Mr CHANDLER:** That is a good question. The councils I have had a chance to share the information with are quite excited about getting more control on how they utilise the funds in their schools, and how schools might be able to team up. In Palmerston, there is a view that, through the Palmerston schools network, they could combine their buying powers.

Even when it comes down to ordering uniforms where you have a number of schools participating in one buy, they could find substantial savings. They could pool their resources when it comes to energy costs.

The schools I have spoken to, and given them the opportunity to speak and raise their concerns, are encouraged by what they hear because of the control it gives them to make decisions that affect their schools and not have the Department of Education have so much influence over them.

**Ms FYLES:** Minister, how many schools will be initially involved and what is the time frame for the roll-out?

**Mr CHANDLER:** The school principal is accountable for the global school budget and will work, in consultation with the school council, to allocate it according to local needs.

**Ms FYLES:** Do you have a ballpark figure?

**Mr CHANDLER:** Schools will determine the use of the funding, including the mix and levels of staff. One area which has often raised criticism is how the department controls the numbers of staff a school may have.

The additional money we have put aside for global funding is you have to have some flexibility within the system because you may have some teething issues. I can guarantee you when the budgets are worked out, and when the schools are handed their global budget for the year, some schools will come back and, because of particular circumstances, want changes, or their needs may have changed even in the short term. We, as a department, need the flexibility within our budget to adapt if we need to.

**Ms FYLES:** Do you have a ballpark figure of what you are aiming for?

**Mr CHANDLER:** I would like to think we could get away with not spending any of the \$5m, but we have ...

**Ms FYLES:** No, I mean the number of schools to participate.

**Mr CHANDLER:** All schools.

**Ms FYLES:** How many staff are in the community-driven schools unit and what is the costing?

**Mr CHANDLER:** We will be more accurate, but we believe about three or four staff are involved. In the work they are involved in at the moment, consultations have been undertaken in 11 communities: Angurugu, Baniyala, Docker River, Ti Tree, Milikapiti, Pularumpi, Galiwinku, Yuendumu, Nyirripi and Willowra. Details are provided and the Department of Education has worked closely with the Association of Independent Schools. A select tender valued at \$35 000 was issued to Education Transformations to consult with Nyirripi and Willowra communities.

Further work has been done in Education Services to take responsibility for the operations and governance of Docker River Primary School. The expected completion of this process is December 2014. Single governance models for all schools on Melville Island are under way with the Tiwi Education Board. They are working quite hard in that area and there is quite a bit of community support for it.

**Ms FYLES:** Minister, will schools be expected to fund increased power and water bills from within their global budgets?

**Mr CHANDLER:** This may be where some of this \$5m is required. The starting figure for final budgets has not been sorted, but I can assure you we have historical data we will be using to set schools' global budgets. In fact, this year we give a global budget for R&M ...

**Ms FYLES:** It is an issue for many schools. Principals are directing staff to go in together on weekends to turn air conditioners on. As you would be aware, in many of our schools you push a button and the whole school cools down. The fact that power and water bills have increased significantly is causing stress for school councils and teachers, and I am sure is impacting on our students. Many school councils are struggling with that. Can you guarantee no school will need to spend any education resource funding on power and water bills?

**Mr CHANDLER:** You make claims that schools are struggling to pay their electricity bills ...

**Ms FYLES:** They are, minister.

**Mr CHANDLER:** They are fully funded by government. Wherever a school does not have an allocation large enough they apply - as I said last year during estimates and throughout the year - to the Department of Education for additional funding if that is what they need, and we will cover ...

**Ms FYLES:** Have there been any schools knocked back on the additional funding you are aware of?

**Mr CHANDLER:** No, not at all, 100% of it has been funded. The government committed additional funding of \$6.2m ongoing from 2014 to meet, in full, the tariff increases for power, water, and sewerage in government and non-government schools. Adjustments for the full impact of the increases have been made to government schools based on the actual utility costs incurred by the school in 2012 and relevant increases in tariffs.

Support has also been provided to non-government schools, as agreed with the sector, with funding support distributed via the non-governments per capita funding model. From 2014, recurrent grant funding previously provided for specific purposes, including utilities, has been consolidated into a single operating grant allowing schools flexibility to more effectively allocate all of their resources.

Operational grants will be incorporated into global school budgets in 2015. Schools are encouraged to adopt efficiency measures to reduce consumption and the cost of their utilities, allowing funds to be used for other purposes.

Retail electricity market opportunities for government schools are being monitored. Casuarina Senior College was the first school to enter into an electricity supply contract with Power and Water Corporation in December 2013.

As I said before, there are opportunities of global funding. I have spoken to schools in the Palmerston area, they are considering pooling their resources as far as going to a single provider and seeing what type of deal they can get on electricity. If they can, by pooling their resources, they will achieve savings out of this, but the money will not be taken out of their global budgeting. If they can find savings, it is more money they will have to spend on other things within their school. That is the part of global budgeting that excites schools.

**Ms FYLES:** You just said in your statement that schools are encouraged to look at efficiency measures. Some of those measures are impacting on teachers; they are speaking about it. They are being put under pressure to reduce their use. Can you guarantee no school will spend any education resources on power and water bills?

**Mr CHANDLER:** There are a number of schools which already have minor new works programs to upgrade their air conditioning, and that will continue. I know there are a number of schools ...

**Ms FYLES:** Can you not guarantee that no school will have to spend education money on power and water?

**Mr CHANDLER:** They will be given an allocation in the global school funding model, and that will more ...

**Ms FYLES:** And what if that is not enough?

**Mr CHANDLER:** ... than cover their utility costs. If they can find savings - and we are always trying to get people to look at ways they can - they will benefit from that because it will free up funds to do other things. They will be given more than an adequate amount to cover their electricity bills.

**Ms FYLES:** I urge you to go back - there are some schools that have had overruns and are still struggling with power and water. It would be great if you make a commitment that no school will be forced to take it out of education resources. It is in your area ...

**Mr CHANDLER:** Member for Nightcliff, I will continue that commitment. If there is a particular school you can name, I will take it upon myself to ensure we look into what their issue is. But, there are schools that can do a better job and schools that struggle. If you look at some of the newer schools, for instance, that have segmented air conditioning systems so, if someone comes in on the weekend they can just turn the office on. Whereas, as you pointed out, there are older schools where, if you turn the air conditioning on, the entire school comes on. With upgrades over the years, we can start to target those areas and help them with their efficiencies.

**Ms FYLES:** The Chief Executive has previously indicated that the global budgeting model would be due in May, but has been delayed. When will it be finalised?

**Mr CHANDLER:** The school principal is accountable for the global school budget and will work in consultation with the school council to allocate it according to local needs.

Draft funding allocations will be provided in Term three of the previous year, and confirmed in Term one of the year they apply to. They will generally not be adjusted outside of these times unless there is an approved case for budget review, which will only be under exceptional circumstances. Typically, around 80% of school funding will be paid through the global school budget, with the remaining funding retained centrally to cover programs or services that are more efficiently procured or managed through the corporate services area such as workers' compensation or ICT networks.

Funding will be available to schools in two ways: a cash grant to schools for operational costs, and credit retained centrally on the department's general ledger to pay NTPS employees' salaries. Schools will be provided with monthly management reports to assist them to manage their budgets.

**Ms FYLES:** Minister, we have strong concerns we are forcing educators to become business managers. I know everyone has to have a responsibility, but schools on the ground are really concerned. As I understand, there was some sort of system designed to transfer the budgets, and that MYOB would be a lot easier to upload. Can you give us an update on where that is at?

**Mr CHANDLER:** I am advised live in two weeks.

**Ms FYLES:** Okay, and schools are aware of this, and there is appropriate training in place?

**Mr CHANDLER:** There will be.

**Ms FYLES:** Has that been delayed at all?

**Mr CHANDLER:** I go back to a point you made earlier about business managers. Each school has a business manager. The ones ...

**Ms FYLES:** Absolutely, but it feels like the focus of our schools is moving away from education into business management, just being a business rather than what they are there for. Government should be there to provide education.

**Mr CHANDLER:** We have differing views on that. Schools are there to provide an education and, for too long, they have become over bureaucratised with requirements between both schools and the Department of Education. Global funding is one way we can reduce a hell of a lot of bureaucracy which goes on

between schools and the department. I argue this will give schools more time to spend focusing on the classroom.

**Ms FYLES:** Regarding independent public schools, the federal Education minister, Christopher Pyne, has indicated that \$70m will be provided to assist one-quarter of public schools to become independent and train principals and school councils. What proportion of the \$70m federal expenditure will be allocated to the Territory? How many schools will receive federal funding? What time lines will be met?

**Mr CHANDLER:** That will depend on the number of schools which take up the option.

**Ms FYLES:** Is there any indication what the Territory will do?

**Mr CHANDLER:** We have been given \$1.4m, but it will really come down to how many schools take up the option. From that \$70m fund, it is \$1.6m.

**Ms FYLES:** Last year during estimates, in answer to whether any government schools would be converted to a community-driven school or an independent public school, you said, 'The question is a bit like how long is a piece of string'. You also said at that time we had a policy, we were willing to engage with communities and facilitate their transition and, over the next 12 to 18 months you saw some schools walking down that pathway. What is the time line now, considering we are a year on, for the conversion of our schools to independent public schools, and how many schools will be converted?

**Mr CHANDLER:** I already partly answered that question before. Education Transformations has done some consultancy - there are around seven schools at the moment.

**Ms FYLES:** Are you able to name those schools?

**Mr CHANDLER:** Discussions are still ongoing. The important point is this is a policy of government which is available for schools that want it, but we are not going to force schools into making that decision. If they choose to go down that path, we will support them.

**Ms FYLES:** You do not have a target in your head of 10 schools by the end of this year, or 20 by the end of next year? We will not see it forced upon schools that do not want to take part?

**Mr CHANDLER:** No, not at all. We have to be clear, because there are two options at the moment. There are the independent public schools - that is on offer from the federal government - and there are partnerships that we want to enter with schools if they want to go down the road to becoming a private school - a community-driven school. Both have advantages. I like the federal model. Whilst I am still supportive of our policy, it is not something I want to give a time line to because I do not want to be seen to ...

**Ms FYLES:** So, essentially, a year on, no one has taken it up?

**Mr CHANDLER:** No, there is still interest out there, but it will take some time. We want to ensure if a school is going to go down that route that the governance is correct, and that everything is - we do not want to set someone up to fail. So, by putting time lines on these things, even naming the schools, would be wrong, because I do not want to set them up to fail or to provide an expectation over the top of something with 'This is a policy and this is a government that is going to do this whether you like it or not'. No, that is not right. It is a policy that is there for schools that want to use it if they choose to use it.

**Ms FYLES:** You are aware currently your Education department website says that school councils make decisions that directly affect the school. Members have a say in the goals and priorities of the school as well as education priorities through the school's action plan. The school council is also responsible for the school budget, develops and maintains the school buildings and grounds, and employs non-government staff. That sounds pretty independent already. What is different with this new model that is being proposed?

**Mr CHANDLER:** It depends on the model you are talking about. For interest sake - whether or not I read this out, it is three pages, or you might like it tabled. It gives a really good snapshot of what ...

**Ms FYLES:** That would be great. The feeling we are getting is the department is pushing this, but we still do not have any takers. Concerns have been raised with me by COGSO, teachers, and school councils. Under the independent public school model, who will appoint the board, what powers will it have, what will

its relationship be to the principal, and how will it be different to current school councils? These are the questions that are being asked. At the moment, it is feeling as if the department is pushing this model on schools.

**Madam CHAIR:** Member for Nightcliff, do you want to restate the question for the record?

**Ms FYLES:** What is different with this independent school model? How will the board be appointed, for example? What will its relationship be with the principal? How is the board of these independent public schools different to the current school council boards we see?

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

**Mr CHANDLER:** I accept it, but I can table this and answer everything that you are asking. There is one sheet here that does help, because it breaks down what is a centrally supported school, locally managed schools, and independent public schools. It tells the differences with these particular schools. I am happy to explain it further or, if you prefer, we will table it in answer to this question?

**Ms FYLES:** I am happy for you to table it, but I want you to take on board that COGSO believes our schools currently have the option to exercise a high degree of autonomy. It is something on which I urge caution. New Zealand, I understand, went to this model many years ago, and is moving away from the independent school model. If you look at international schools around the world, many of them are ex-New Zealand teachers who did not like that model. We need to preserve our schools and our education system, and make sure we do not do anything we cannot go back on.

Minister, the school handbook was ...

**Madam CHAIR:** Sorry, are we doing the question on notice?

**Ms FYLES:** He is tabling the document.

**Mr CHANDLER:** The answer is here.

**Madam CHAIR:** You are happy with that?

**Ms FYLES:** Yes.

**Madam CHAIR:** Okay.

**Ms FYLES:** Minister, the school handbook was due out at the end of 2013. Can I ask where that is up to?

**Mr CHANDLER:** Sorry, member for Nightcliff, that question was ...

**Ms FYLES:** The school handbook was due out at the end of last year, 2013. I am wondering where it is up to? I understand it was funded by the Commonwealth.

**Mr CHANDLER:** I will take that on notice.

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#### Question on Notice No 6.8

**Madam CHAIR:** Please restate the question for the record.

**Ms FYLES:** The school handbook was due out at the end of 2013. Where is it up to now? I understand it was funded by the Commonwealth government. What has happened to those funds?

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

**Mr CHANDLER:** I do.

**Madam CHAIR:** The question asked by the member for Nightcliff is No 6.8.

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**Ms FYLES:** Minister, while we are on primary education, a number of people have concerns at the speed of the *Education Act* review. What is the consultation on the proposed changes to the *Education Act*? Is it going to be genuine consultation? Is it still your intention to introduce this amendment later this year?

**Mr CHANDLER:** Again, there was a lot of rhetoric around the speed of this consultation. Goodness gracious! I have gone over history and had a look at some of the previous government's time lines for consultation. I can tell you it was nothing like this. Bear in mind there are people I have spoken to who had believed in what you, the union, and even COGSO had said, when it was explained to them what the review time line was, they thought it was quite reasonable. I will go through the steps here.

On 26 February 2014, a discussion paper was released to coincide with the new school year. Until 16 April 2014 - but then extended to 30 April 2014 - there was public consultation including targeted consultation with key stakeholders. Drafting of a position paper and an exposure draft of the bill for the new act is April to August 2014. That is the part of this process we are in now. Consultation period on the exposure draft and the position paper will be between September and October this year. Finalising of the bill and introducing to the Legislative Assembly will be on 27 November 2014, with passage through the Legislative Assembly between November 2014 and February 2015. Drafting regulations around January to April 2015, drafting guidelines and policies to align with new legislation in February to June 2015, internal/external education process March to June 2015, with commencement on 30 June 2015.

There is a whole new round of consultation to go through once we have something to work from. The initial consultation builds a framework, then we go to consultation for a second round to discuss that framework and decide if we need to change or alter it. In this case, we have ample time for consultation.

Again, I do not want this to be set in concrete; better to have it done the right way than the wrong way.

**Ms FYLES:** Thank you, minister. I do not have any more questions on that budget output area.

**Mr WOOD:** I will try to be quick because I know we have a lot of work. Minister, on the figures you gave out - and I notice you have the Katherine region where it should be the Darwin region on these figures, because I am sure Howard Springs Primary School is not in the Katherine region. It is just a ...

**Mr CHANDLER:** It is in the Holtze region.

**Mr WOOD:** I raised a concern last year. Now you have scrapped the Top End Group School - there are 10 positions gone - you have left the Douglas Daly School with only one person. I was spoken to by the Isolated Parents Association and their concern was having one person at that school was not a safe thing to do. If you have taken 10 away from the Top End Group School, surely, you could afford half a person to help with that school?

**Mr CHANDLER:** Member for Nelson, you were out of the room when the member for Nightcliff raised this issue. We are looking into it. At the moment, their current staffing is one full-time and one part-time. We are discussing that with the committee at the moment.

**Mr WOOD:** Was Middle Point School raised as well?

**Mr CHANDLER:** No.

**Mr WOOD:** It has gone down from 3.5 to 2.5, so it has lost a whole person. Was there any reason it lost a whole person? Has it lost numbers of ...

**Mr CHANDLER:** Without looking into it, I assume it would be to do with numbers of students attending.

**Mr WOOD:** My other question is in relation to primary student enrolments. According to your budget paper on page 203, in 2013-14 there will be 8987 Indigenous primary school student enrolments. The estimate was for 8846, and you have put that in the budget as the same figure. Presuming the Indigenous population is increasing faster than the non-Indigenous population, why is the number of primary school enrolments decreasing?

**Mr CHANDLER:** It is only an estimate. My advice, member for Nelson, is last year when we had the Census data we were able to get as accurate a picture as we possibly could, and we then did a prediction from that data. We do the best job we can based on ...

**Mr WOOD:** If I go back to your annual report where you have an actual figure for 2011-12, it is 8964. You are saying you now have accurate figures from the Australian statistician ...

**Mr CHANDLER:** That is data from the year before.

**Mr WOOD:** What was concerning me is I heard the population is growing, and I expect the number of primary school students attending or enrolling in school to be on the way up, matched to the population growth.

**Mr CHANDLER:** My advice is it is better data, and that is why there is a difference.

**Mr WOOD:** Just quickly, the number of Indigenous students attending school over 80% of the time is still quite low - 42% was estimated for 2014. You are expecting that to increase a bit. Is that due to the new Commonwealth program? Do you think that has already made a marked difference to the number of students attending 80% of the time - which I reckon is the more important figure rather than the other figure which just says attendance? Is there visible proof that there is any change?

**Mr CHANDLER:** There is improvement in the schools, yes. In the schools we are partnering with the federal government with the attendance strategy, there have been, in some cases, a significant difference in the attendance and, in other schools, not so significant. I have more accurate results here. It has resulted in approximately 738 students being reengaged, and 587 compliance and infringement notices being issued so far.

Whilst I have always supported the notion of getting kids back into school, the challenge for the Department of Education is how you manage these children who have been disengaged, particularly some who have been disengaged for a long time. I agree with the argument that we have to get these kids into schools. However, the challenge for the department has been what we do with these children when they are back in schools.

I argue that we will have to be - we are - watching this very closely. It would not surprise me if we end up having a secondary pathway which these children go into. I do not like to call it a halfway house, but a part of the school where you have a teacher, a social worker and, potentially, an elder from the community working with these children to get them ready for school again. In some cases, you might have a child who has been disengaged for a number of years and, now, they have no choice because the engagement officers are getting these kids back into the school.

A child could have lost two or more years of their education, because of the fact that they have been disengaged. I guarantee you the quality of their education would not be up to their year level. You will have a child thrown back into a school who could be 13 or 14 years of age who probably has a Year 3 or Year 4 student's academic ability. That is going to be tough for the child and the teacher, and is where the Department of Education is watching very closely. Already, we have had to put a number of additional staff members into those schools where there has been an increase based on that attendance strategy. I agree we have to get the kids back into school, but you must have the right resources in those schools to deal with those children.

**Mr WOOD:** All right, I can accept that we need to keep an eye on how that is happening, because attendance is not the only thing ...

**Mr CHANDLER:** While you are in the room, member for Nelson ...

**Mr WOOD:** I am not leaving. Are you sending me home?

**Mr CHANDLER:** ... this is on canteens.

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#### **Answer to Question on Notice No 6.4**

**Mr CHANDLER:** The Department of Education provided funding for the Department of Infrastructure to design and construct a new canteen for Taminmin College. The contract was awarded to Jarvis Constructions on 4 June 2013, for the amount of \$994 540, after they tendered successfully through the public tender system utilising the National Public Works Council NPWC3 conditions of contract. Works on site are complete and Jarvis Constructions has been paid as per the department's contract.



The Northern Territory government is not a party to the contract between the head contractor and his subcontractors. The Department of Infrastructure does not hold the details of any of those subcontractors. However, the Department of Infrastructure wrote to Jarvis Constructions raising concerns and asking for a list of subcontractors and details of any non-payment. Jarvis Constructions declined to provide the details.

The subcontractors' option is to seek legal advice to the delivery and process required in the matter under their subcontract arrangements of the Northern Territory of Australia *Construction Contracts (Security of Payments) Act*.

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**Mr WOOD:** Thank you for that. My last question relates to what the member for Nightcliff was talking about. If you are introducing independent private public schools, from an academic point of view - I think I asked this at Bees Creek Primary School when Mr Davies and Susan Bowden attended, which was an excellent meeting. There was a wide range of people there with many questions ...

**Mr CHANDLER:** We were not consulting were we, Gerry? We were accused of not consulting at the time.

**Mr WOOD:** It was, obviously, a different department. The question I do not think was answered was: will these changes actually improve academic outcomes? I partly agree with the member for Nightcliff that you may as well put a manager in the job and leave the school principal to do the educational side of things, because that is, basically, what the job would be. Are there any benefits, from an academic point of view, of going down this line?

**Mr CHANDLER:** Unless that is what we thought, we would not be going down this line at all. The reality is that, for too long, Education Departments - not just in the Northern Territory but right across the country - over time lose more and more focus on what is happening in the classroom, and focus more on managing a bureaucracy.

My way of thinking is if a school is run in a private manner it will get more autonomy. It will have more ability to concentrate on what is right for its particular circumstances. What is working in that school may not work at another school, but that school can decide to use it, based on the fact that it has autonomy from a bureaucracy which, of course, is the Department of Education. I am not suggesting we change things - well, we are changing the act - so the department and governments do not control the acts which provide the framework for schools to work under. What we should be working towards is the ability for a school to have more autonomy based on what works in its school, so it gives it more time to focus on the classroom, rather than on what has become a very bureaucratic process.

**Ms FYLES:** Can I interrupt to ask a question on independent school models? What happens to schools - supposedly the big sellers that can hire and fire who they want? That, in reality, is not going to happen because staff are still going to be employees of the Department of Education. How does all that work? These are concerns. Schools already feel they have a large degree of autonomy; they can choose additional subjects they run, whether they run the canteen themselves or contract it out. They already feel they have this autonomy. They feel it is a push away from the department doing the job of supporting schools.

**Mr CHANDLER:** I argue it is different, but not every school in the Northern Territory will want to go down that pathway. They will make a decision ...

**Ms FYLES:** There is a fear that some schools that have the ability and the means will make that decision, and the other schools will be left behind.

**Mr CHANDLER:** If they are happy with the current - I am not trying to influence them to go down a particular pathway, that will be their choice. What we need to put up is these are the choices they have, and they have to make the decision for their school. If they are happy with keeping things the way they are, and happy to work with and get the support of the Department of Education stay exactly how they are.

**Ms FYLES:** How does it work? There are five staff left in the Education Department pool - these are the realities; how does that work? Will staff be pushed onto schools? That is what they are concerned about. They are not going to be able to hire somebody who is not within the department, they are going to be forced to hire department people. It is not giving them the autonomy that it claims,

**Mr CHANDLER:** The difference is if a school comes under the community-driven model, a private school, yes, it will be able to hire and fire its own staff. If it goes down the ...

**Ms FYLES:** If they employ a department person and that person does not work out, they fire them, and they end up back in the department.

**Mr CHANDLER:** It is just like any other private school in the Northern Territory. The process put up by the federal government is different, because it is still a public private school, as it is working under a private model, but it is still a public school. Those schools will still have to employ staff from the Department of Education ...

**Ms FYLES:** So, it is not all the bells and whistles they are being promised?

**Mr CHANDLER:** No, but the community-driven schools model, which we also have as part of our policy, is more like the private model. They are the schools that will have the autonomy to hire and fire.

**Ms FYLES:** What if all of your teachers are placed at schools? Does our community-driven school have to take five teachers from the pool, or you will have five teachers sitting there doing nothing?

**Mr CHANDLER:** The Chief Executive was explaining exactly what I have just said about the differences between the community-driven schools which is, effectively, turning a public school into a private school. They get the autonomy ...

**Ms FYLES:** That is where the sponsorship might be?

**Mr CHANDLER:** Absolutely. Then you have the public private schools that ...

**Ms FYLES:** Independent public schools.

**Mr CHANDLER:** ... the Commonwealth is pushing at the moment as a proposal. Those schools will have to employ staff through the government model.

**Ms FYLES:** How do you propose that in the Territory, particularly with the vast differences between our remote, regional and urban school? We are going to end up with a pool of teachers the public private schools do not particularly want. They are going to be forced onto other schools.

**Mr CHANDLER:** As you have rightly pointed out, we have not had a school that has moved over yet. I do not think there is going to be a rush at the gates; that we are going to have all these schools want to become private schools. At the same time, we are not going to have a pool created because of this rush. If we did, that would cause us another problem we would have to deal with. However, I do not foresee that as being a problem.

**Ms FYLES:** I urge you, minister - there is some research coming out of New Zealand and other states have said - implement it slowly, take your time. There is a move away from it ...

**Mr CHANDLER:** It is moving slowly, all right.

**Ms FYLES:** Perhaps you can look at that data. I am very conscious of time and I have my colleagues, so I am happy to move on from that output.

**Madam CHAIR:** Are there any further questions on the output? That concludes consideration of Output 1.3.

#### **Output 1.4 - Middle Years Education**

**Madam CHAIR:** The committee will now proceed to Output 1.4, Middle Years Education. Are there any questions?

**Ms FYLES:** Thank you, Madam Chair ...

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#### **Answer to Question on Notice No 6.5**

**Mr CHANDLER:** Before you ask the question can I give you an answer to Question on Notice No 6.5?

*Ms Fyles: advise the status of the gifted program at Moil Primary School, the budget allocation for the program in 2014-15 and whether it will be disbanded.*

That will be a school decision, but this year the school has restructured the program from being a single class to a program with a focus on reading and mathematics. Thirty students now benefit from the program, a substantial increase over last year.

Moil Primary receives one teacher (out of model) full-time equivalent teacher to staff the gifted program. No additional grant is allocated to support this program.

With the move to global budgets, schools will be able to determine their staffing composition and allocate resources accordingly. Moil Primary School will need to determine if the gifted program continues in 2015.

**Ms FYLES:** So, currently they receive one extra teacher to run that program but, next year with global budgeting they, potentially, will not receive that extra teacher to run a long-standing gifted unit?

**Mr CHANDLER:** No, it will be in its global budget because that is what it has this year. The short answer to global budgeting is that ...

**Ms FYLES:** That has just been a long-running gifted ...

**Mr CHANDLER:** ... if you look at what the school has used this year, it is pretty much going to be the baseline for what next year's funding will be.

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**Ms FYLES:** Minister, in middle school, are you aware of the number of schools which needed to restructure their timetables?

**Mr CHANDLER:** Yes, I am. There are many things happening in the middle schools program I have some major concerns with, which is why we are reviewing how the middle years structure works. One of the major concerns I have with our middle years is not the infrastructure - the previous government did a good job in building some schools – but in the outcomes.

I bring your attention to NAPLAN results, particularly from our middle schools. There has been a significant decline in those results. I am very worried about the quality of educational outcomes we are getting from our middle years program. There are elements of success but, overall, if you look at the NAPLAN results - and I know you cannot really see them here - it shows Year 7 numeracy dropping significantly, Year 9 numeracy dropping significantly, Year 7 flat-lining ...

**Ms FYLES:** Minister, would you be able to table that document?

**Mr CHANDLER:** Yes that is fine. It is ...

**Ms FYLES:** Sorry, I am conscious I have gone over time and I have a few more important questions.

**Mr CHANDLER:** There are a few personal notes on there, but there is nothing that is a problem.

**Ms FYLES:** Minister, all schools lost teaching staff. For example, on the data you tabled before Sanderson Middle School lost 13 teachers. How many subject lines do you think were lost overall? Obviously, this was an effect of the teaching staff - schools were forced to restructure their timetables and some schools are still struggling with that.

**Mr CHANDLER:** The fact schools are restructuring their timetables is a good use of their resources. I have advice certain schools are offering more in their curriculum this year than last year because of the restructure of their timetable.

**Ms FYLES:** Would you be able to table those schools, minister, or take that on notice?

**Mr CHANDLER:** It still does not go anywhere near the level of teacher/student exposure. I think we are running at around about 63% ...

**Ms FYLES:** Minister, on notice, could you provide us with a list of the schools that have expanded their subject lines, or can you read that out now?

**Mr CHANDLER:** Senior secondary or ...

**Ms FYLES:** I was talking middle years but ...

**Mr CHANDLER:** Changes made to senior secondary staffing ratios in December 2013 have not directly affected the range and number of subject offerings in senior secondary schools. Senior secondary subjects are offered in 28 schools across the Northern Territory. In Semester one 2014, when compared to Semester one 2013, a greater number of classes were offered in the majority of Stage 1 subjects. The average Stage 1 class size increased from 14 students in Semester one 2013 to 15 students in Semester one 2014. That is an increase of one.

The average Stage 2 class sizes increased from 11 students in 2013 to 12 students in 2014. Stage 1 and Stage 2 classes are still, on average, significantly lower than the agreed maximum of 27 students per teacher.

**Ms FYLES:** Minister, do you have the same data for middle schools?

**Mr CHANDLER:** No, but I am happy to take that on notice.

**Ms FYLES:** Thank you, minister.

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#### Question on Notice No 6.9

**Madam CHAIR:** Can you please restate the question for the record.

**Ms FYLES:** The minister offered data on the subject choices for senior schools. Can we get the same for middle schools please?

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

**Mr CHANDLER:** Yes.

**Madam CHAIR:** The question asked by the member for Nightcliff is No 6.9.

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**Ms FYLES:** Minister, I heard staff are expected to leave Nhulunbuy Primary School quicker than the students, so class amalgamations due to staff shortages are inevitable. Nhulunbuy currently has limited relief teaching staff available. Staff absence due to leave is not backfilled. Classes, I understand, are regularly being split. How will the minister ensure students have a teacher?

**Mr CHANDLER:** Interestingly, I gave a commitment earlier this year that teachers in Nhulunbuy would be guaranteed their employment until the end of this year.

**Ms FYLES:** I understand that, minister, but, obviously, if their husband or partner's job with the corporation finishes, they leave town. We are being told classes are regularly split, and classes do not have a teacher.

**Mr CHANDLER:** I cannot provide management advice for a family or ...

**Ms FYLES:** No, I am talking about the school classes. Obviously, if a husband or a partner needs to move on and the teacher and family go, there is a lack of teachers in Nhulunbuy, and they are not being backfilled by your department. We are seeing classes split and classes left without a teacher. It is an issue I would like you to address.

**Mr CHANDLER:** My advice is the numbers in schools are reducing from what they were at the start of the year, including the private sector. Nhulunbuy Primary School started Term one, week seven 2014 with 570 students. In Term two, week seven, it has dropped to 523. The variation is 47 students down, or 8.2% of the student population.

Nhulunbuy High School went from 244 in the same time period down to 224. That is a loss of 20 or 8.2%. I do not have details for the private sector, but that is what we are seeing. You will have a situation - I expect the number of students dropping in schools will continue to occur if people are losing their jobs in ...

**Ms FYLES:** Minister, I am not focused on student numbers, but we have seen teachers leave. You gave an undertaking that teachers would have guaranteed employment until the end of this year.

**Mr CHANDLER:** I have, and they have been guaranteed.

**Ms FYLES:** Parents undertook that meant that there would be a teacher. If a teacher leaves, they are not being replaced.

**Mr CHANDLER:** I point out that if student numbers went up, of course, you would have teacher numbers being supported. But, the school has to manage, if they are losing students ...

**Ms FYLES:** Minister, you undertook at the end of last year that teachers in place in Nhulunbuy would be there ...

**Mr CHANDLER:** And that is absolute commitment.

**Ms FYLES:** ... so, if there were 24 teachers at the high school or 24 at the primary school, parents expected there would be 24 teachers at the end of this year. They expected, yes, class sizes would drop, but they expected there to be a teacher.

What we are seeing, if a teacher has to leave town, classes amalgamated or split on a regular basis because the teachers are not being replaced. Yes, you have said those teachers can stay there, but as soon as they are leaving, you are not replacing them, and that is what the problem is.

**Mr CHANDLER:** The issue is somewhat problematic because we have not yet had advice from either school that they are not managing this problem. If they request support from the department, the department will look at that request. But, at the moment, we have not had a request. You are raising something for the first time here ...

**Ms FYLES:** Okay.

**Mr CHANDLER:** ... that we have not had a request from Nhulunbuy.

**Ms FYLES:** I appreciate it is the first time you have heard it, so I very much hope you can look into that issue.

**Mr CHANDLER:** I temper that by saying if you have a reduction in student numbers – what I wanted to do when I said let us guarantee these teachers their jobs until the end of the year was to provide some certainty in the community ...

**Ms FYLES:** Absolutely.

**Mr CHANDLER:** ... which was much needed.

**Ms FYLES:** People appreciated that, but they are seeing teachers move on who are not being replaced and they feel they are being short changed.

**Mr CHANDLER:** If the numbers are dropping, this is what we will keep a close eye on. If they do not drop anymore there will be no more teachers ever leave the place. But, if the student numbers continue to drop because there is another transfer of workers who leave the town, then those people who have jobs and stay there to the end of the year are absolutely guaranteed their jobs will be there.

But, the staffing at the school has to be managed according to the numbers. What are you going to do? Have teachers sitting around doing nothing if, all of sudden, we have ...

**Ms FYLES:** The expectation from the community was, even if we saw significant numbers of people leave we would have 24 teachers – and I am quoting that number – and even if there was a teacher only teaching 10 kids - well, you guaranteed there would be that number of teachers ...

**Mr CHANDLER:** I wanted to save their jobs, because that was what was important: to provide those teachers certainty.

**Ms FYLES:** Okay, so it was not important for the community. I guess parents stayed on knowing their child would be in whatever class they started at the year, they would finish.

**Mr CHANDLER:** But that should not change given, if the student numbers go down there is going to be an excess of teachers.

**Ms FYLES:** What we are seeing is teachers are leaving, which means the 24 teacher number is now down to 18. If you can look into that, the community would very much appreciate that.

**Mr CHANDLER:** Absolutely.

**Ms FYLES:** Minister, I have one more question. VET in middle school provides opportunities for students in the middle years of schooling to engage in vocational learning and training and sets them on a pathway to a career. What funding is provided to support VET, noting we have a \$3m reduction in the funding to middle years education?

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#### **Answers to Questions on Notice Nos 6.4 and 6.5**

**Mr CHANDLER:** I will get that information. Rather than read out questions on notice 6.4 and 6.5, I will table.

**Ms FYLES:** No worries, thank you. You will take the VET question on notice, or you are going to answer that now?

**Mr CHANDLER:** No, we have the information here.

**Ms FYLES:** Okay. While you are looking for that, in the interests of time, many senior schools also have trade training centres attached to their respective campuses. Why is it that many of these trade training centres are not funded to run VET courses within their defined area of expertise?

**Mr CHANDLER:** In 2013, 1255 students gained an NTCET. This is an increase of 4% from 2012 - this is NTCET and VET outcomes. Of this total, 174 students identified as Indigenous, 134 from urban schools, and 40 from remote locations, representing an increase of 30% from 2012.

Of the total number of 2013 NTCET completed, 813 studied in government schools, while 442 studied in non-government schools. This is a decrease of 7% for government schools and an increase of 32% for non-government schools. The change in percentage completion rates could be attributed to the introduction of middle schools in the Darwin region four years prior.

In 2013, 2211 students achieved at least one VET competency. Of this number, 771 students achieved a full qualification, giving a completion percentage of 35%; 1195 students started at least one Stage 2 subject in 2013 - these students may have been Year 11 or Year 12 students; and 101 students were not successful in gaining an NTCET. Significant work is currently being undertaken in schools to improve this outcome in 2014.

VET numbers showed a reduction in 2013, due to a number of factors. In previous years, figures showed the total number of qualifications being undertaken. This year, figures show the number of students doing VET - for example, some students enrolled in two or more qualifications in one year.

Students enrolled in school-based apprenticeships or traineeships in both government and non-government schools increased significantly. These numbers would otherwise be included in the VET numbers.

Budget estimates for expenditure in 2013-14 was \$3.08m, and the 2014-15 budget is \$3.027m.

**Ms FYLES:** Thank you.

**Madam CHAIR:** That completes the ...

**Mr WOOD:** You normally ask.

**Madam CHAIR:** I asked last time. That is all right, Output 1.4 - go for it.

**Mr WOOD:** Taminmin is already busting at the seams with numbers of students. What are the plans for a new middle school/senior school in the rural area - perhaps at Weddell, for instance? May I drop that as a hint, minister?

**Mr CHANDLER:** I do not think we will need one soon, given you will not approve any developments in the rural area.

**Mr WOOD:** I would give my imprimatur tomorrow if you put a development at Weddell. You know that. Weddell is according to your own plans.

**Mr CHANDLER:** Right. I spoke earlier about John Glasby doing a report on the greater Darwin area. It included the Taminmin region. You are absolutely right, Taminmin high being a comprehensive school ...

**Mr WOOD:** College.

**Mr CHANDLER:** ... is a full school. I anticipate future developments in the regional and rural areas of Darwin will put additional pressure on that. My sense - from the information I have seen through the John Glasby report - is a decision will need to be made within the next couple of years about whether it is a middle school that we build or another high school. That decision will be whether to turn Taminmin into just a secondary college and have a standalone middle school, or keep it as running the way it is, and have an additional facility somewhere in the rural area, maybe even at Holtze. But ...

**Mr WOOD:** We do not mind a rural college in the rural development; they would actually be quite happy. To have a rural college in the rural subdivision would be something I would totally support.

**Mr CHANDLER:** It is front of mind and, as rightly pointed out through John Glasby, there are four points of concern to the government. One is, obviously, Palmerston, the northern suburbs, the city area and, of course, the rural area and the pressures under Taminmin. It is being discussed.

**Mr WOOD:** I hope there are discussions with the local community because, as you know, it is not just a middle secondary school, it is a VET college so young people can take that pathway.

**Mr CHANDLER:** I have information here. There are currently no vacancies at Nhulunbuy Primary School. We have plans in place to backfill expected upcoming vacancies. There are 1.8 vacancies at Nhulunbuy High School at the moment.

**Ms FYLES:** Thank you for that update.

**Madam CHAIR:** Any further questions on Output 1.4? That concludes consideration of Output 1.4.

### **Output 1.5 – Senior Years Education**

**Madam CHAIR:** We will now consider Output 1.5, Senior Years Education. Are there any questions?

**Ms FYLES:** Minister, what was the cost of the temporary relocation of the NTOEC to the Nightcliff Middle School?

**Mr CHANDLER:** We have that information, but not here, so I am happy to take that on notice.

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### **Question on Notice No 6.10**

**Madam CHAIR:** Please restate the question for the record, member for Nightcliff.

**Ms FYLES:** What was the cost of the temporary relocation of the NTOEC to the Nightcliff Middle School?

**Mr CHANDLER:** It might be hard to move them out of there - they like it.

**Madam CHAIR:** Do you accept the question, minister?

**Mr CHANDLER:** I do.

**Madam CHAIR:** The question is No 6.10.

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**Question on Notice No 6.11**

**Ms FYLES:** Minister, what was the cost of relocating Northern Territory Music School from Nightcliff Middle School to Sanderson Middle School?

**Mr CHANDLER:** I am happy to take that on notice as well - and they like that too.

**Madam CHAIR:** That was pretty clear. The question asked by the member for Nightcliff to the minister is No 6.11.

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**Ms FYLES:** Minister, you might have hinted that the NTOEC may stay put at Nightcliff Middle School ...

**Mr CHANDLER:** No, no.

**Ms FYLES:** ... but has there been any consultation with NTOEC, Darwin High School, and Darwin Middle School parents on the relocation to that site?

**Mr CHANDLER:** Yes, there has. In fact, I have sat in on council meetings to discuss the very fact. Everyone is excited this is finally coming to realisation. For the very first time, having a building constructed around technology, instead of technology being shoved into a building, is pretty exciting. In talking to the principal at Darwin high, they see it as such an added benefit to Darwin high as well. So does Darwin Middle School. Of course, NTOEC, whilst I suggest the premises where they are at the moment is pretty nice ...

**Ms FYLES:** It is in Nightcliff.

**Mr CHANDLER:** ... you walk around there ...

**Mr WOOD:** Everything is nice at Nightcliff.

**Mr CHANDLER:** ... and from that old building they came out of, which is like a dungeon ...

**Ms FYLES:** Faulty Towers.

**Mr CHANDLER:** You call it Faulty Towers? ... into the premises they are now in. We should talk to Madam Speaker about having that carpet in Parliament House, because it such a bright carpet it is uplifting. It is a really good facility they have now. For the first time, we have a facility built around the technology, and have the support from INPEX and from the community. I know there was a rough start, but everyone is looking positive about the new NT Open Education Centre being constructed.

**Ms FYLES:** Minister, I know the traffic study which you undertook on the Nightcliff Education Precinct is still running and was mutually agreed to ensure we had the possible data. Is there any budget for possible measures that are recommended?

**Mr CHANDLER:** We will have to have discussions with council because they are their roads, they are not government roads. We would have to, once their recommendations come through - I think it is Lucio Ceccerelli we have been talking to from Darwin Council about what measures we could take.

**Ms FYLES:** You know I will be on to you about that?

**Mr CHANDLER:** Yes.

**Ms FYLES:** Minister, last year during estimates you said the relocation of the Open Education Centre out of the building on Chrisp Street would be on commercial terms if it was to be used by the Essington School. Are you able to provide details of those commercial terms?

**Mr CHANDLER:** I will take it on notice. I need to check whether or not it is a breach of commercial terms.

**Ms FYLES:** Even if you can just assure the public and the education sector that it is on commercial terms?



**Mr CHANDLER:** Absolutely, yes.

**Ms FYLES:** I understand if there are specific details that cannot be provided, but that is a question we have been asked.

**Mr CHANDLER:** One of the questions was whether we were giving it or gifting it to Essington School, which was not the case. It is only leased to Essington.

**Ms FYLES:** Regarding the middle schools, you gave us these documents relating to FTE positions. We did not get the breakdown. Last year, it was given teaching and non-teaching. Is it possible to get that on the written question?

**Mr CHANDLER:** Yes, I will take that on notice.

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#### **Question on Notice No 6.12**

**Madam CHAIR:** Member for Nightcliff, please restate the question for the records?

**Ms FYLES:** The previous written question documents that were provided. If we could get the figures broken down to teaching and non-teaching staff that would be appreciated.

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

**Mr CHANDLER:** Yes.

**Madam CHAIR:** That question is No 6.12.

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**Ms FYLES:** That is all I have on seniors.

**Madam CHAIR:** Any further questions on Output 1.5?. That concludes consideration of Output 1.5.

#### **Output 1.6 – International Education**

**Madam CHAIR:** The committee will now proceed to Output 1.6, International Education. Are there any questions?

**Ms FYLES:** Just briefly on international education. It appears it gets a cut of 2.7% in the budget, even though the government is claiming it is committed to developing a strategy to build the Northern Territory as an international education hub. What advice is being sought in the development of this strategy? Do you not think it is important to focus on delivering world-class education for Territorians without expanding?

**Mr CHANDLER:** I do. The Northern Territory government established a task force in November 2013 to develop a fully-costed 10-year strategic plan for an international education and training hub in the Northern Territory. The 15-member task force comprised of experts and stakeholders both from private and public sectors in the Northern Territory and interstate.

In 2012, international education contributed \$49m to the Northern Territory economy and was our 11<sup>th</sup> largest export. The task force has recommended a 10-year vision of international education and training being the top five export earners in the NT. The vision is underpinned by the following goals:

- by 2015 increase the number of international students in the Northern Territory by 20% from 1600 students to 1900 students
- by 2016 existing infrastructure is fully utilised and plans are in place for pipelined infrastructure to meet 2024 targets
- by 2019 the Northern Territory will double the financial contribution to its economy through international students from \$449m to \$98m
- by 2024 the Northern Territory will triple the financial contribution to its economy through international students from \$49m to \$147m.

The goals will be achieved through the following enablers:

- the Northern Territory education and training system to provide high-quality world-class education and training using state-of-the-art technology to produce successful graduates
- Territory workforce - have Asian cultural competencies that enable effective business to develop the NT's knowledge economy
- Investment and Infrastructure – provide safe, secure modern student accommodation, excellent public transport, and affordable and direct flights to target countries
- Northern Territory international education and training hub – a coordinated organisation funded by government to position the Northern Territory as an international study destination, connect businesses and community into international education, and create the Northern Territory alumni network.

The department is appointing an experienced executive to develop and implement the Northern Territory international education and training hub. The 2013-14 Budget for the task force was \$173 000. That task force has completed its report and it is now with Cabinet to consider.

**Ms FYLES:** That is your extra executive there. Minister, when you talk about international education, are we talking about private schools, government high schools and senior schools, or more in the trade training and university sector?

**Mr CHANDLER:** It includes high school students as well.

**Ms FYLES:** Thank you. That is all I have for that output.

**Madam CHAIR:** That concludes consideration of Output 1.6.

### **Output 1.7 – Tertiary Education**

**Madam CHAIR:** I will now call for questions on Output 1.7, Tertiary Education.

**Ms FYLES:** Minister, I know we spoke earlier, but tertiary education gets a real terms cut of 9.9% through the operational grant for Charles Darwin University. What was the basis for the cut in grant funding?

**Mr CHANDLER:** It is 4% of the total Northern Territory government funding to CDU that has been cut, not 9%. Like all parts of government, we were looking for efficiencies and where we could find savings measures. Through both BIITE and CDU, an efficiency was looked at which was mainly in their R&M budget, but we looked at another area as well.

The CDU and NT government partnership agreement, through which all agencies interact with the university is the Department of Education operating grant of \$7m in 2014-15, which is an increase of \$0.2m, and the \$2m grant for the Waterfront campus facility. We are still giving a considerable amount of money to CDU and BIITE. The reality of the fiscal position we find ourselves in is the only reason we are looking at efficiencies.

**Ms FYLES:** Minister, regional universities are hardest hit by the federal government's budget cuts. Have you raised those concerns with the federal government? Has the department undertaken any modelling of the impacts of the changes to Charles Darwin University from the federal budget cuts?

**Mr CHANDLER:** I have had a phone conversation with Christopher Pyne on this subject. At the moment, there is a lot of information floating out there, and a lot of misinformation at the same time. Until we see some of the real outcomes, it is hard to judge what the impact will. Universities are saying they will not increase their charges. They live in a competitive marketplace and, therefore, if they put their prices up, they lose any leverage they might have over another university. It is unlikely we will see some of the changes suggested.

**Ms FYLES:** Have you had any conversations with CDU concerning the federal budget?

**Mr CHANDLER:** I have had a discussion with the Vice Chancellor and there are ongoing discussions. These are not one-off discussions; we have regular meetings and they will continue.

**Ms FYLES:** Thank you. I have no further questions.

**Mr WOOD:** I was not here earlier. I want to ask a question about Batchelor. Did Alison ask questions about funding of Batchelor Institute? Has it decreased?

**Mr CHANDLER:** Yes.

**Mr WOOD:** We have covered that? I wanted to make sure.

**Madam CHAIR:** That concludes consideration of Output 1.7 and Output Group 1.0.

**Mr WOOD:** Can I ask a non-specific question to that area?

**Madam CHAIR:** A non-output specific? That is at the end.

**Mr WOOD:** At the end, is it? Okay.

**Madam CHAIR:** Yes. We still have four outputs and then you can ask it, I will prompt you.

### **OUTPUT GROUP 2.0 – NON-GOVERNMENT EDUCATION** **Output 2.1 – Primary Education**

**Madam CHAIR:** The committee will now move onto Output Group 2.0, Non-government Education, Output 2.1, Primary Education. Are there any questions?

**Ms FYLES:** Minister, I understand a working group has been set up to look at getting a grammar school for Darwin. Are you aware of this? Were you consulted in the development of the terms of reference for the working party? I understand this is the Chief Minister's plan for a grammar school. Has a proposal been developed and decisions been made?

**Mr CHANDLER:** Absolutely. We are very excited about going down this track of having an international grammar school in the greater Darwin area. We have a growing economy and opportunities left, right, and centre in the Top End at the moment. Companies like INPEX that come to Darwin bring executives and their families. At the moment, some of them are limited to their choices when it comes to education. Many choose the Essington School, some choose Darwin High School and a number of primary schools across the sector.

I had the opportunity last year, along with the Chief Executive, to visit a number of international schools in Tokyo. We had the opportunity not only to visit the schools, but to sit down with the parents. It was the very first time I had exposure to their needs. I had no idea what went into an international school, to be honest, but that gave me a great understanding of those needs.

A number of the parents we met in Tokyo live in Darwin now and their children go to Essington. It was through that involvement that it brought home to me the importance of having an international school in the greater Darwin area. INPEX will not be the last multinational company that comes to Darwin and, with it, executives and other workers and their families wanting to put their children through an international school, rather than a typical Territorian school. They should have that choice.

The second thing is if we want to attract people to stay longer, it is a good thing for the Northern Territory to provide that option.

**Ms FYLES:** Are you able to tell us about the plans?

**Mr CHANDLER:** Without going too far - because there is a lot of confidential discussions going on at the moment - at the moment we are looking at suitable land and location for a grammar school. Once we have bedded that down, we will be in a better position to talk publicly about the next step. It is on the agenda.

**Ms FYLES:** Will it be a boarding school or a day school?

**Mr CHANDLER:** Potentially, it could be. I do not want to say it will be but, potentially, it could be.

**Mr WOOD:** I know a nice setting for it in a rural subdivision in Holtze, Howard Springs.

**Mr CHANDLER:** Holtze.

**Mr WOOD:** It would be a pleasant area to study.

**Ms FYLES:** A question I forgot to ask earlier. The federal government provides significant funds to educate students. If you are in a private school, that funding goes directly to the school or Catholic Education rather than through the department. Is that correct?

**Mr CHANDLER:** It goes to the department first. We are the post box.

**Ms FYLES:** Do you pass that on or do you take a cut of that? It all gets passed on? If we move to a model with the independent or the public private schools, will they receive all that funding per student base?

**Mr CHANDLER:** Yes, because if we are going down the road of school autonomy and global budgeting, it is about 80% of their total school budget that would go to the school and about 20% would be held back. It would be no different under this model.

**Ms FYLES:** Do you know, off the top of your head, how much per student the federal government gives for each student?

**Mr CHANDLER:** It depends on the location and if they are a remote student.

**Ms FYLES:** But, it is the same amount whether they are in a government, Catholic, or independent school ...

**Mr CHANDLER:** That would not change.

**Ms FYLES:** Then, obviously, the department, because you run the public schools, keeps – okay, thank you. It was a question I forgot to ask earlier. That is all I had on that output.

**Mr WOOD:** Are there any plans throughout the Territory for any new independent or private schools? I would call them independent because they are not all Scots College, by the way.

**Mr CHANDLER:** Scots.

**Mr WOOD:** Yes, I will call them independent, just to separate them from ...

**Mr CHANDLER:** There could be, but that would be a choice they would make if they wanted to move ...

**Mr WOOD:** No ...

**Mr CHANDLER:** I would be welcoming – I would love them to come here and set up a grammar school, for instance, but ...

**Mr WOOD:** No, no, I am talking more or less about the normal primary and secondary schools. Have there been any approaches for land for possible new schools throughout the Northern Territory - independent schools?

**Mr CHANDLER:** Yes. It is public that one of the ideas being put forward at the moment is when we build the new Zuccoli preschool and primary school – this is just one of the ideas, it is not concrete or anything like that – one of the Catholic schools would like to build on the other side of a sporting facility.

**Mr WOOD:** That would be so good.

**Mr CHANDLER:** The idea ...

**Mr WOOD:** Mackillop?

**Mr CHANDLER:** The idea would be you would have a Catholic school here, separated by a sporting facility which could be used by both schools. You would have a far better sporting facility which might include tennis courts and basketball courts, running tracks, and sporting fields, with the two schools either side. It would then allow the community to use the infrastructure on the weekends and the schools to use the infrastructure through the weeks. It would be a better use of ...

**Mr WOOD:** I am interested in the football match. Going back to, say, the 1960s when I went to school, there was a state school on one side and a Catholic school on the other, and a footy match.

**Mr CHANDLER:** There was a footy match.

**Mr WOOD:** But times have changed, thankfully. I am sure they would mix very well.

**Mr CHANDLER:** Ideal. Yes, that would be the only approach at the moment.

**Mr WOOD:** That is sensible. I must admit, one of the poor planning decisions was to put Mackillop where it is, because it lost 3.5 ha of land because of a sacred site application. It has insufficient room for proper sporting facilities on that site. I do not know whether there is any way you can help them but, for the size of the school and the number of kids, that is a very small piece of ground.

**Mr CHANDLER:** At Mackillop?

**Mr WOOD:** Yes. Maybe they can share that oval too.

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#### **Answer to Question on Notice No 6.8**

**Mr CHANDLER:** I have the answer to question on notice No 6.8. Do you want me to table it?

**Ms FYLES:** Sure, that will be great.

**Madam CHAIR:** Thank you, minister.

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**Madam CHAIR:** That concludes consideration of Output 2.1.

#### **Output 2.2 – Middle Years Education**

**Madam CHAIR:** The committee will now consider Output 2.2, Middle Years Education. Are there any questions?

**Ms FYLES:** I did them all in bulk, so I do not have anything on Outputs 2.2 or 2.3.

**Madam CHAIR:** That concludes consideration of Output 2.2.

#### **Output 2.3 – Senior Education**

**Madam CHAIR:** The committee will now call for questions on Output 2.3, Senior Education. Are there any questions? That concludes consideration of Output 2.3 and Output Group 2.0.

### **OUTPUT GROUP 3.0 – CORPORATE AND GOVERNANCE**

#### **Output 3.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now move on to Output Group 3.0, Corporate and Governance, Output 3.1, Corporate and Governance. Are there any questions?

**Ms FYLES:** Minister, how many communications staff are employed by the department, and does the agency use communications staff from the Department of Business?

**Mr CHANDLER:** There are six within the Communications Strategy Unit. Sometimes, we draw on other areas if there is a – what is it called? – a central marketing bureau. We have a central marketing bureau?

**Ms FYLES:** Which advertising campaigns have been undertaken in the last 12 months, and what was their cost? I am happy to take that on notice.

**Mr CHANDLER:** I can go through this, that is fine. Expenditure on advertising and marketing in the first three quarters of 2013-14 totalled \$140 000. That is a reduction of \$160 000 from the previous year. The reduction of advertising and marketing expenditure in 2013-14 is due to implementation of savings measures across the department and refocusing priorities in line with the department's new strategic plan.

The majority of advertising expenditure in 2013-14 was for the publication of the regular School to Work news feature in the *NT News*. Other expenditure included the Back to School campaign, term dates, entitlement scheme, publication of the NT Certificate of Education results, Indigenous education review consultation, and advertisement of NT Board of Studies vacancies.

Brochures and leaflets expenditure included resources for the Families as First Teachers program, the Learning Games Manual, the 2014 school calendar, the production of the department's annual report and strategic plan, and the Indigenous education review draft report.

Newsletter expenditure was for the production of the Families as First Teacher program newsletter.

Photography costs include photo shoots for Families as First Teachers resources, and photos of students with the highest NT Certificate of Completion results in 2013.

Media monitoring costs were higher in 2013-14 than in previous years due to media focus on education issues during the period of industrial action over the year.

By comparison, 2012-13 and 2013-14 newspaper was a \$104 704, down to \$90 690; radio was \$25 823, and zero; television \$23 636 and zero; magazine and journals \$3418 and zero; online advertising zero across the board; and outdoor banners \$840 and zero. A subtotal for advertising for 2012-13 was \$157 581 down to \$90 690 this year. Total budget for 2012-13 for advertising and marketing was \$301 373, down to 2013-14, \$143 693. Another area of savings within education that did not affect the classroom.

**Ms FYLES:** Thank you, minister. I have a couple of questions. The department processes the childcare subsidy and the Back to School payment. What proportion is taken up in administration costs?

**Mr CHANDLER:** None at all pass through.

**Ms FYLES:** None pass through. This might not be in your area, but the Back to School Vouchers and the Back to School Sport Vouchers you process - what is the administration cost with those or is it just absorbed?

**Mr CHANDLER:** It is absorbed? Yes, but there is none. We should though, shouldn't we? We should take some off Sport and Rec.

**Ms FYLES:** Looking at the expansion ...

**Mr CHANDLER:** Put that down, please.

**Mr WOOD:** Especially if they have tripled it.

**Ms FYLES:** The expansion of the Learn to Swim program. Previously, the Under 5s would not have been in your budget output, but the Learn to Swim is?

**Mr CHANDLER:** That is Sport and Rec budget.

**Ms FYLES:** Okay. I asked the question as it is just in our Educating our Children budget. The childcare subsidy that is paid directly to the childcare providers – are the \$3000 equipment grants through your agency?

**Mr CHANDLER:** It is, but it is all passed on.

**Ms FYLES:** No, no. A question around that. You are probably not aware of it, but there are some organisations that fall in a loophole. For example, the three-year-old kindy. The childcare centres get it and I am imagine in the communities the new centres would get it. There are a couple of centres across the Territory that have missed out. It is not a huge amount of money.

**Mr CHANDLER:** My advice is they do not qualify because of the hours of operation. They do not operate long enough to qualify.

**Ms FYLES:** They offer sessions twice a day, five days a week. They provide an important service. It is aimed at children who are not old enough for preschool and who families do not want to use childcare.

They do not want to send their kids five days a week or even to longer care. Short day care is the way families look at it, and it would be great ...

**Mr CHANDLER:** I will have a look at it and learn a little more about it.

**Ms FYLES:** Yes, it is something that has been raised with me. We are talking about these cost of living supports, and that is something, in all the buckets of money we are talking about ...

**Mr CHANDLER:** Happy to take it on board.

**Ms FYLES:** Thank you, minister.

**Madam CHAIR:** Thank you. It is now 12.30 pm ...

**Mr WOOD:** We might be able to finish off that right now. My question will be short and sweet. Minister ...

**Mr CHANDLER:** As the answer.

**Mr WOOD:** It will only be yes or no. Do you invite all local members to the Board of Study Awards which occurred earlier in the year? For some reason, I have been invited but, in recent times, have been given the snub.

**Ms FYLES:** A savings measure, Gerry.

**Mr WOOD:** A savings measure.

**Ms FYLES:** You eat a lot.

**Mr CHANDLER:** It might have been an oversight. If I was to put down a list of things I was not invited to when I was in opposition, it would be long and dandy.

**Mr WOOD:** That is one area where you would like to go along as local member and congratulate the children in your electorate - or even if they are not in my electorate, but people you know - for the work done. It now tends to look political.

**Mr CHANDLER:** I will make sure I invite you, member for Nelson.

**Mr WOOD:** All members, please.

**Mr CHANDLER:** They should be.

**Mr WOOD:** Not only should be, they will be?

**Mr CHANDLER:** They will be.

**Mr WOOD:** Thank you, minister. That is now in *Hansard* and has been recorded.

**Madam CHAIR:** We will now break for lunch. We resume at 1 pm, thank you - with Education in Output Group 3.0.

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The committee suspended

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**Madam CHAIR:** Thank you very much, minister, for returning after the break. We are still on Output Group 3.0 for Education, Corporate and Governance. Are there any further questions in that output?

**Mr HIGGINS:** Yes. Minister, can you tell me how many vehicles the department has? I am also interested in how many buses we have in remote communities and how this compares to previous years.

**Mr CHANDLER:** Thank you for the question. The agency's fleet consists of 401 vehicles as at 31 March 2014. The number of passenger and light commercial vehicles was 331, a reduction of 40 since 31 March 2013.

The number of commercial and heavy vehicles stands at 70, an increase of 15 from 31 March 2013, which relates to school buses. So, we have an additional 15 buses now.

Vehicles are allocated for student transport in remote schools, for executive contract officers, contract principals, and for pool use in regional offices.

The shift towards commercial heavy vehicles is a response to the change in vehicle child restraint standards. This has resulted in the replacement of vehicles used to transport students with models that meet the new standards. For years, the old troop carrier was used, and we have now gone to Mercedes Benz buses in most places.

To 31 March 2014, there has been a reduction in costs for department vehicles of \$1.16m, compared to the same period in 2012-13, due to reduced lease charges because vehicle lease periods have been extended by NT Fleet by one year, reductions in the number of executive contracts, staff, and pool vehicles, and a more vigorous justification process for new vehicles for schools.

As I mentioned earlier, there is a reduction in Executive Officer contracts within the department. Of course, each one of those contracts had a vehicle attributed to it and, with a lower number of Executive Officers, we have a lower number of vehicles in that area.

As I said, there is an increase in buses. It is a good news story but, again, pinpoints the reality that there were savings to be made in Education which do not affect classrooms.

**Mr HIGGINS:** Do those new buses require a special licence?

**Mr CHANDLER:** No, it depends on the number of seats they have. Once you get above a certain number of seats they require a special licence, but most of the buses we have are general standard.

**Madam CHAIR:** Are there any more questions?

**Mr CHANDLER:** I just add that in our remote areas, of course, and even in our more urban schools, four-wheel drive training is part of courses which are offered.

**Mr HIGGINS:** Water crossing?

**Mr CHANDLER:** It includes water crossings, not to the same extent you are probably used to on the Daly, though.

**Mr HIGGINS:** I was going to say I have seen a lot of failures.

**Mr CHANDLER:** A lot of failures.

**Madam CHAIR:** Are there any other questions? That concludes consideration of Output Group 3.0. Are there any non-output specific budget related questions? Member for Nelson, I know you had one.

**Mr WOOD:** Did I ask that one about the ...

**Madam CHAIR:** You wanted to ask it. I think it was ...

**Mr WOOD:** Invitations to the ...

**Madam CHAIR:** Is that what it was?

**Mr WOOD:** Yes, that is what it was.

**Madam CHAIR:** Okay, no problem. Are there any other output ...

**Mr CHANDLER:** You forced my hand.

**Mr HIGGINS:** This might have been asked, but I might just ask Michael and Kenny if it has. Was there a question asked on the use of consultants already?

**Madam CHAIR:** I do not think so.



**Mr CHANDLER:** There was a question on consultants, part of ....

**Mr VOWLES:** It is on the global or written questions - did you table them?

**Mr CHANDLER:** Yes.

**Mr HIGGINS:** So I can get that from there?

**Mr VOWLES:** Yes.

**Mr HIGGINS:** Thanks.

**Madam CHAIR:** Great, that concludes considerations of outputs relating to the Department of Education. On behalf of the committee, I thank the departmental officers who attended today. The committee will now move on to consider the Department of Lands, Planning and the Environment. We will have a three-minute changeover.

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The committee suspended

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#### **DEPARTMENT OF LANDS, PLANNING AND THE ENVIRONMENT**

**Madam CHAIR:** Minister, I again welcome you, this time as Minister for Lands, Planning and the Environment. I invite you to introduce the officials accompanying you and make an opening statement regarding the Department of Lands, Planning and the Environment if you wish.

**Mr CHANDLER:** Thank you, Madam Chair, I will just get myself organised here.

To my right I have John Coleman, the Chief Executive of Lands, Planning and the Environment; to my left, Fotis Papadakis, Chief Finance Officer; and to my right Leah Clifford, Executive Director Land Development.

The Northern Territory Department of Lands, Planning and the Environment will be the engine room that drives the development of north Australia. The program outlined in this budget is the biggest ever undertaken by the department. It will be challenging, but the rewards are big. There is an opportunity here to make a real difference to the lives of Territorians who have struggled under the high cost of living.

The Department of Lands, Planning and the Environment leads land development for the Northern Territory by providing government with strategic plans and policies to meet current and emerging needs for land and infrastructure. It also ensures developmental and regulatory control and conservation of our natural and cultural heritage. The department plays a central role in managing Crown estate and heritage assets, and develops and maintains spatial information used to support long-term planning and land release. The department balances decision-making in relation to environmental and sustainable development while facilitating the continued economic development of the Northern Territory.

The department supports the NT Planning Commission, a statutory body that plays a strategic role in planning for the future development of the Territory. The NT Planning Commission facilitates long-term economic development by responding to forecast demand and developing land use and infrastructure plans including transport corridors to achieve the best use of Territory land.

The department also provides support to statutory bodies including the Darwin Waterfront Corporation, the Northern Territory Environment Protection Authority, the Land Development Corporation, NT Build, the Development Consent Authority, and a number of regulatory, advisory, and appeal bodies related to the department's functions.

This government constantly looks for solutions, not problems, and is driving the department to take a proactive approach to planning and land development matters.

With the investment of \$135.6m from this government dedicated to fast-tracking existing land release and establish exciting new opportunities, it will be a very busy year ahead for the department.

The department also protects and conserves our natural and cultural resources for the future through environmental and heritage protections ensuring these assets will be around for many years to come.

This government has already made significant achievements in the areas of strategic planning, land development, and environmental protection. In fact, when I look at what the people to my right, left and behind us have achieved over the last 12 months, it blows me away.

As a commitment of this government, the Northern Territory Planning Commission was established to facilitate long-term economic development through strategic and integrated land use planning, making sure we have the land, infrastructure, and amenities in place to cater for growth. The Planning Commission has worked closely with the department to identify land for future development and strategically plan where short and medium long-term developments can occur.

The Planning Commission has completed the Katherine Land Use Plan, the Tennant Creek Land Use Framework, and the Berrimah Farm Area Plan. The commission is preparing a draft Darwin Regional Land Use Plan for public comment in July 2014. For the Alice Springs CBD, the Planning Commission is focusing on building design criteria and how that may influence building form height and interaction with public space. The Planning Commission's strategic planning work throughout the Northern Territory is setting the foundation for future growth and provides confidence and certainty for the community and industry on future land uses.

The Northern Territory Environment Protection Authority is similarly tasked with promoting sustainable development, ensuring a proper regulatory framework for development and resource proposals. The important work of the NT EPA includes supporting the government in the development of a new Environmental Assessment Act, continue to assess the environmental impacts of major developments in the Northern Territory, commence the drafting of a Northern Territory waste strategy and review of the *Environmental Protection (Beverage Container and Plastic Bags) Act* to increase the efficiencies and expand into remote areas.

Most critically, the Department of Lands, Planning and the Environment delivers land release, identifying and progressing greenfield and existing infill Crown land sites for residential, industrial, and commercial development. This work is ongoing and essential to reducing the cost of living in the Northern Territory.

In excess of 70 exciting sites around the Territory have been identified for release over the next five years, which are already serviced by established infrastructure - road networks, utilities, and transport corridors exist. This means the cost of development is significantly reduced and land can be released to developers sooner. The potential housing yield from this audit is for 2700 dwellings across the Territory.

Three greenfield residential sites have been released to the market to establish the new suburbs of Kilgariff in Alice Springs, Katherine East, and the next stage of Zuccoli in Palmerston. These land releases are expected to yield a combined minimum of 600 lots for Territorians. We have also identified land available in Humpty Doo for industrial development suitable for a range of light industrial uses.

This government announced the best way the government can make a lasting impact on cost of living pressures is to release more land to promote housing affordability. This has resulted in a significant increase to the Department of Lands, Planning and the Environment's budget and land release program to a record \$135.5m to accelerate land release.

This government has committed \$44.9m to fast-track existing land release in Palmerston East and bring forward brand new releases in Berrimah Farm and Holtze, including \$23.9m to release Zuccoli Stages 3, 4 and 5. Zuccoli is the largest suburb to be developed in the Palmerston East residential growth corridor. Stages 3 and 4 of Zuccoli offer approximately 134 ha of land that will provide an innovative residential subdivision of at least 750 lots, 1300 dwellings, a site for a future education facility, and a neighbourhood shopping centre. Headworks for Zuccoli Stages 3 and 4 are already under way and construction of residential lots is expected to begin in Dry Season 2015.

There is \$4m to facilitate the release of land for residential and commercial development in Holtze to support and complement the development of the Palmerston hospital, and \$4m to facilitate the land release of Berrimah Farm for residential and commercial development.

There is a further \$39.6m to progress residential, industrial - in some areas - and land release projects across the Territory, including Katherine East, Kalkarindji, Mataranka, Timber Creek, Pine Creek, Ti Tree, Tennant Creek, Kilgariff, and Larapinta Valley.

Completion of the Darwin Waterfront Precinct Stages 2A and 2B are expected to be completed by September 2014. This phase of Stage 2 of the development includes the construction of 138 apartments. The unique partnership with Charles Darwin University and the Toga Group for the Charles Darwin University Business School include retail, commercial, public spaces, roads and services at a total construction cost in the order of \$90m.

Planning for the emerging needs of the Territory, ensuring there is adequate space and support for existing major projects, and continuing sustainable economic growth, building communities and amenities for the future - these are the essential tasks of a strong Territory government.

Madam Chair, I look forward to any questions the committee may have with regard to the appropriation for this year.

**Madam CHAIR:** Thank you, minister. Are there any questions for the minister's statement?

**Mr WOOD:** Before we get to that, can I ask for clarification of where things occur? Land management, weed control - what section is it? Is that coming under Lands Planning, which is Output 5.4?

**Mr CHANDLER:** Land administration.

**Mr WOOD:** Oh, way up there. If I want to discuss various specific planning matters, not the global ones, does that come under Lands Planning, Output 5.4?

**Mr CHANDLER:** Is it to do with rezoning or to do with ....

**Mr WOOD:** Yes, rezoning and some changes you have brought in recently. It is about independent units ...

**Mr VOWLES:** Can we just work through that ...

**Mr WOOD:** No, I will not ask him about that, I need to make sure which section. I will not ask any questions about it, I want to make sure we do not go past it. Where would those two matters fit in?

**Mr CHANDLER:** Lands Planning.

**Mr WOOD:** Lands Planning. If I do not get it right we do not ...

**Mr VOWLES:** I am hoping, with the minister's cooperation, we will be able to work through that together to get the right answers people want to hear and find that information out.

**Mr CHANDLER:** The truth, Ken, the whole truth, and nothing but the truth.

**Mr VOWLES:** Are your fingers crossed, mate? I want to start off with the global written questions. Are you tabling them?

**Mr CHANDLER:** Yes, I have a file here all prepared - one I prepared earlier which I am happy to table.

**Mr VOWLES:** Yes, table that.

**Madam CHAIR:** That does not look very easy to photocopy, minister, despite how beautiful it is.

**Mr VOWLES:** I will go straight into the statement first. Minister, what is the total expenditure to date for your department for 2013-14?

**Mr CHANDLER:** Is that directly related to the statement or do you want to go into ...

**Mr VOWLES:** For estimates?

**Mr CHANDLER:** No, I am just asking.

**Mr WOOD:** No, it will be the statement.

**Mr CHANDLER:** Could you repeat the question?

**Mr VOWLES:** What is the total expenditure to date for your department in 2013-14?

**Mr CHANDLER:** I can take that on notice, member for Johnston.  
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**Question on Notice No 6.13**

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

**Mr VOWLES:** Could the minister please provide the total expenditure to date for the department in 2013-14?

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

**Mr CHANDLER:** I do.

**Madam CHAIR:** The question from the member for Johnston will be No 6.13.  
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**Mr VOWLES:** Going into the statement around land release, yesterday or the day before in estimates the Treasurer announced a new system under which developers would be responsible for subdivisions, headworks, and development of serviced lots. How does this new system vary from existing arrangements, and how will it impact on the price of lots, size of lots, and amenity?

**Mr CHANDLER:** We have added an element of flexibility in how we now operate. Probably, the two best ways to describe it would be if I was to look at Zuccoli at the moment, where we put in excess of \$30m into developing that site, which includes headworks and services, whereas the option we are providing with Holtze and Berrimah Farm would be to ensure we have headworks up to the site, then partner with a private developer in an englobo-type of arrangement. We would, in effect, go out to an expression of interest, look at what developers ideas and suggestions are, then, between the department of Lands and Planning - the minister would be involved, of course – and the developers, come up with a plan that suits what we want from the land. We have ideas, but we do not have, often, the resources to be able to turn off Berrimah Farm in the short period.

I know we will get to it later, but I believe to turn off the first homes at Weddell was going to cost the former government about \$180m. Rather than do the works up-front ourselves, there would not be a lot of difference with the eventual cost of land working with developers and providing that seed money. This is where we are trying to get to which will be the crux of question: whether government pays for all of the headworks including services to a block of land, and then sells the land to a developer. The government will want a return for that investment versus using an englobo process, where the developer is wearing all of those costs up-front. Of course, government would be wanting less money for the land in that process. The end result should be not a lot of difference in the cost of land for residents.

**Mr WOOD:** I have a question. Take the example of Delfin. It owned all of that land in the top part of Palmerston. It, obviously, went out to tender, I imagine, and Delfin would have won that tender because it offered the most amount of money for the land. In other words, the government was selling that portion of land and wanted to get the best return. When you do that, Delfin had to recover its costs. Not only does it recover the costs of all the infrastructure it puts in, it then wants to recover the costs of the money it paid to the government, plus a bit more, no doubt. That, of course, all increases the price of the block of land. What is different in that method of developing to what you are saying is this newer method of developing land that would reduce the price of land?

**Mr CHANDLER:** The price points we have introduced into contracts are probably the major difference between how we are doing it now, compared to the previous government. You are absolutely right, with the previous governments approach there was ...

**Mr WOOD:** It was also the previous, previous government's approach.

**Mr CHANDLER:** But we are not that government.

**Mr WOOD:** I know, but I am saying it was a policy that they both used.

**Mr CHANDLER:** If you look at some of the former contracts, member for Nelson, you will see there are a range of cost layers there. You have the initial cost of the land, services on the land, and then you might have a developer which puts its on-costs in to cover its costs. The former government had, in one particular contract I looked at, a 17.5% return on blocks that were sold. Then, on top of that, of course, you have stamp duty to be paid on the land. I am not saying that stamp duty is still not there, it is. There were all of these chunks, or cost layers, which were built into the cost of that land.

Where the prices got out of control was, if you were not releasing enough land, and not building price points into those contracts, you were allowing developers to sell land for whatever the market was willing to pay. If you strangle the market, the cost goes up.

In Zuccoli, with the price points being built into our contracts at between \$160 000 and \$180 000, it has required us to be more flexible in the size of lots of land. However - and correct me if I am wrong - the later stages of Zuccoli will have land on sale for as little as \$123 500. Given that Bellamack is selling the last blocks for \$300 000, whilst you are going to have a smaller block of land in the latest release, the flexibility we are building in for small blocks, to medium sized blocks, to large blocks, will be dependent on what people want, can afford, or choose to live in. If you are going for your second or third home, and you want an 800 m<sup>2</sup> block of land or a 1000 m<sup>2</sup> block ...

**Mr VOWLES:** What does a \$123 000 block look like? What size are you looking at?

**Mr CHANDLER:** I suggest around the 350 m<sup>2</sup> for a \$123 000 block of land, through to probably as much as \$300 000 at the moment for something that is in the order of 800 m<sup>2</sup> to 1000 m<sup>2</sup>. However, you have to have the flexibility built into your plans to allow people to step in at what level they can afford.

By having no price points, you do not provide any guidance to a developer or stimulate the market at that end, which we are trying to stimulate, getting more first homebuyers into the market. So, price points is probably the biggest difference.

**Mr WOOD:** I do not want to drift off too much here, I want to concentrate on where the money will go. If the other option - which I raised with the Treasurer and the Chief Minister - was that government contracts a contractor to put in the water, sewerage, electricity, etcetera and retains ownership of the land, then sells it at what price it liked.

I mentioned I was talking to Nigel Scullion about it, and he agreed that is good process. The answer came back, 'We cannot afford to do it, we do not have enough money'. Although, when I look at the budget for industrial land development, the government is pouring money into the infrastructure in industrial land. If you can do that, why can you not do that for residential land? I am not sure.

At least you could control the price. You know how much it would cost. I know Mr Coleman was involved in trying to assess the real cost to developing land when he was looking after Zuccoli - I am not sure what stage. The previous government was trying to assess what the real cost to developing land was.

In this case, if you owned the land, you would tender out for a company to put in all that infrastructure, pay them for that, then it would be up to you how much you sold your land for. That way, you could at least allow prices to, I suppose - distort is not right word. For those people who are first homeowners coming into the market, you can put a covenant on the block. You could require them to stay on the land for five to seven years, and not be allowed to rent it out - all those sorts of things. However, part of that deal would be you would give them a cheaper block of land. We have heard in Australia one of the reasons first homeowners cannot get into the market is because there is a whole heap of investors keeping them out of the market. You would have control over who you could sell some of that land to.

**Mr CHANDLER:** Yes, that is pretty much the approach we are taking at the moment in Kilgariff in Alice Springs. We tested the market through an expression of interest. Let us just say the submissions back to government went nowhere near what we thought would address affordable land for people living in Alice Springs. So, we decided, as a government, to take control. The Land Development Corporation is doing that subdivision. We have the capacity to do that, but you should always test the market first to see whether or not there is a developer out there who is willing to, or can, meet some of the price points we are talking about.

The other thing we are doing differently to the previous government is we are not asking as much for the land in the first place, and we are not always going to take the developer who offers the most for that

particular land. It will come down to the quality, if you like, of the submission and whether or not that works with providing essential or affordable land.

I want to be careful with how I talk about the other point, as it is something we are still fleshing out and trying to work through. There are a number of ideas around the country on how you can release land. If you look at Canberra, for instance, you cannot own land in Canberra. You are, effectively, getting a 99-year lease. We have been doing a hell of a lot work behind the scenes in seeing how a model like that might fit in the Northern Territory. John and his team have worked extremely hard. I still have to go through the Cabinet process to sign off going in that direction but, to me, there is a step change. We have land selling for \$300 000-plus for standard residential size blocks of land. I argue that is far too much money to be ...

**Mr WOOD:** I argue that too.

**Mr CHANDLER:** ... investing in a block of land for a standard urban house.

**Mr WOOD:** Before you go too far down that path, what size blocks are being turned off in Alice Springs and what is the price of the blocks?

**Mr CHANDLER:** The ones I have seen are around 700 m<sup>2</sup> of land for ...

**Mr WOOD:** Is the price about \$160 000?

**Mr CHANDLER:** ... \$110 000 to \$160 000.

**Mr WOOD:** A silly question then. If a block of land in Bellamack at 800 m<sup>2</sup> is selling for \$300 000, how can you sell a block of land in Alice Springs for about half the price?

**Mr CHANDLER:** Because we are working hard to bring down the price of land, this is exactly what we are doing: (1) you have to release enough land to keep up with the market, (2), you have to have price points built in to give developers the ability to try to meet those price points, (3) for government, even in the fiscal position we are in, it would be easy to take the route of, 'Let us take the developer who will provide the most amount of money for that land', but we are mindful that leads to the end result of land that is too expensive, (4) at the moment we are looking at leasing options for land which could, potentially, lead to people needing only to mortgage the house whilst leasing land off the government. They are the things we are working on at the moment.

**Mr WOOD:** I raised that many times with previous governments and was disappointed they never took that up. In America, there are about 144 of those – I am trying to think of the name, they are not called housing estates, they are a special ...

**A Member:** Trust.

**Mr WOOD:** Trust, yes. ... where if a block and a house costs \$600 000, roughly half of that is in the land. If you can remove that, then the mortgage is much lower and the stress on people is much lower and it is a better chance for people to get into the market. Philanthropic people do that as well, not just government. Are you looking at something where people can pay rent for the land and be able to build their own house?

**Mr CHANDLER:** I do not want to go into too much detail, but that is exactly what we are looking at. A lot of work is being done behind the scenes at the moment on how we could introduce that kind of system into the market we have at the moment.

**Mr WOOD:** Okay.

**Mr VOWLES:** Thanks, minister, for those answers. Going back to the Treasurer's new system, are you telling us the price of the serviced lots in subdivisions will not go up under the Treasurer's new scheme of the developer doing all the headworks?

**Mr CHANDLER:** It is an interesting question, because it is a bit like the cost of living. You could argue the cost of living could have gone up twice as much as it has except for ...

**Mr VOWLES:** We could argue the Chief Minister said we live in the cheapest city in the country.

**Mr CHANDLER:** Member for Johnston, we could argue this all day if you want, but the point ...

**Mr VOWLES:** I am more than happy, as long as we get back to some planning issues.

**Mr CHANDLER:** The point regarding the cost of land is if we do not have a way of controlling the market to some extent with developers we will see, as we have seen under the previous government, the price of land getting out of control. We have to release more land, build in price points, and start to look at other initiatives to provide another level of balance away from prices going through the roof.

In the last 10 years we have seen price rises close to 10% annually. That is unsustainable and why we are putting in plans today to change the way we release land and the speed of land release to take the pressure away from land sale increases.

**Mr VOWLES:** Do you see any risk to government or home purchasers in this arrangement?

**Mr CHANDLER:** It is always a delicate balance. You could potentially argue if we were able to – I am not saying we could do this – add 10 000 lots of land into the greater Darwin area, or perhaps 10 000 lots in the rural area, turned off in under six months, you would potentially ...

**Mr WOOD:** I would be leaving town, going bush ...

**Mr CHANDLER:** ... and he leaves.

**Mr WOOD:** Yes, but not too far away, just where you can breathe.

**Mr CHANDLER:** But, if you were to release too much land too quickly, you would tip the market, then you have people who have bought into an expensive market that will potentially lose. That is the balance we have to play here - that we do not overcook the market with land release, but we have to slow down the increase we have seen in recent years. It is already unsustainable. I have always used the argument regarding the lady who sells coffee at Gloria Jean's or the bloke who has the average job on the street - how in the world could they afford a mortgage in the market at the moment?

As a government, we have to work hard in this area, which is why we are putting record money into this year's budget to speed up land release.

**Mr WOOD:** Who do you think is driving the demand for housing? Is it first homeowners or people investing?

**Mr CHANDLER:** It is a measure of both. We have a growing economy. Kudos to the previous government for encouraging INPEX to come here, but I do not think they did enough in releasing enough land to keep up with what would inevitably be a pressure pot situation. We find ourselves in that now. It is why we know we have to release land quickly, why we have had to identify lots across the Territory we could turn off housing and units on to the market as quickly as possible.

**Mr WOOD:** Does Defence Housing have anything to do with keeping the price of land - and house and land packages - high?

**Mr CHANDLER:** I would have argued that point five or 10 years ago. I saw that Defence Housing then had expensive homes compared to the average house around Darwin and the Palmerston area. Today, there is not a lot of difference in the prices people are paying for the average home compared to a DHA home. To argue it today, I would not say that. Five or 10 years ago, yes, perhaps.

**Mr WOOD:** Do you have more questions on that?

**Mr VOWLES:** No, not on that. I want to find out about DCA in respect of rezoning development proposals.

**Mr WOOD:** I would like to still talk to the statement, as there were a number of issues raised in the statement.

**Mr VOWLES:** Go for your life, Gerry.

**Mr WOOD:** I will eventually get to Holtze and Howard Springs as a substantial amount of part of that development. What I find difficult to fathom with this development is this was the CLP's *Planning for Greater Darwin* document, a plan for a dynamic city. The plan showed a specific area as rural and a specific area as Weddell. Whether it had the dam in Weddell or not, there were two plans. That was what

the CLP went to the last election with. It was only in 2010 this was issued. I supported this plan - this is what kills me when I have to argue the toss about this. I thought this was a good plan, as it was based on the early 1990 plan on the philosophy we develop around the harbour.

All of a sudden, overnight, the CLP decided that was no good. There was no discussion about it. Why have you gone away from the plan that you put out in 2010; that is, to develop parts of the rural area into suburban development?

**Mr CHANDLER:** There are a couple of issues there. One is we came into government and found ourselves in a pretty remarkable financial position. Looking at the costs of Weddell at around \$180m – for which the former government had put up no money, but the idea of developing Weddell - our focus on developing Darwin is not a lot different to what you see in that plan. What is different is the timing on where those areas will be developed, the only difference being we are going to have a focus on Murrumujuk and the north around to Glyde Point before we branch out to Weddell and around the harbour that way. It is a timing issue based on a number of facts.

As a government, we are very supportive of growing our downstream oil and gas industry. That is going to take what, potentially, would be a second port for the northern area. There will be some heavy industry as part of the downstream of the oil and gas sector that we do not want anywhere near our harbour, but we have to have suitable land for. I use the analogy of if you look at any small town in New South Wales or Victoria which is linked around something - whether it was the railway head or where towns were built at a port facility on the Murray River - it was an economy that started that town off. The town grew around the economic stimulus. The issue I have is when we, in the future, look at developing Glyde Point we are going to provide an economy in Glyde Point which needs to be supported. Murrumujuk becomes an ideal city, if you like, to support Glyde Point.

Second, the difference in the costs involved in finding infill sites, compared to greenfield sites, was remarkable. When I was told Weddell could cost \$180m to turn off the first few blocks, compared to more than 70 lots we were able to find across the Territory that were already zoned correctly, serviced, and in prime locations as far as traffic corridors and other issues go, it was a no-brainer that we should be focusing on infill sites. We should be focusing on those areas that need stimulation or will be stimulated by an economy. Weddell, to me, was another factor. It will occur, but just not as the next step.

**Mr WOOD:** All right, I do not disagree with most of what you said. Minister, the difference here is - I can go into some other issues about how much consultation you have held - I am a supporter of development. There is a place for suburban development and there is a place for rural development. The question I am asking of you - not you personally, but the government – is because you have not released any rural land, do you support rural living as a legitimate lifestyle in the Darwin region? Do you support that the government has a role to at least provide some land for that alternative lifestyle?

**Mr CHANDLER:** I agree, member for Nelson, wholeheartedly. The difference is a number of people - your constituents in the rural area - are pro-development and want to get on and do something with their land. Then, of course, some people do not want to. They want to continue to live the lifestyle they have always lived. Somewhere in between that, you have to have a balance. That is the difficulty I have – you have to find a balance. You are always going to upset somebody.

**Mr WOOD:** I am trying to find balance, and this is the bit that really hurts me to some extent. I want development, but you - if I am I correct - did not discuss this with anyone on Wallaby Holtze Road who will live closest to this development. You did not discuss it with any of the constituents of Howard Springs. You did not discuss it with the local member - and please do not put the Planning Commission's plan up because that was meant to be about looking and maybe commenting if you wanted to write a letter, but it was not consultation. Why did you not consult and ask people about what they thought, and options? This was just a straight 'Bang, goodbye rural area, hello suburb'.

**Mr CHANDLER:** While I understand your argument, the fact is it is still early days with this development. We have put an idea out there, a bit like when the Planning Commissioner put out the Towards a Darwin Regional Land Use Plan. It clearly shows the Holtze area as being part of future development ...

**Mr WOOD:** I am the one who held consultation with residents, most of whom said, 'Go away'. It is the same with the Elizabeth River dam, which is in there. You wiped it before the Blain by-election, so these things were just in-theory concepts.

**Mr VOWLES** And there is no Nightcliff island in this plan - the Towards a Darwin Regional Land Use Plan.



**Mr CHANDLER:** It is not the Planning Commission's job to worry about politics ...

**Mr WOOD:** No, I am not going ...

**Mr CHANDLER:** Its idea is to put up good plans for government to consider. There was quite a discussion about whether this final plan put up by the Planning Commission should show ...

**Mr WOOD:** It is not a final plan, hopefully.

**Mr CHANDLER:** No, the draft plan they have put up. ... should or should not have the Elizabeth River dam. The Planning Commission is an independent body of government which should not be impacted by what might happen in the lead-up to an election campaign, or whatever. If it thinks it is good planning, then it should put it forward. It should be the government of the day that decides whether to accept it or not ...

**Mr WOOD:** What I am saying is that plan ...

**Mr VOWLES:** Are you going ahead with the Lake Elizabeth?

**Mr CHANDLER:** Sorry?

**Mr VOWLES:** Are you going ahead with that?

**Mr CHANDLER:** It is not the plans of this government.

**Mr WOOD:** What I am trying to say, minister, is regardless of that particular document, you cannot use that document to say 'We told you this could happen', because in the case of the Elizabeth River dam, you got rid of it.

**Mr CHANDLER:** Member for Nelson, nothing has happened yet. This is the issue we need to get correct right here. The fact is what will happen now is there will be conceptual plans put up for the Holtze area. There will be negotiations and consultation that goes on with the very community that it is going to impact ...

**Mr WOOD:** But, minister, I had to struggle to get this picture. This is the picture I got from the ABC. You stood in front of this picture which shows ...

**Mr CHANDLER:** It is a concept.

**Mr WOOD:** You did not say that when you stood in front of the television cameras. To be honest with you, I could not sleep that night. I thought – pardon me, I nearly swore. You, overnight, wrecked the rural area with a picture of total suburbs. Now, you tell me it is not going to happen.

**Mr CHANDLER:** That is subjective to start with. There might be people who look at that and think it is a glowing piece of beauty. It is subjective. What I can tell you is my vision for that area would be, potentially, that the blocks that border on Wallaby-Holtze would mirror what is on Wallaby Holtze already. We would progressively move to smaller blocks as you get closer to the hospital.

**Mr WOOD:** You might be right, but you have four rows of houses behind the people on Wallaby Holtze Road.

**Mr CHANDLER:** You have the potential to have larger blocks along the road - that we have spoken about before - that go down to the new prison. Progressively back from that, we could have some level of smaller blocks. You need a mixture.

**Mr WOOD:** Minister, I would love to have that discussion ...

**Mr CHANDLER:** We are going to have the discussion because we have not done anything yet.

**Mr WOOD:** No, minister. What I am trying to say is if you want rural people to come along with you, then do not make the announcement before we have had consultation. There was no consultation ...

**Mr CHANDLER:** It is not a plan.

**Mr WOOD:** All I am saying is I would love to support your program to increase the number of houses and make housing more affordable ...

**Mr CHANDLER:** I welcome that, Gerry.

**Mr WOOD:** I am saying there should be an opportunity for us to be part of that, and to include rural development, rural lifestyle on 1 ha blocks - not 0.4 ha as some of the planning people in Darwin and the developers are pushing for - minimum blocks for young people to have the opportunity to live on a rural block which they cannot do now because the private market drip feeds these blocks at over \$400 000 a hit. You, as a government, are the only chance through which some people will have an opportunity to purchase some rural land.

**Mr CHANDLER:** I know a number of developers, ever further out from your electorate ...

**Mr WOOD:** Yes I know. I know them all.

**Mr CHANDLER:** ... who are looking at turning off lots that are traditionally more ...

**Mr WOOD:** Yes, they have been trying to do it for the last 15 years and they do not agree with the 1 ha minimum subdivisions.

**Mr CHANDLER:** If you let me finish. In the area of Holtze you need to have the type of development that is going to be a buffer between the rural area and what you would consider normal Palmerston development. Right? There needs to be a blend in that area to transition from a more urbanised area through to the rural area. There has to be a transition, if you like, from one to the other. The problem with any of this planning that pushes into the rural area is for everyone you put up who does not want development, you could equally put up another person who does.

Let me say my great-grandparents owned 120 acres in Coburg and had milking cows. I wish I had 120 acres today in Coburg. However, the reality is cities grow and there will be continued pressure on the rural area as the city of Darwin grows.

**Mr WOOD:** That is what planning is about. I came from Melbourne too, and I saw what they did to Melbourne with the sprawl where areas were set aside that were not to be developed. Government gave in to developers and they drained the creeks and built houses up against them.

This is your plan. It is a good plan. You are now moving away from it. Why do you not stick with that plan? You have to build Weddell one day, and you have to build Murrumujuk at some time.

**Mr CHANDLER:** Member for Nelson, where in that plan does it not talk about growing around the city, including going north to Murrumujuk? It is all there.

**Mr WOOD:** It says Murrumujuk, it says Weddell, and it says rural.

**Mr CHANDLER:** We are in agreement, but not on the time line. We look like going north before we go south.

**Mr WOOD:** Yes. I am saying develop the rural area as rural. You have your suburbs in the right place; that is good planning. What worries me is, you are like the Chief Minister who appeared yesterday. I said be careful about clearing land on Bathurst Island because you need to do all the work beforehand and do it properly.

It seems you have jumped off the planning program which you put out because you have this open for business, we have to develop more land attitude. But, you can destroy your whole planning ...

**Mr CHANDLER:** Member for Nelson, it is more about acknowledging the position we are in at the moment. I will put on the table right here that there are certain decisions made today that, under normal circumstances, would not be made.

If we were ahead of the wave there are potential decisions I would not make today. But, because of the pressure we face of everyday Territorians struggling to get into the housing market in the Northern Territory we, as a government, have a responsibility to work as quickly as we can with private developers because government does not have all the money or the answers and, sometimes, working with private developers,

in some cases developing up their own land, is the way to go to get some pressure out of the market and return some stability so my children, and other people's children, can have a future in the greater Darwin area.

**Mr WOOD:** If you were to develop that land as rural land, you do not need sewerage or storm water drainage - that is with a 1 ha subdivision. Have you done the work on what price you would be looking at to turn those block off that 1 ha subdivision?

**Mr CHANDLER:** I am advised, yes, the work has been done.

**Mr WOOD:** Is it a reasonable price?

**Mr CHANDLER:** Over \$400 000 per block.

**Mr WOOD:** Are we able to see how that was determined? What is the difference? The funny thing is there are different standards in the rural area, as you would know - and you know people who live in the rural area. I am sure, to people in the rural area, the water pipeline is not the same as it is in suburban areas. If it is put to that standard, there is a higher cost - I know that. I would like to sit down with you and work those figures out.

Minister, without harping on it - because I will be having meetings with people trying to find out what they think - is the government willing to sit down before it comes out with some grand suburban plan and offer some options that will retain the rural lifestyle in that area? That does not mean I do not support smaller blocks, because I understand development of the Litchfield area was rural and villages. You can have small blocks around villages interspersed with rural development. Is that a possibility in your plans?

**Mr CHANDLER:** You have raised a couple of points, but I am advised the area planned is now being developed for consultation. That is what is going through at the moment. You are right with the village concept too, which is why, this year, we put another \$2.5m into the budget for the Humpty Doo area to ensure future development is assisted in some way. I have been there with you and we have looked at some of the areas around the village centre that would be right for development ...

**Mr VOWLES:** What is the \$2.5m for, minister?

**Mr CHANDLER:** For services.

**Mr VOWLES:** Not consultation?

**Mr CHANDLER:** No.

**Mr WOOD:** We might get onto that issue later.

**Mr CHANDLER:** There are a couple of areas - a bit like the industrial land for which we have just signed a contract with Piening. It provides an opportunity to get another power line running to Humpty Doo. At the moment, the power lines are at capacity. Having a new development in there provides the opportunity to bring in additional power as part of this development, but it will support the Humpty Doo Village Centre.

**Mr WOOD:** Is not some of that money for a study of the area? I had a briefing from Mr Coleman recently showing me you have ideas about developing from the Arnhem Highway to the Humpty Doo pub and you are looking at how much infrastructure would be required.

**Mr CHANDLER:** It would, but the consultation will not take up that much. It is important that we have money in the plan. I often get told from a number of departments - so we are clear, as the member for Johnston should know, when an application comes in and is assessed, it then goes to a number of different areas of government. It will go to Power and Water, environmental health, and to Infrastructure. Until all those areas have ticked off on a particular development, it does not come back to this office. Often, the department of Lands and Planning is put under pressure by developers lobbying and saying, 'What is going on?' But, often, we are still waiting on advice from different areas of government.

Something I do not like getting information back about is when we cannot support a development because we do not have the infrastructure to support it. That happens more often than not. It is important that government supports development and ensures we have the right infrastructure in place to support it. That

consultancy is \$40 500, which is not a great deal of money compared to the \$2.5m we have put into the budget.

**Mr WOOD:** I go back a point. I am surprised at the figure you gave for 1 ha subdivisions to develop. Churcher is developing 1 ha subdivisions on Girraween Lagoon at the present time. They are to standard - bitumen road, open storm water, power ...

**Mr CHANDLER:** Land capability will have a lot to do with it.

**Mr WOOD:** Yes, but those blocks are selling at \$400 000. How can Mr Churcher develop land at \$400 000 and be up to the required standard, and the government, on its own land, has a development price of \$400 000? There must be some difference in standards or ...

**Mr CHANDLER:** Additional services are required in certain areas.

**Mr WOOD:** There should not be – not for 1 ha. No, there is a standard for a 1 ha subdivision.

**Mr CHANDLER:** But, if you will grow the Holtze area, as we want to do, will there be land required for a new school, for instance? Does government then have to put in for a new school? There are all these additional services that go into it. If you want to share the cost across an entire development – if I said to a private developer, 'For that development to be approved you have to accommodate an area for government to have some land for a school' ...

**Mr WOOD:** But this is all your land.

**Mr CHANDLER:** Yes, in this case it is our land, but ...

**Mr WOOD:** You can set aside an area for a village which includes a school, so you could develop one ...

**Mr CHANDLER:** It all comes back to what land you have left available to subdivide, which then breaks down the cost, or you can share the cost over. You could argue the same thing: why can we turn land off cheaper in Alice Springs than you can in Darwin? Two different markets, but there are cost differences.

**Mr WOOD:** I have trouble believing that ...

**Mr VOWLES:** Thanks, Gerry. Cheers, mate, I have given you a bit.

**Mr WOOD:** Yes, Kenny, that is right.

**Mr CHANDLER:** You have been very lenient, member for Johnston.

**Madam CHAIR:** We are still only in questions on the statement. There is plenty of opportunity in whole-of-agency.

**Mr WOOD:** That is all right. I have Kenny's picture – and the cricket.

**Mr VOWLES:** Thanks, Gerry. You like to talk, mate, can you just be quiet for a second, please?

**Madam CHAIR:** I am the Chair, member for Johnston.

**Mr WOOD:** That is right. Can I put your picture up as going out first of all on my screen.

**Madam CHAIR:** Member for Nelson, you are upsetting him. Please stop.

**Mr VOWLES:** Minister, you said in your opening statement about how you have to quickly turn off blocks and are fast-tracking land release. There have been recent revelations that you have, overall, ignored advice from the DCA of rezoning development proposals. How many submissions did you receive in 2014 from the DCA and your department on rezoning and development proposals?

**Mr CHANDLER:** Ones that I have overruled or changed?

**Mr VOWLES:** How many did you received on rezoning and development proposals, then how many did you override from the recommendations?

**Mr CHANDLER:** I will take it on notice. Very rarely would I change or overturn a decision. I would only ever do it if I had advice that suggested if we did this then we could address what the concern was.

There was one in the rural area recently the member for Nelson is familiar with. I did not agree with the first proposal put up by the developer because it was what I consider over-densification of a particular lot. There is some consternation around that particular block, and concerns from a number of people out there. When the proposal came back as a seniors village and I looked closely at some of the information which came back from the DCA - for instance, one of the clauses was that if there was approval given for this particular development you would put services in the Humpty Doo village area at capacity – the question was what we could do to approve this development. What we would have to do is ensure the government puts money into additional services within Humpty Doo, so we could promote further development.

If you were to approve something there, then you have to ensure you do not stifle other opportunities within that area. Because I was able to get additional money in the budget for Humpty Doo, it was something I thought the rural area supported - a seniors village - and why that rezoning was approved. There has not been a development application.

**Mr VOWLES:** Will you take that on notice?

**Mr CHANDLER:** Sure.

**Mr WOOD:** Oh, do not take it on notice because I will come back to it in the zoning area.

**Mr CHANDLER:** But you do want to know ...

**Mr VOWLES:** I want to know.

**Mr WOOD:** I have the material here about that.

**Mr CHANDLER:** But you specifically want to know where ...

**Mr VOWLES:** How many submissions did you receive?

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#### **Question on Notice No 6.14**

**Madam CHAIR:** Hang on, member for Johnston, I will get you to restate the question clearly for the record.

**Mr VOWLES:** Minister, how many submissions did you receive in 2014 from the DCA and your department on rezoning and development proposals, and on how many occasions did you ignore or override the recommendations?

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

**Mr CHANDLER:** Yes.

**Madam CHAIR:** The question of the member for Johnston to the Minister for Lands, Planning and the Environment is No 6.14.

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**Mr CHANDLER:** There are more I have supported.

**Mr VOWLES:** In respect to recent land clearing on land within the Kulaluk lease, in particular Totem Road, did you receive any advice on the possibility of Aboriginal burial sites or other heritage values?

**Mr CHANDLER:** Yes I did, and the advice included that Heritage had listed a number of sites. There had been protections put around those sites and ...

**Mr VOWLES:** But not the site that was cleared?

**Mr CHANDLER:** The developer did not, as required, refer the land clearing action to the NT Environment Protection Authority for consideration under the *Environmental Assessment Act*.

**Mr VOWLES:** Why?

**Mr CHANDLER:** It was his choice but, at the end of the day - get this on the record ...

**Mr VOWLES:** So the developer did not have to get ...

**Mr CHANDLER:** ... you are talking about Indigenous ...

**Mr VOWLES:** Aboriginal burial sites or other heritage values on ...

**Madam CHAIR:** Member for Johnston, wait for the minister to answer.

**Mr CHANDLER:** ... people who hold the lease over this land who want to turn a portion of it into a development opportunity for them to make some money, and are working with the developer. They have gone through every stage of heritage protection they needed to ...

**Mr VOWLES:** Which was?

**Mr CHANDLER:** ... right down to the point of having areas of that particular lot fenced off to ensure there was no clearing in the area which had been identified.

**Mr VOWLES:** So, did you receive any advice from the department around burial sites on that land and, if you did, can you please table that?

**Mr CHANDLER:** I will just go through this. In March 2013, the Gwalwa Daraniki Association, as holders of the Crown lease in perpetuity over Lots 5182 and 8630 Town of Darwin, applied to rezone a portion of land from Conservation to Specific Use. Following formal public exhibition and consultation required under the *Planning Act*, the land was rezoned to Specific Use on 26 March 2014.

The purpose of the SD44 zone is to provide for light industrial development that addresses the effect of primary storm surge and preserves the safety and maintains operation of the Darwin International Airport. As part of the rezoning process, the developer obtained a certificate from the Aboriginal Areas Protection Authority, AAPA, which identified a small area within this site as a registered sacred site, and a larger area where AAPA advised there was a strong likelihood of the existence of Aboriginal burials.

The developer was advised of the possible existence of areas of Aboriginal burials within the subject land and the need to take into account the presence of these areas, as it is an offence under the *Heritage Act* to disturb these areas without authorisation.

On Thursday, 1 May 2014, clearing commenced on the land. A development permit was not required for this work. The Planning Action Network, the Environmental Defenders Office, and several traditional owners not associated with the Gwalwa Daraniki Association contacted the Department of Lands, Planning and the Environment to express their concern about the land clearing. Departmental officers inspected the site on Friday, 2 May 2014, and noted the sacred site had not been disturbed by the land clearing.

The developer, as I said before, did not, as required, refer the land clearing action to the NT Environment Protection Authority for consideration under the *Environmental Assessment Act*. Development of the site will require referral of a notice of intent as defined in the NT EPA's environmental assessment guidelines.

An application seeking to fill the land to facilitate future development of the site for light industrial purposes was recently lodged with the Development Consent Authority for consideration. The application is on exhibition for two weeks from 6 June to 20 June seeking public comment in relation to the proposal. The issue of the possible existence of burial sites on the land will be taken into account as part of the application process. No approval can be granted by the DCA until all required assessments under the *Environmental Assessment Act* are completed.

I add that on 1 May 2014, the Director of Development Assessment Services advised the developer he should confirm with the EPA that the clearing would not trigger any type of assessment under the *Environmental Assessment Act*. On 3 May 2014, Larrakia families and supporters staged a protest on the land against the land clearing and future development of the site.

**Mr VOWLES:** I repeat my question: did you receive advice - and will you table that advice – about the Aboriginal burial sites or heritage values of the land in Totem Road? Or did you ignore that advice? I know

families which attended funerals of Larrakia people on that site. People who would have contacted you would have been the custodians of the land protesting the absolutely disgraceful act of clearing it without going past them. If you did receive advice about the cultural and heritage values, are you able to provide and table that?

**Mr CHANDLER:** I am prepared to table the advice I have just read out, which tells us what advice and the process. I can also table a letter to Michael Wells, the Director of the Heritage Branch from the Aboriginal Areas Protection Authority. I can also table the letter that was written to the developer from the Aboriginal Areas Protection Authority. I am happy to do that.

**Mr VOWLES:** Did any part of your department write and give you a report about the Aboriginal burial sites and heritage?

**Mr CHANDLER:** It would not until there would be a development application.

**Mr VOWLES:** This is the same day you changed the rezoning because it did not get through the DCA. Then you rezoned it from Conservation to Specific Use. Is that right? Was 1 May the same date you rezoned it?

**Mr CHANDLER:** The normal process is there is a rezoning briefing that comes to my attention for consideration and, of course, signing off. Everything was in order in rezoning. You have Indigenous ...

**Mr VOWLES:** When you say everything was in order, what do you mean by that? What was in order? Who did you consult with?

**Mr CHANDLER:** The Aboriginal Areas Protection Authority. As well, the Heritage Branch was consulted in regard to this rezoning.

**Mr VOWLES:** Larrakia people, the custodians? You do not have to - is that what you said?

**Mr CHANDLER:** Of course, the leaseholders of the land.

**Mr VOWLES:** Which are?

**Mr CHANDLER:** Gwalwa Daraniki.

**Mr VOWLES:** Okay.

**Mr CHANDLER:** They want to do the development, member for Johnston, not the government.

**Mr VOWLES:** You mentioned earlier there were funds given to the Gwalwa Daraniki? Can you advise me how much that was? Funds were or were not transferred?

**Mr CHANDLER:** I do not know where you got that advice from.

**Mr VOWLES:** I am just asking a question, minister.

**Mr CHANDLER:** I do not know anything about any funds, member for Johnston.

**Madam CHAIR:** Member for Johnston, did you want the minister to table those other documents or ...

**Mr VOWLES:** Yes, if possible, that would be great. I appreciate that, minister.

**Madam CHAIR:** If you could just pass them back to Lauren, please?

**Mr VOWLES:** Thanks, minister and Mr Coleman. In last year's estimates, you said you referred the Nightcliff island project to the Planning Commission. You were probably waiting for this one - you might be over-prepared, minister. Who approached you to have the project referred to the commission, and when did the relevant discussions take place?

**Mr CHANDLER:** We will raise that when we have the Planning Commissioner here. I know he would love to talk about it. At the moment, nothing has happened since estimates last year, other than a lease being

drafted to allow the developer to do some preliminary drilling to check the subsurface of the area, to continue with his ...

**Mr VOWLES:** You did not receive any submissions or written communications before you referred the proposal to the Planning Commission?

**Mr CHANDLER:** If anything, I probably jumped the gun last year because we had nothing to give the Planning Commissioner other than I had - I am trying to recall the conversation - an idea that Nightcliff island had been proposed. I mentioned to the Planning Commissioner it was something about which I would ask him for advice.

The Planning Commissioner and the Planning Commission had nothing to judge or assess because there had not been a proposal put forward. The only time I had a meeting with the proposer was in my office where a set of sketches was provided for me to look at ...

**Mr VOWLES:** What date was that?

**Mr CHANDLER:** I would have to check my diary. I am happy to do that if you want me to check it.

**Mr VOWLES:** That would be great, thank you.

**Mr CHANDLER:** It was just a meeting to discuss an idea. That was it - it went no further.

The next step was the developer had put an application in for a lease to be provided on the site to allow them to do some preliminary drilling - only to check the subsea. The rhetoric that went around the community from there! I had someone quoted you telling them - when they came into my office in Palmerston - that you were so worried the drilling in the harbour would drain the harbour, they wanted to speak to me directly ...

**Mr VOWLES:** I do not think that was me.

**Mr CHANDLER:** ... and that thousands of mangroves ...

**Mr VOWLES:** They must have been a supporter of yours.

**Mr CHANDLER:** Thousands of mangroves would be destroyed. One person came to talk to me because they were worried the level of the harbour would be affected ...

**Mr VOWLES:** You might have had one person, minister, but I had thousands ...

**Mr CHANDLER:** The level of the harbour would be affected ...

**Mr VOWLES:** ... stop me to talk about this proposal.

**Madam CHAIR:** Order, please.

**Mr CHANDLER:** ... and all of these ...

**Mr VOWLES:** You are one, to the many residents in Nightcliff, Johnston, and Territorians ...

**Mr CHANDLER:** ... all of these ...

**Madam CHAIR:** Member for Johnston, it is not a competition.

**Mr CHANDLER:** All the people who spoke to me after attending ...

**Mr VOWLES:** Draining the harbour? Seriously!

**Mr CHANDLER:** ... sessions the Environment Centre had facilitated - whether they were public meetings, on-site on the mudflats. The number of people who have spoken to me where I have had to correct the record and confirm the harbour will not be drained by a number of holes ...

**Mr VOWLES:** Everything I have said on the public record I stand by, minister.



**Mr CHANDLER:** Good, I am hoping you do.

**Mr VOWLES:** I am more than happy to stand up for residents and our pristine, beautiful harbour ...

**Mr CHANDLER:** From the design I have seen, you would not have thousands and thousands ...

**Mr VOWLES:** ... and make sure something does not get thrown through the planning process without the proper approvals.

**Madam CHAIR:** Member for Johnston, the minister is answering a question.

**Mr CHANDLER:** ... of mangroves being destroyed.

**Mr VOWLES:** He answered it about 10 minutes ago.

**Mr CHANDLER:** First, where this perceived design, this concept ...

**Mr VOWLES:** You have just admitted somebody met with you and you allowed them to drill in the harbour - without any testing or anything.

**Mr CHANDLER:** The concept that was put forward was the design of an island in the middle of the area, nowhere near mangroves. To tell people that thousands of mangroves will be destroyed in ...

**Mr VOWLES:** Have you been around there? I have paddled around that area.

**Mr CHANDLER:** I have been around there and, from the concept that was shown to me, it was nowhere near the mangroves. I doubt, even if it did go ahead, it would change the level of the water in our harbour every day. This is some of the rhetoric that went around to stir the pot - on somebody's idea.

**Mr VOWLES:** That you allowed drilling to happen in our pristine harbour? For somebody to give you an idea?

**Mr CHANDLER:** For drilling to happen on the mud flats?

**Mr VOWLES:** It does not matter. We will go into the lease, if that is okay. I want to go back. Thanks for answering that question and giving me a bit more information to go on later. I appreciate you answering the question.

Did the Chief Minister, any of his staff, or Mr Graeme Lewis discuss the proposal with you at any stage?

**Mr CHANDLER:** No.

**Mr VOWLES:** Have there been any discussions between the Planning Commissioner and Mr Lewis about the Nightcliff island proposal?

**Mr CHANDLER:** You will have to put that question to the Planning Commissioner. I do not know. It is an independent body.

**Mr VOWLES:** It used to be. Has there been any discussion between you and Mr Denis Burke, or any member of government, about the proposal?

**Mr CHANDLER:** First of all, Mr Denis Burke has never spoken to me about this particular proposal. Second, there is often corridor chatter, so to say we have never had a bit of a laugh about what has been going on with Nightcliff island - it happens in the corridors and I have discussed it with a number of ministers. The idea, not whether or not a government would support the idea, whether it was going ahead, or not. Only that it was in the news.

**Mr VOWLES:** You must have supported it because you allowed drilling to happen without any environmental impact statement or anything.

**Mr CHANDLER:** There was no need for any environment impact statement ...

**Mr VOWLES:** Embarrassingly, your Attorney-General ...

**Mr CHANDLER:** Do you want me to answer the question, member for Johnston, or will we listen to you go on with your rhetoric?

**Mr VOWLES:** ... says it is just scratching a rock.

**Mr CHANDLER:** This rhetoric is about as interesting as an island that does not exist.

**Mr VOWLES:** He went to you with an idea, and can drill in our harbour. I do not get it. This is why we are here, minister ...

**Mr CHANDLER:** I can tell you, for the record ...

**Mr VOWLES:** When was Nightcliff island given significant development status?

**Mr CHANDLER:** I would have to get you the date, unless I have it here. But, let me tell you something for the record. The EPA ...

**Mr VOWLES:** Is this an answer to my question?

**Madam CHAIR:** Member for Johnston! He is answering the question

**Mr CHANDLER:** The EPA confirmed the geotechnical works did not need EPA approval. On the advice, it was allowed, the lease went through, and they conducted the works.

**Mr VOWLES:** We can catch up with that info when it comes in. You mentioned a five-year lease was given to permit exploratory drilling on the 98.6 ha Nightcliff island site without public consultation. Why did you approve that without any information – without here is a scrap of paper, I will write a proposal on the back, let me go and drill in the harbour.

**Mr CHANDLER:** You are making assumptions, member for Johnston. I just told you I had advice from the EPA. To think we have done nothing and have just made a decision like that ...

**Mr VOWLES:** You said you had a one-off catch-up meeting about an idea and, all of a sudden, you were giving drilling approval and a five-year lease over 98.6 ha of our pristine harbour. How and why did you approve that lease?

**Mr CHANDLER:** I will not answer your question until you are ready to listen.

**Mr VOWLES:** This is the estimates process. I am supposed to ask you questions and you are supposed to answer them - that is what I thought we were supposed to do.

**Mr CHANDLER:** You do not give me a chance to answer.

**Mr VOWLES:** I have been waiting for the information.

**Mr CHANDLER:** You have not waited at all. You are a moron!

**A member:** He has given the answer, Kenny.

**Mr VOWLES:** Excuse me, mate. You are not the minister. I am asking the minister a question, not you. You just sit there, mate.

**Madam CHAIR:** A bit of order, please. Member for Johnston, you have asked the question. Minister, please answer the question.

**Mr CHANDLER:** You have asked the question and you will not shut up for me to give an answer.

**Mr VOWLES:** I find that highly offensive, telling me to shut up.

**Mr CHANDLER:** You will not stop talking for me to give an answer.

**Mr VOWLES:** Just calm down, minister ...

**Mr WOOD:** You told me to shut up.

**Mr VOWLES:** ... and go back to answering questions. We respect each other when we are in our suits, so let us keep that ...

**Madam CHAIR:** Member for Johnston, thank you. You have made your point. Minister, do you have an answer for the question?

**Mr CHANDLER:** The initial investigation - the drilling works - was referred to the Northern Territory Environment Protection Authority for review. The small-scale drilling proposed did not raise any significant concerns for the NT EPA.

Any additional investigative studies proposed will require further consideration under the *Crown Lands Act*, the *Planning Act* and *Environmental Assessment Act* prior to any commencement of works. Should the proponent wish to proceed with this development on the completion of its investigative studies, it will be required to comply with the *Crown Lands Act*, the *Planning Act* and the *Environmental Assessment Act* policy and processes.

The *Crown Lands Act*, the *Planning Act* and the *Environmental Assessment Act* all have provisions for community consultation, which the proponent will have to abide by. For example, a notice of intent under the *Environmental Assessment Act*, rezoning, subdivision, development applications under the *Planning Act*, and any notice of the sale under the *Crown Land Act*, all require public notification.

In addition, the Crown lease issued to the proponent requires a level of community consultation to occur as they proceed with their investigations. The five-year lease contains conditions which require the proponent to notify the general public of any activities scheduled within the lease area. In accordance with this requirement, advertisements were placed in the public notice section of the *Northern Territory News*, advising the public of the initial investigative drilling works prior to commencing.

The Department of Lands, Planning and the Environment continues to monitor the proponent's compliance with the investigative lease.

**Mr VOWLES:** Thank you for that answer. Minister, in regard to consultation with the developer, how many times did that appear in the *NT News*? Is that classed as consultation? Is that enough consultation?

**Mr CHANDLER:** It was what they are required to do and they complied.

**Mr VOWLES:** So, required consultation is placing one newspaper advertisement? Is that ...

**Mr CHANDLER:** For what they were doing, yes.

**Mr VOWLES:** All right, the five-year lease. I have had a couple of briefings, which you are fully aware of - and I thank your office for that, the department staff were fantastic in those briefings. As previously discussed, the lease was under an oyster lease. Is that correct?

**Mr CHANDLER:** Sorry, can you repeat the question? I have an answer. That meeting I had with the proponent for Nightcliff island was on 9 April 2013.

**Mr VOWLES:** Is it a Crown lease?

**Mr CHANDLER:** It is a Crown lease term. Would you like it tabled?

**Mr VOWLES:** Yes, that would be fantastic, thank you, minister. If Nightcliff island is approved through the processes, will you rule out any taxpayers' funds being used for any headworks or any works on that proposal, considering that nobody will be able to afford to buy a property there?

**Mr CHANDLER:** That is a hypothetical.

**Mr VOWLES:** Will you rule it out now?

**Mr CHANDLER:** It is a hypothetical.

**Mr VOWLES:** Will you rule it out? The proposal is coming.

**Mr CHANDLER:** We do not even know if Nightcliff island has a future in the Northern Territory. We do not know. We will not know what is required.

**Mr VOWLES:** That is what I am asking. Will you rule it out?

**Mr CHANDLER:** What am I ruling out?

**Mr VOWLES:** If it goes ahead, that no taxpayers' funds ...

**Mr CHANDLER:** This is not a government proposal, it is a private owner's proposal - or private owners.

**Mr VOWLES:** So, you can rule out using taxpayers' money for headworks or any sort of works, if that proposal goes ahead?

**Mr CHANDLER:** I suggest in the case it did go ahead, there would be money coming into government because there would be a cost associated with the area. To convert this land from a Crown lease to freehold would require a cost to the developer to government, not the other way around. But, we are a long way from that point.

**Mr VOWLES:** Thank you, I would like to move on. Gerry, are you going all right?

**Mr WOOD:** I have taken up plenty of time.

**Mr VOWLES:** You were, and I will keep going.

**Madam CHAIR:** We are still on the statement.

**Mr VOWLES:** Yes, I am going through it. I am happy to ...

**Mr WOOD:** There is a lot of time taken up by others during this estimates ...

**Mr VOWLES:** I want to move onto Rapid Creek flood mitigation, if I could move onto that?

**Mr CHANDLER:** Is that in the statement? Did I mention that?

**Mr VOWLES:** I am asking you where we can fit it in. It is under ...

**Mr CHANDLER:** I do not remember – did I mention that?

**Mr VOWLES:** I am simply asking, minister. Can I ask about it now? What output would that go under?

**A member** interjecting.

**Mr VOWLES:** What output would that come under so I do not ...

**Mr CHANDLER:** Land Development.

**Mr VOWLES:** Are we right? Are we in the right outputs?

**Madam CHAIR:** No, we are not in any outputs.

**Mr VOWLES:** I can wait on that, that is fine.

**Madam CHAIR:** The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15, as they relate to the Department of Lands, Planning and the Environment.

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

**Madam CHAIR:** Are there any agency related whole-of-government questions on budget and fiscal strategies?

**Mr WOOD:** Are we dealing with Output Group 4.0?

**Madam CHAIR:** Not yet.

**Mr WOOD:** It is all right, I am just ...

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**Answer to Question on Notice No 6.13**

**Mr CHANDLER:** I have an answer to Question on Notice 6.13 - what is the total expenditure to date to the department in 2013-14.

The total operational expenditure for the department for the period 1 July 2013 to 31 May 2014 is \$74.025m. Capital expenditure is held with the Department of Infrastructure.

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

**OUTPUT GROUP 4.0 – LAND DEVELOPMENT**  
**Output 4.1 – Land Economic Development**

**Madam CHAIR:** The committee will now proceed to Output Group 4.0, Land Development, Output 4.1, Land Economic Development. Are there any questions.

**Mr VOWLES:** Yes, I have some to ask about Rapid Creek. Is that where we are at, minister? What is the total expenditure of Rapid Creek flood mitigation 2013-14 and the budget provisions for 2014-15?

**Mr CHANDLER:** For the 2013-14 year, \$192 011.65. I can give you a breakdown if you want.

**Mr VOWLES:** If you can table that, that will be enough.

**Mr CHANDLER:** There are only three items: \$13 640 for Rapid Creek flood damage study by SKM; \$140 916.73 for Rapid Creek flood mitigation ops and study, SKM; \$37 454.92 for Rapid Creek consultations, Michels Warren Munday.

**Mr VOWLES:** If you could table that as well, that would be ...

**Mr CHANDLER:** There are some personal notes on there, sorry.

**Mr VOWLES:** No problems, minister. You have prepared the Rapid Creek flood mitigation reports. What measures and related activities have you undertaken?

**Mr CHANDLER:** There have been a number of areas, but what has probably been frustrating in this area - I have a couple of things to read - there seems to be two clear different groups out of this. There is a group I know you have been working with that is doing a great job. They are the residents living in the area. They acknowledge the area they live in, and there are only a few things that any government could do to potentially mitigate 100% of their concerns. I get the impression they want us to butt out of their business in some regard, because they see it as a risk. The more you talk about this, the more they are worried about things like insurance and the values of their properties and so forth. They just want to be left alone to get on with it.

There is another group out there that is highly volatile - and are probably politically motivated - that is making issues not only for government but for the people living in the area, as well as Darwin Airport and other people who might have an interest in the upstream areas of Rapid Creek.

We have some issues there. As I said, I highly commend the group you have been working with, member for Johnston, because they are pragmatic in their approach. Yet, you have another group that is stirring the waters in areas that probably do not concern them, other than the fact they are getting a bit of media attention. They are doing it for their own good, not the people who live there ...

**Mr VOWLES:** We might have a bit of a different opinion on the Save Rapid Creek Group ...

**Mr CHANDLER:** I can say ...

**Mr VOWLES:** ... they are very passionate people, both residents and concerned environmentalists, who ...

**Mr CHANDLER:** ... properties in Millner ...

**Mr VOWLES:** ... care about the Rapid Creek catchment area.

**Mr CHANDLER:** Properties in Millner adjacent to Rapid Creek experienced water inundation to varying degrees during Cyclone Carlos in February 2011, when the Top End experienced some of the highest recorded rainfall events.

On 20 August 2012, government announced \$1.5m, a downpayment on flood mitigation works around Rapid Creek, as a first step towards funding future works. This commitment included an assessment, a recommendation to review the Rapid Creek catchment hydrology, and development of an action plan to ensure the outcomes meet community requirements.

My department has convened a project group to provide advice from a whole-of-government perspective on this matter. Participating agencies include the Departments of the Chief Minister; Lands, Planning and the Environment; Land Resource Management; Infrastructure; Transport; Treasury and Finance; Power and Water Corporation; and the NT Police, Fire and Emergency Services.

The *Rapid Creek Floodplain Risk Management Discussion Paper* prepared by consultant SKM was publicly released for community consultation on 16 December 2013. A letter was hand delivered to 114 letterboxes - properties - and 67 letters mailed to landowners requesting one-on-one consultation with the department and an independent communication consultant. A draft action plan was finalised in December 2013 following completion of community consultation. Progress on the implementation of the action plan is summarised below.

Flood awareness program: the new Rapid Creek flood map was publicly released by the Department of Land Resource Management on 17 January 2014. Rapid Creek flood response information now appears on the Secure NT website. Flood level surveys have been carried out by SKM on properties in Millner to determine the extent of flooding on those properties. A final summary of the floor level survey has been prepared by consultant SKM for inclusion in the final action plan.

Power and Water Corporation was included in the project control group to address sewage contamination and blockage issues identified during the initial consultation.

The flood threat advice and early alert flash flood watch warning system has been developed by the NT Emergency Services and a trial was launched on 31 January 2014 for the remainder of the Wet Season. Further consultation with affected residents has been undertaken and my department is preparing a recommendation regarding the structure of the final early warning system to be adopted by NTES.

Planning and development: consultation with NT Airports has commenced regarding the development of land within the airport lease area, and NT Airports is now represented on the PCG.

The findings of the flood mitigation discussion paper and the community consultation were presented to the NT Airports Planning Coordination Forum on 4 April 2014. The department is preparing a planning scheme amendment to allow for flood immunity for new builds in flood-impacted areas. The department is in the process of engaging a consultant to undertake a structural and hydrological assessment of flood-affected houses confirmed in the flood level survey to assist with flood proofing.

On flood modification, SKM has been appointed to undertake the consultation with the Department of Infrastructure, medical entomology, City of Darwin, NT Airports, Department of Defence, Rapid Creek Landcare, and Larrakia Nation with regard to developing an ongoing maintenance strategy for Rapid Creek.

Contact with the Department of Defence has been established to discuss formalising the status and tenure of the flood control weir located within the airport land, and early indications are that Defence is prepared to set aside the land around the flood control weir to the NT government.

The department is working with the City of Darwin to undertake a storm water management study at the upper catchment of Rapid Creek and address development in Berrimah north between Amy Johnson Drive and Vanderlin Drive. ADG Engineers was adopted by the Council on 31 January 2014 to undertake a storm water assessment of the upper catchment of Rapid Creek, including the Berrimah north area, Northlakes,

Marrara and Defence land. The first draft of the storm water study is being formalised and will be reviewed by the department before providing a recommendation to me.

The draft management plan is available on the [lands.nt.gov.au/rapid-creek](http://lands.nt.gov.au/rapid-creek) website along with advice for residents, a flood map, the discussion paper, and some frequently asked questions and answers.

The community consultation report is being finalised and a recommendation will be provided to me for consideration.

**Mr VOWLES:** Thank you, minister. The floodplain risk management discussion paper recommended:

*Planning measures be used to ensure development or redevelopment in ... the catchment is not of a type and extent that would worsen flooding.*

The Rapid Creek Catchment Advisory Committee was an invaluable community group committed to the conservation, protection, and sustainable use of the Rapid Creek catchment area. Your government abolished this committee. Leading up to the budget, I asked this government to reinstate this fully-funded catchment task force. Does this budget make any provisions for this request?

**Mr CHANDLER:** In the last answer, if you listened, in the committee that has been put together across a number of different agencies and departments, including the airport, Darwin City Council, and NT Police, Fire and Emergency Services, there are a number of people working on this process. Already, we are moving towards amending the Planning Scheme to ensure that future development in the area is done in such a way that ...

**Mr VOWLES:** We had the Boulter Road clearing.

**Mr CHANDLER:** Legal clearing, yes.

**Mr VOWLES:** I just had clearing. To confirm the catchment advisory committee is needed, especially with the relevant Landcare groups, the environmental groups and residents, because everybody has a part to play in protecting that beautiful part of the Territory and the green belt area. There is some good news, but I hope you would extend it to the relevant Landcare groups and some residents who are active, as you know, in the group of 30 to 40 residents who have made representation to your office.

**Mr CHANDLER:** I know it is only a technicality, but any such group sits with the Department of Land Resource Management - minister Westra van Holthe.

I had the Planning Commission look at the Berrimah north area, because I needed further information on how to best develop and protect that area. In those discussions with the Planning Commissioner, he indicated it was difficult to do any kind of master planning in the area until we had completed a flood water mitigation strategy or flood water drainage investigation. That work has been done, or is the final stages of being completed, and we will be able to look at how to mitigate some of the pressure that area has on further downstream of Rapid Creek, and how we might mitigate that further.

**Mr VOWLES:** As you are aware, with the residents it is an emotive issue. We both went to the 2012 election with commitments. It is a very important part of my electorate.

Do you recall a public meeting you and I attended on 21 April this year in Johnston Ridge, where residents raised concerns about a proposed development on Angel Road? Do you recall the public meeting and the undertakings you made to the participants who attended and the 155 local residents who signed that petition?

**Mr CHANDLER:** Yes, yes, and yes. There has been a lot of work done in that space. I also note the fact you made a commitment on the day that, had you been elected, there would be a seniors' village there today. I came back and checked that information, and it was interesting to find out that in the former government's forward estimates, it had been removed. There was no longer seen a need in the area for a seniors' village. You may have made that commitment, but your former government changed its mind, because they had taken the money out of the budget, and it was no longer in the forward estimates for a seniors' village.

There has been some work done in that area but, because it is a housing proposal, any questions you have on that proposal should be put through to the Housing minister.

**Mr VOWLES:** That brings me to my next point. We had the concerned residents group contact and meet with your office, which she appreciated - and I appreciated after setting that meeting up. Then, your office said it was the responsibility of the Housing minister. So, she contacted his office and he said it is the responsibility of the Lands and Planning minister.

**Mr CHANDLER:** It depends on what the question is, though.

**Mr VOWLES:** It was around the development.

**Mr CHANDLER:** That is a housing development and, to put this on the record, there was a lot of rhetoric put around the place that Housing was to develop a project in the area. We had to quickly get information out to residents in the area to assure them that the Department of Housing was not looking at building a housing development on the same style as the former government did in Parap. That is a wonderful mixture of affordable housing for residents who pay rent. They are not what you would consider 'usual' Territory Housing tenants, they are all people who have jobs. It is part of the affordable housing initiative. It is not a Territory Housing project, although Territory Housing is managing the project. But, in regard to the development, and the final makeup of what that development would be, it would go through the normal DCA processes, which come under ...

**Mr VOWLES:** But you can understand the frustration of residents. We might understand government speak ...

**Mr CHANDLER:** I understand the frustration because there was a lot of misinformation out there.

**Mr VOWLES:** ... and where it needs to go, but you took an undertaking. They met with you, and they were then referred to the Housing minister and he said, 'I have nothing to do with this, go back to Lands and Planning'. The average person on the street does not get it and says, 'You are the government, sort this out'.

**Mr CHANDLER:** You are absolutely right. Some of the misinformation that was spread out there has not helped in the situation. I have spoken to a number of people - these are my constituents, member for Johnston, so you can imagine I would be close to them - and have had meetings, phone calls, letters, and letterbox drops we have done there to correct the record to tell them what the proposal is in the area, and what they can do - because, everyone, including me, has the right to voice concerns, if they have any, with the DCA before this development is approved.

Under the normal Planning Scheme, my understanding is the development was slightly oversize for the zoning of the area, and they would have to make changes to their initial design anyway.

My personal preference would be to see something that was probably around a 40- to 60-unit development, instead of the 80-odd they were talking about. No one can suggest they are living in an area where they did not think there was going to be some kind of development on the site.

The former government you represented had a concept plan to build a seniors' village there but, as things change - people sometimes do not understand that things do change - even the former government changed its mind on building a seniors' village on that site. So, to suggest you were going to build a seniors' village might have been right three, four, or even five years ago, but in the lead-up to the last election, in the last budget brought down by the former government, it had been removed.

**Mr VOWLES:** At that same rally of your local constituents who elected you, they were very angry, with many personal stories. One thing which came out of it for me was people's frustration around the fact it had not gone to the DCA, yet there was lots already sold on that development, which was very concerning. How did that happen, or how could that happen?

**Mr CHANDLER:** I will be careful with what I say here because, again, it is a Housing initiative. My understanding is Housing has tendered with a particular developer. I suggest to you the developer is the one taking the risk here because, until a development has been signed off there is really nothing to sell. The developer was taking a risk here.

**Mr VOWLES:** But there had already been lots sold.

**Mr CHANDLER:** Not sold, deposits had been taken.



**Mr VOWLES:** Deposits had been taken.

**Mr WOOD:** Without planning approval?

**Mr VOWLES:** Yes, the planning meeting was that week. They had already taken deposits, which was, obviously, a huge concern for residents there, considering they had put in a lot of submissions.

**Mr CHANDLER:** And a concern for me too, because I did not understand the process as well.

**Mr WOOD:** That happened at Coolalinga too.

**Mr VOWLES:** Have you anything on this?

**Mr WOOD:** Yes.

**Mr VOWLES:** You can go for five minutes, Gerry.

**Mr WOOD:** Thank you, Prime Minister.

**Mr CHANDLER:** Can I tell you a real sad story about that development? I was looking through the paper one day and came across a great investment, before realising it was a Department of Housing investment. I thought it was probably not a good idea to invest in those types of investments.

**Mr WOOD:** Quickly, minister, Defence land. Obviously, you are not going to develop Holtze, Howard Springs, without using up what was called Howard Springs North Defence Complex, formerly known as Kowandi North. What are the arrangements for government to take over that land?

**Mr CHANDLER:** Without going into too much detail, because there are a lot of negotiations going on at the moment, it is true to say that Defence has a requirement for land which is held in trust, Crown land, by the Northern Territory government. Also, we have land it wants and it has land we want, so there are ongoing discussions at the moment on how we could do it - whether there will be land swaps or a deal between the federal government and the Northern Territory government which addresses the land it wants, and we address the areas of land we want.

**Mr WOOD:** Does this include the 11 Mile?

**Mr CHANDLER:** Is that public knowledge? It includes 11 Mile.

**Mr WOOD:** It has been public knowledge that governments of all persuasions have been trying to get it.

**Mr CHANDLER:** Yes, that is one of the sites. But, there are a number of sites, both in and outside the greater Darwin area, we are working with. We, obviously, are looking for land for residential growth and they are looking for land. That includes the areas north of Darwin, such as the old Tu Karu site and so forth. There are a number of Defence sites we are negotiating at the moment.

**Mr WOOD:** The Sports House site - did you override the Development Consent Authority's decision or recommendations on that particular site? The badminton shed site.

**Mr CHANDLER:** Yes, I know the site.

**Mr WOOD:** It had to be rezoned. There was a large number of people who signed a petition asking that did not happen. I am interested to know.

**Mr CHANDLER:** That was 3500, 200 files ago. I will have to check.

**Mr WOOD:** That is all right. It is the first time I have been able to question you about it since it happened.

**Mr CHANDLER:** That is handy to know. That is another one I did not overrule. I will just work through this.

*On 26 March 2013, the minister ...*

That would be me:

*... announced that the Sports House site had been identified for potential redevelopment for residential purposes.*

There is a bit of rhetoric in there – very nice rhetoric:

*The Sports House site is 1.45 ha and is close to public transport. Rezoning to Medium Density Residential came into effect on 15 January 2014 following the public exhibition of the rezoning process. The zone will allow a development up to four storeys. During the rezoning process, local residents and owners in the area were consulted, provided with information on the rezoning, and offered one-on-one meetings to discuss the proposal.*

*Four meetings were held during this time with residents raising concerns such as traffic, noise, privacy and amenity.*

*The government vision for the Sports House site is to see a contemporary residential development that suits the surrounding streetscape and uses best practice urban design principles.*

*The Sports House site was released on 11 February 2014 through a publicly competitive request for proposals. An industry brief was held on 5 February 2014. The RFP document included design objectives to encourage submitters, but there was no ...*

Your question was did I overturn it. No.

**Mr WOOD:** That is all I asked, yes. Can I hang in there any longer?

**Mr VOWLES:** Yes, you are right, mate.

**Mr WOOD:** Do not go crook at me now.

**Mr CHANDLER:** More on that?

**Mr WOOD:** No, that is okay.

**Mr VOWLES:** More on Sports House, Gerry.

**Mr WOOD:** You can come back on it. I asked a question before about the cost of developing 1 ha blocks of land. Is it possible to get any indication of how that figure was produced, because I am concerned about that?

**Mr CHANDLER:** Yes, we can provide it. However, you have to remember there would be a major road needed to go through the area. There were all those costs associated ...

**Mr WOOD:** Yes, but you would have to build that anyway. I am talking about the normal ...

**Mr CHANDLER:** They have to be built, but you have to plan. If you were to restrict it to 1 ha lots, there would be about 71 lots probably.

**Mr WOOD:** But that road is going to Murrumbidgee. That is a major road. You do not charge people for building the Stuart Highway.

**Mr CHANDLER:** But it still has to be built to provide access for the people. You would get 71 lots out of there if it was restricted to 1 ha lots.

**Mr WOOD:** All right. Is it possible to have a briefing on how that came to be because there must be different things taken into consideration?

**Mr CHANDLER:** Yes, we can arrange that.

**Mr WOOD:** Quickly. If we are talking about rezoning, I need to ask you about the Humpty Doo rezoning. I am concerned that you overrode the Development Consent Authority's decision. You were on radio saying I am to blame because I am the one who wanted a retirement ...

**Mr CHANDLER:** I thought it was a lovely idea that you liked.

**Mr WOOD:** Hang on, wait until I finish. I do want a retirement village, minister, and I do want it in Humpty Doo. It is a pity you are not going to use that infrastructure money to develop your own Crown land, because you have a big heap of it sitting there behind Pater Street.

I wrote to the Development Consent Authority, or whoever was taking that application. I specifically wrote in that application that I did not support it. One reason was - and I will quote:

*It is also concerning that this proposal is being sold using the possibility of it being a retirement village. This is simply a sales pitch. Retirement villages have to be designed specifically for the purpose, not just set up as part of a medium density development.*

I will give you another quote. The applicant, when he was at the meeting said, 'If we go down this path we will, obviously, look at a specific use zone'. That did not happen. You have an SD zone which will have 60 blocks smack up against 2 ha blocks - which you cannot do with 1 ha subdivisions by the way - and a medium density development that has no requirement to build as a retirement village. If there was, you would have included it in the reasons you overrode the recommendation of the Development Consent Authority. You did not, you gave the englobo - I use that word because it was used - standard reason which was, 'The rezoning will contribute to a built environment supporting the diverse lifestyle, social ...' etcetera. That is a generic reason, but it does not address the issues raised by the Development Consent Authority and it does not say, 'I am overriding it because the developer has promised to build a retirement village'. He did not.

I want a retirement village and I spoke to you about a retirement village. This is a con. This was to get you to believe he would build a retirement village. There is nothing in any document from the developer saying, 'I promise to build a retirement village'.

**Mr CHANDLER:** Except for one thing, member for Nelson. The developer put forward a proposal to build a seniors' village in the area. After discussions with you, did I override the DCA? Yes, I did, with the justification it was something the rural area wanted. It is very rare for me to overrule information provided to me. I question some of the information given to me from time to time - whether it was from the department or one of the service providers such as Power and Water or Environmental Health - because other information I may have either supersedes or gives me reason to question the advice I am given.

In fact, I argue earlier on there were people in my own department who appeared to have a culture of dead against development - any development. You have to appreciate saying no to everything leads to nothing ever happening. In this case, did your discussion with me influence my decision? I have to tell you, Gerry, it did.

**Mr WOOD:** Minister ...

**Mr CHANDLER:** The second thing we have to talk about is we are nowhere near anything happening on that land until an application comes through the DCA. I will be looking out with interest for this one because my name has gone on a rezoning approval based on the information given to me by a developer. If they change their mind ...

**Mr WOOD:** Minister, you could have made them do it by saying this needs to be a specific purpose zone, and it is not. It is now wide open for them to develop it for anyone. It is also a poor development because it is smack up against existing rural blocks - 800 m<sup>2</sup> blocks up against 2 ha. When you have an RR zone with 1 ha blocks you need a 2 ha buffer. It goes against the planning concepts we live with.

Minister, the other thing you said is you are looking at providing some of that \$2m to provide infrastructure for this person. Is that correct?.

**Mr CHANDLER:** No, not this person, no. That is wrong.

**Mr WOOD:** That is the impression I received from an ABC interview you did recently.

**Mr CHANDLER:** No. If it was the ABC interview to do with industrial land ...

**Mr WOOD:** No, I do not think so.

**Mr CHANDLER:** What the \$2.5m is - one of the reasons the DCA was against the rezoning was because advice from Power and Water at the time was to approve the development would just about take up all the

capacity within the services in the Humpty Doo Village Centre. Like you, I want to see additional development in the Humpty Doo centre. To ensure we could approve this development and further development could be approved, is why we have the \$2.5m - to ensure we can continue with development.

**Mr WOOD:** I am glad you are putting money into Humpty Doo, but this is a private development outside the district centre which should not have been approved.

**Mr CHANDLER:** None of this money goes to this developer or the development. It is just to ensure we can continue supporting development in the Humpty Doo region.

**Mr WOOD:** All right. This is the interview on the radio. I have a transcript:

*The Northern Territory's Planning Minister has again defended his decision to ignore advice from the Development Consent Authority by rezoning land in the Darwin rural area.*

We are not talking about the industrial development, which I support and think it is terrific. It then said:

*The Independent, Gerry Wood, says documents he obtained showed the authority was concerned about poor infrastructure and services for a planned estate development near Humpty Doo. Peter Chandler said he addressed that issue in the budget.*

Quoting you:

*I listened to that advice. I went to Cabinet and in the budget process I ensured that we had money put in the budget to allow for further expansion for developments at Humpty Doo. Humpty Doo is a growing area. The village centre will need to grow. It is important that the government provides these services.*

The headline of that news article was about that rezoned land.

**Mr CHANDLER:** I cannot stop or help how the media presents information or the context or perception people have. I can assure you, knowing that development had been approved and there was a need for further infrastructure in the area is why, during the budget process, I made sure we had additional money put aside so we could continue with development in the area.

**Mr WOOD:** To get it clear, that money is not for that development?

**Mr CHANDLER:** Nothing to do with it. It is to ensure further development can happen in the area.

**Mr WOOD:** I put it on record that when I spoke about a retirement village to you, I was not supporting this development, I was supporting a retirement village in Humpty Doo. Almost everyone in the department has heard me raving on for the last 10 years that we need one in Humpty Doo.

When you are putting the infrastructure there, I hope that infrastructure is enough so we can put a good retirement village there, because I am sick of people leaving the rural area and heading off to other parts of the world, Darwin, or places outside their community they do not really want to live.

**Mr CHANDLER:** I appreciate that, but I need to then put on the record that my discussion with you helped me to make this decision.

**Mr WOOD:** Yes, you misread – I read the documents. There was nothing to guarantee that this was to be a retirement village. I am used to smooth talk and this is smooth talk.

**Mr CHANDLER:** Except that there is a complete new process to go through - that is the DCA process when we see an application.

**Mr WOOD:** But, they did not give you those reasons for knocking it back, and you did not address those reasons, which was outside the district centre ...

**Mr CHANDLER:** To be fair, you could write a 10-page submission on why you have made a decision a certain way and those letters give you a basic – like you said, it is like a form letter that is written up.

**Mr WOOD:** You gave a generic answer, which is what worried me.

**Mr CHANDLER:** To say that is the only reason, no. I did not want to put in a letter that a discussion I had with you helped me make a decision.

**Mr WOOD:** I would have written you one back and said I was not after that.

**Mr CHANDLER:** There is a lot more information you can put into a letter.

**Mr WOOD:** It is a bad decision. It has to go to development and there will be a lot of opposition to it. Thank you, minister. Sorry, but it was an important one.

**Mr VOWLES:** Thank you, member for Nelson. We have written question No 179. Will you table them, minister?

**Mr CHANDLER:** I have already tabled the questions.

**Mr VOWLES:** All of them? It only goes to 170.

**Mr CHANDLER:** If you have agency-specific questions, I will take them.

**Mr VOWLES:** Can you please provide details on the sale of all Crown land in 2013-14 showing description of the land sold, the purchaser, market value, and sale price? Can you table those documents?

**Mr CHANDLER:** It would take me 15 minutes to read through it, so I will table it. That is fine.

**Mr VOWLES:** I am happy for you to table them, thank you.

**Madam CHAIR:** We only have an hour left, minister.

**Mr CHANDLER:** You do not want me to read them out?

**Madam CHAIR:** Just putting it out there.

**Mr VOWLES:** That is fine. Thank you for tabling those, minister, Mr Coleman and Ms Clifford.

How many leases were issued in 2014 under the *Crown Lands Act* for which no rent is payable? For each lease: who was the lessee; when did the lease commence; what is the description of the Crown land leased; what is the duration of the lease; what is the unimproved capital value of the land; and what is the estimated annual market rental value of the land?

**Mr CHANDLER:** Would you like that tabled?

**Mr VOWLES:** Yes, if you have it, that would be great.

**Mr CHANDLER:** I can read it out.

**Mr VOWLES:** No, that would be great to table it; in the interest of time that would be awesome.

I have a couple more. How many leases were issued in 2014 under the *Crown Lands Act* for which peppercorn rent is payable for each lease? Who is the lessee and when did the lease commence? What is the description of the Crown land leased? What is the duration of the lease? What is the unimproved capital value of the land? What is the estimated annual market rental value of the land? What is the value of annual rent currently paid on the land?

**Mr CHANDLER:** The use of peppercorn rent is historical, and is not supported by current government policies or procedures for the sale or grant of Crown land. As such, no leases were issued in 2013-14 under the *Crown Lands Act*, for which peppercorn rent is payable.

**Mr VOWLES:** Thank you. Minister, has your department or any other agency conducted modelling on population growth and other demand pressures to inform its target for land release in 2013-14, 2014-15 and beyond?

**Mr WOOD:** He can get a briefing.

**Mr VOWLES:** If so, would you provide details?

**Mr CHANDLER:** It is a question the Treasurer would handle, because it comes under Treasury. It is the one that does the modelling.

**Mr VOWLES:** I will get a brief on that. Gerry, you had a question on that?

**Mr WOOD:** Yes, 4.2.

**Mr VOWLES:** I just have one more. Minister, I refer to this advertisement in the *NT News* on 14 May 2014. How many times was the advertisement published in the NT media, and what was the total cost of design, placement, and publication?

**Mr CHANDLER:** Another one for the Treasurer.

**Mr VOWLES:** Okay. It is pretty hard to see, but I would you to tell me exactly how many dwellings have been committed to in 2014-15, and the following years up to 2019-20? Is there an exact figure with this graph up to 6500?

**Mr CHANDLER:** Did I give you that Nightcliff island meeting info? The date?

**Madam CHAIR:** Yes.

**Mr VOWLES:** Yes, thank you.

**Madam CHAIR:** Is that all the questions on Output 4.1? No? Sorry, we are waiting for something.

**Mr CHANDLER:** The 2013-14 year adds up to 450, 2014-15 is 570, 2015-16 is 760, 2016-17 is 995, 2017-18 is 1105, 2018-19 is 1085, and 2019-20 is 1270.

**Mr VOWLES:** That adds up to 6500?

**Mr CHANDLER:** I am the minister for Lands and Planning, not Education for the moment.

**Mr VOWLES:** Does that add up to 6500 new dwellings?

**Mr CHANDLER:** Plus infill sites, yes.

**Mr VOWLES:** So, new dwellings - 6500? Is that what it all that adds up to?

**Madam CHAIR:** Looks like it.

**Mr CHANDLER:** Including the infill sites.

**Mr VOWLES:** Can you assure Territorians these targets will be achieved?

**Mr CHANDLER:** I will do my best, Ken.

**Mr VOWLES:** But no assurance?

**Mr CHANDLER:** I do not know what you want from me - blood?

**Mr VOWLES:** You are the Planning minister, I just want a yes or no ...

**Mr CHANDLER:** We are Planning. This is what we are planning to do.

**Mr VOWLES:** We are going to make sure you do it. You are embarking on the greatest ever ...

**Mr CHANDLER:** That is why we have a budget this year to support it.

**Mr VOWLES:** You will not put your name to it? Is that right?

**Mr CHANDLER:** I will give you my commitment that I will work as hard as I possibly can, member for Johnston.

**Mr VOWLES:** Thank you very much, minister, I appreciate your honesty there. How many lots are available for sale on the Kilgariff subdivision?

**Mr CHANDLER:** Now, or when it is completed?

**Mr VOWLES:** Now, at the moment.

**Mr CHANDLER:** Thirty-three at the moment.

**Mr VOWLES:** The average sale of these lots at the moment, I am hearing, is about \$160 000 to \$180 000. Is that about right?

**Mr CHANDLER:** Of the 43, about 14 at the moment are under contract. Selling price is between \$160 000 and \$180 000.

**Mr VOWLES:** Can you give me a figure of how much it will cost to build on those lots?

**Mr CHANDLER:** Depends on the style of your house.

**Mr VOWLES:** Yes, that is correct. Do you have any idea of that? A shed, Gerry?

**Mr WOOD:** Yes, sheds are allowed - shush, you cannot mention sheds because people ...

**Mr VOWLES:** You have 30 – sorry, minister.

**Mr CHANDLER:** That would be a difficult question to give an answer. I am not a cost surveyor. It would depend on the size of the house, of course. Compared to what people have been paying for land in Alice Springs, it will be substantially less than they have been recently.

**Mr VOWLES:** What are the predicted sales in 2014-15?

**Mr CHANDLER:** We are moving on to Stage 2. It really is market driven, but the first stage is 33, second stage is 47. In my opinion it will be a bit like a snowball. Once a couple of people get confidence and start to build their houses, when people see houses out there, more will follow.

**Mr VOWLES:** I was born and bred in the Territory, I do not know what a snowball is.

**Mr CHANDLER:** Alice Springs? Occasionally.

**Mr WOOD:** You can get them in Woolies in a box.

**Mr VOWLES:** Thank you, minister, that ends my questions on Output 4.1.

**Madam CHAIR:** Great. That concludes consideration of Output 4.1.

#### **Output 4.2 – Land Administration**

**Madam CHAIR:** The committee will now consider Output 4.2, Land Administration. Are there any questions?

**Mr HIGGINS:** Can I ask a question on Output 4.1?

**Mr WOOD:** I think you missed it.

**Mr HIGGINS:** With all the budget stuff, how much money is actually in the budget for residential land releases for the next 12 months?

**Mr CHANDLER:** Not just industrial but all land release?

**Mr HIGGINS:** All residential land release, and how many do we expect to get out of that?

**Mr WOOD:** I will get you the pager. It is in one of these documents here.

**Mr HIGGINS:** In my area I have Weddell. I know the member for Nelson was asking about that, but I would like to know. We said we had altered the priorities we are looking at for Weddell.

**Mr WOOD:** Weddell, the figment of the planner's imagination.

**Mr VOWLES:** There is no Weddell.

**Mr CHANDLER:** It is a bit like an island, isn't it?

**Mr VOWLES:** We will see. It is not a proposal and they start drilling in the Daly, we will see what happens from there.

**Mr WOOD:** It is called No-dell.

**Mr CHANDLER:** Member for Daly, nearly \$27m will be spent on regional land release projects including \$4.3m to continue works under Kilgariff Stage 1, Alice Springs; \$2m for headworks for future stages of Kilgariff; \$1m to contribute towards extending headworks infrastructure to Larapinta Valley in Alice Springs to support the future release of residential lots; \$2.7m to construct infrastructure to support the future release of land for residential development in Katherine Stage 2; \$3m to support the staged development of about 20 residential lots in Kalkarindji to be completed in December 2014 - and that has provided about 13 jobs at the moment out there; \$3m to support the staged release of up to 20 residential and six commercial industrial lots in Mataranka subject to native title negotiations - there are another 13 jobs there; \$4m to support the staged release of up to 36 residential and 12 commercial lots in Timber Creek - again subject to native title negotiations and there are about 18 jobs, I believe, there; \$3m to support the staged development of about 40 residential and four industrial lots in Pine Creek - again subject to native title negotiations with another 13 jobs; \$2m for the next stage of approximately 23 lots of residential subdivision in Peko Road in Tennant Creek to be completed in late 2014; \$2m for headworks to support the staged release of approximately 34 residential lots in Ti Tree in early 2015 involving nine people in nine jobs.

**Mr HIGGINS:** The other one is Weddell. Do we have any plans for that? I know we said priorities had changed, from what the member for Nelson has said ...

**Mr WOOD:** I can give it to you. It is the CLP's document.

**Mr CHANDLER:** I think we covered off on it earlier, member for Daly. On coming into government and seeing what planning the former government had done for Weddell, I was not disappointed for the perception of planning in the community, or the work that had been done by a variety of groups and consultation - they had been consulted to death - but there was a lack of real planning in the on-the-ground issues.

Money was put aside and the water line went in for - you could argue it was partly for Weddell, but the other argument was it was to support the INPEX site because INPEX needed water and they needed to put that pipeline in. Again, our priorities as a government - realising it would cost about \$180m to get land turned off in Weddell. That is a huge amount of money to spend for the amount of blocks to be released ...

**Mr WOOD:** That would be the start.

**Mr CHANDLER:** Yes, the start. But, to get a return for government would make those blocks very expensive, and the time to bring them on line would be years. When you come into government and find we have a housing crisis, what ways can we bring housing - residential lots - to the market sooner? We had the department working in a number of areas ...

**Mr WOOD:** You have been in for two years.

**Mr CHANDLER:** ... including looking at infill sites, and at where our economic future was going to be. A decision was made to find infill sites - areas that were zoned appropriately, were close infrastructure and roads and had services already there that we could turn off a lot more quickly than a greenfield site. We also had to bring forward many of the infill programs we had in Palmerston.

The last stages of Johnston are about three years ahead of the plan of the former Labor government. We are three years ahead so we are bringing forward all those works - additional money in to finish Zuccoli



sooner rather than later, and looking at areas like Holtze and Murrumujuk to support Glyde Point. Weddell will happen, but there are other things we can do to bring land on sooner and cheaper for Territorians than to invest all our infrastructure money into Weddell at this stage.

**Mr HIGGINS:** You mentioned earlier getting private people to do development. It has come up in a few of the portfolios. What percentage of residential land release are we expecting to come from that area? In other words, all this money you are talking about must be related to government money and developments with private sector, but what are we expecting from just private sector, or do we not have any of that? You must have a feel for it.

**Mr CHANDLER:** Absolutely. To clarify and give a good example, there is about \$39m in this budget going into Palmerston. The majority of that money is going into Zuccoli because government is leading the way in pushing forward with services and headworks. On the other hand, the money we have put together for Holtze is only \$4m, and Berrimah Farm is only \$4m, but it is seen as seed money to give some leverage and support for a developer to come in.

I see Berrimah Farm done in an englobo-type scenario where we would use the \$4m to, perhaps, turn off the top few blocks to allow some development there. It might be the box-style developments like Bunnings, Harvey Norman, and those types of businesses. They might be encouraged to go into the top. We would then work with a developer to develop the whole site. The \$4m is only used as seed money to spark a major development, rather than government needing \$50m, \$60m, or \$80m to develop the whole site.

Yes, there is seed money to work with developers for Berrimah Farm and for the Holtze area. It is different to the money we are putting into East Palmerston.

**Mr HIGGINS:** The member for Nelson has also raised this, and I have a constituent in my electorate who is hot on the trail of a retirement village. I was very annoyed that I turned 60 two weeks after we put a freeze on our pension concession deal, so I dipped out.

How much emphasis is being put on all of our planning for retirement villages? With planning for development everywhere, and the blocks we are talking about - whether we have little blocks like the member for Nelson is talking about; the area he is talking about is in my electorate - how much emphasis is put on allowing some land for retirement villages every time we do some development? How much work is being done with that?

**Mr CHANDLER:** I have talked to a number of developers in the last 12 months about the potential for retirement seniors' villages in a number of different scenarios - from villages to the same level of care as nursing, through to where people have just retired and are still very capable, but may not want to invest all of their money into a city apartment, but want to look at a development, maybe in the rural area. I will not call it a caravan park, but have you seen in northern ...

**Mr HIGGINS:** Caravan parks are good.

**Mr CHANDLER:** Absolutely. Northern New South Wales and Queensland have a lot of these ...

**Mr WOOD:** Cabin-style developments.

**Mr CHANDLER:** Yes, they are. They are developments people can timeshare, or buy for a certain number of years they want to stay there before moving on. Some people use them as their place while they hit the road and do the grey nomad experience. I do not necessarily see it as something the government has to focus on, other than to support. If a private developer comes in and wants to build a development, as long as they are in the right areas, supported by infrastructure and so forth, we should support those type of developments.

In the last 12 months, I have spoken to a number of potential developers looking into these areas, ranging from establishments providing services, right up to nursing care, through to the average person of your age who wants to retire and chill out - the cabin-type scenario.

**Mr HIGGINS:** Native title in Batchelor is holding up developing a retirement or nursing home there. I know that is a problem. Thank you for that.

**Madam CHAIR:** That concludes consideration of Output 4.1.

## **Output 4.2 – Land Administration**

**Madam CHAIR:** The committee will now consider Output 4.2, Land Administration. Are there any questions?

**Mr WOOD:** In your budget, one of your budget highlights is \$1.5m to continue managing fire and weeds. Are you increasing money for the control of fire and weeds, considering the ongoing problem of gamba grass? Do you have a plan?

**Mr CHANDLER:** The 2013-14 year had a budget for combined weed and fire control of \$1.39m. It has been increased this year to \$1.6m. The reasons around that are varied, but it is an ongoing concern and is difficult for government to stay on top of. Everywhere I drive, I see the spread of gamba grass. In the last decade it seems to have grown substantially. In my reckoning, the increased budget will help manage that situation.

**Mr WOOD:** Is any of that money for also cleaning up rubbish? If you go up Thorngate Road and turn onto some of those dirt roads, you will find building materials, palm fronds, and all sorts of things. It is the same in the Howard Springs forestry land. Is there a plan to clean up some of that land on an annual basis, or is it only when you get a complaint about it that you clean it up?

**Mr CHANDLER:** There was a budget of \$27 000 allocated in the 2012-13 year for cleaning up illegal dumping. That has increased to \$39 000 in 2013-14. It will be about the same again this year.

I noticed a difference, particularly in the Palmerston area, when walking through the Crown lands area of Johnston and Zuccoli, since the development of the suburbs you do not see as much of it. I put it to you it increased at a time when councils and shires in the area started to charge for the dumping of materials. Of course, you get the illegals who go out there – you find everything from old washing machines through to building rubble which has been cleared from a site. I encourage those who see that material to take photos of it and send in the information, so we can get it cleaned up within reason.

The other thing I highly recommend is there is even an app which you can get on your phone today. I had one for Palmerston council. If you physically come across a problem in the suburbs - whether it is a broken swing in a park, a pothole in the road or a street light that is out - you can take a photo of it and it sends it directly to council. You have a complaint number sent to you, and you get a response when they have fixed the issue. Again, with ...

**Madam CHAIR:** That is how it is supposed to work.

**Mr WOOD:** Yes.

**Mr CHANDLER:** That is how it is supposed to work, yes, I know. It does not always.

**Mr WOOD:** No, actually the council is just tracking its ratepayers to see where they live, and where they move.

**Mr CHANDLER:** Yes, that is what it is. Again, whenever people see rubbish like that, they should take photos of it and send it into the department.

**Madam CHAIR:** Any further questions on 4.2? That concludes consideration of Output 4.2 and Output Group 4.0.

## **OUTPUT GROUP 5.0 – LAND SERVICES** **Output 5.1 – Building Advisory Services**

**Madam CHAIR:** We will now proceed to Output Group 5.0, Land Services, Output 5.1, Building Advisory Services. Are there any questions?

**Mr WOOD:** I would love to, but no.

**Madam CHAIR:** That concludes consideration of Output 5.1.

### **Output 5.2 – Development Assessment Services**

**Madam CHAIR:** The committee will now call for questions on Output 5.2, Development Assessment Services. Are there any questions?

**Mr WOOD:** No.

**Madam CHAIR:** That concludes consideration of Output 5.2.

**Mr HIGGINS:** Can I ask one on 5.2?

**Madam CHAIR:** Member for Daly, you are quite untimely. You will have to be a little quicker in future, please.

**Mr HIGGINS:** It is the button. You have this down pat, you are going really fast.

What things has the government done to reduce the impost on business, in our reduction in red tape, to help with all of this? I know we made some people independent.

**Mr CHANDLER:** We have done many things. One of the great things ...

**Mr HIGGINS:** Just three would be good.

**Mr CHANDLER:** Three?

**Mr HIGGINS:** If you can mention three.

**Mr CHANDLER:** Concurrent application legislation is great legislation, which reduces the time for developers, and provides a very clear and open process for the community to be involved in keeping up with a development. In fact, that particular development would have been a fantastic one to run through the concurrent application, because people can get to see a rezoning and the development in the same process ...

**Mr WOOD:** The one at Humpty Doo?

**Mr CHANDLER:** At Humpty Doo.

**Mr WOOD:** We would not have a second ...

**Mr CHANDLER:** It would have been a fantastic one for it.

**Mr WOOD:** Yes, I am glad it did not, because we would not have had a second chance. You would have said it was great.

**Mr CHANDLER:** Planning online is another one which is fantastic. Online lodgement has put all applications online to speed up processing of the development application. It can be increased and applicants can track the progress of their application. That is a first for the Northern Territory.

People may now get their applications for subdivision clearance approved on the day of lodgement, provided they supply all clearance documents, cutting red tape in obtaining land titles following subdivision.

Planning processes have been improved to streamline. The continued development of the Development One Stop Shop allows developers and the general public to access information about both the development application process and current applications online. Processing of a development application is being reviewed on an ongoing basis to minimise assessment times. Members of the public can access proposals and make submissions online.

The Development Consent Authority agendas are now available to be viewed by the public online two days prior to DCA meeting dates. This measure provides improved transparency in the planning process by providing improved access to DCA reports, particularly for those people living in regional and remote areas.

In Lands and Planning, there have been policy changes, zoning tables, and concurrent applications, as I said. Land suitability requirements at the rezoning stage is damn important, particularly for areas that could

be a wet block. I could go on. There are pages of things we are doing to speed up processes through the development process.

**Mr HIGGINS:** Has the private sector commended us on that money saving or ...

**Mr CHANDLER:** Every single person I speak to about things, from concurrent legislation through to now the online capacity of the department, is I met with praise because it really does speed things up. Also, the other side of it, it makes us far more accountable to the general public, thanks to development consent.

**Mr WOOD:** Minister, can you give me the documents I asked for? Two documents on Weddell, one document on the department of Environmental Health's reasons in relation to septic and sewerage on small blocks. None of that has been given to me, so the transparency is not there at the moment.

**Mr CHANDLER:** It is because a decision has not been made. The decision will not be made until there is a bit more work done in that area. In fact, I am even working with Bill from the EPA on what is right and wrong for the area, what some of the concerns are, and what a government can do to ensure that particular development I know you are referring to, as well as other developments in the rural area, can be supported.

Between you and me, at some stage the government is going to have to commit to sewerage for the Howard Springs area and ...

**Mr WOOD:** If you use the same argument – pardon me - if you are going to put sewerage then the cost of blocks will be exceptionally high because we already have that costed by Power and Water.

**Mr CHANDLER:** Yes, but there are a number of options. I was looking at the cost of sewerage the other day and nearly fell off the chair. Even the school in the area would benefit from being on sewerage rather than be part of a septic system which all have their environmental risks.

If we want to ensure we even go with this village concept of developing around our villages, we cannot continue to rely on septic systems in a regional capacity when we are going to densify.

**Mr WOOD:** We can have that argument later, we do not have enough time today. That is why we are moving through.

**Madam CHAIR:** That concludes consideration of Output 5.2.

### **Output 5.3 – Land Information**

**Madam CHAIR:** The committee will now consider Output 5.3, Land Information. Are there any questions?

**Mr WOOD:** Love to, but no.

**Madam CHAIR:** That concludes consideration of Output 5.3.

### **Output 5.4 - Lands Planning**

**Madam CHAIR:** I will now call for questions on Output 5.4, Lands Planning. Are there any questions?

**Mr WOOD:** I have one. Minister, you recently announced independent units. I put in a submission when you asked for public comment on it. I do not necessarily have a major problem with it because the facts of life were that people were using granny flats for people to stay in. You can either try to enforce it, or that will be just about impossible. I have a major concern with it.

At the top of the planning changes it states:

*The primary purpose ...*

I presume this is the most important purpose of this clause:

*... is to ensure that an independent unit does not detrimentally impact on the amenity of adjoining and nearby property and remains ancillary to the single dwelling on the site.*

Then it goes on to tell you that if you do this, this, this, and this, it is fine.

How can I, for argument sake, as an adjoining neighbour, stop someone from putting a demountable down the back end of my block - it could be a block in Palmerston or the rural area - who is then going to have a bunch of people who think that hip hop, head-banging music is fantastic, and they want to do a bit of mechanical work on their bikes?

**Mr BARRETT** interjecting.

**Mr WOOD:** I am talking in theory, member for Blain – hypothetical, sorry.

That could destroy the amenity of my area. How can that neighbour protest about that application – well, it is not an application - about that particular independent unit going there?

**Mr CHANDLER:** Using your example, there are still standard set-backs that are required in all of these. You cannot build up against someone's fence, for instance. Even if someone had to go through the DCA process and the independent unit was signed off by the DCA - people voiced their concerns but it was still signed off in the end – you cannot have a regulation built in for land purposes that will prevent somebody who plays hip hop music at 3 am ...

**Mr WOOD:** No, no, careful.

**Mr CHANDLER:** The police could be contacted and you could deal with the issue that way.

**Mr WOOD:** However, the word 'amenity', which is a favourite word for planners, can mean a whole range of things from noise to privacy. You have put this in as the primary purpose. You do not give anyone the opportunity to argue the case that this will affect their amenity. How can you have it in here unless you give people the right to put a submission in to an application to have an independent unit? Otherwise, take this out.

**Mr CHANDLER:** Because you expect people to do the right thing and to appreciate ...

**Mr WOOD:** Ha, ha, I have been in the rural area a long time

**Mr CHANDLER:** If somebody is going to build one of these things - we do not know what the uptake will be. There might be zero, there might be ...

**Mr WOOD:** One company is already advertising. As soon as he saw it ...

**Mr CHANDLER:** Absolutely.

**Mr WOOD:** I live on a block of land on which I expect one dwelling and maybe a granny flat. But, this is a lot more than that now. I was not expecting granny to be a problem, but now you are bringing people in to rent a block. It could be in Palmerston - you could have an 800 m<sup>2</sup> block. People in that area expect one dwelling and they want a bit of space. All of a sudden, someone plonks a demountable at the back of their block and, as long as it is connected to the water, sewerage, and electricity, you are home. You do not need permission, except the Building Board has to check to see if it is up to cyclone code. It might ruin the amenity of Ms Finocchiaro who has a nice garden down the back and does not expect someone to be looking in.

**Mr CHANDLER:** Even before the change, it did not stop people doing it anyway. They just had to go through the process ...

**Mr WOOD:** Except it was supposed to be a granny flat and you were expecting those people to be relations.

**Mr CHANDLER:** I get more complaints about people putting pools in next door because of the noise that comes from kids and others playing in the pool. That is someone's amenity as well.

**Mr WOOD:** Minister, you put it in here as the primary purpose.

**Mr CHANDLER:** Yes.

**Mr WOOD:** Yet, there is no way anyone can argue the case that this is affecting their amenity.

**Mr CHANDLER:** It is there for a primary purpose - to put people on notice that they need to take this into consideration if they want to put in a granny flat.

**Mr WOOD:** If they do not, it does not make any difference because you cannot enforce it. To me, you either put in you have to get permission to have an independent unit ...

**Mr CHANDLER:** Are you saying we should put in you do not have to have any regard for your neighbours?

**Mr WOOD:** No. Even if you did not have regard, there is nothing to enforce it. You have this in here; it is like a feel good ...

**Mr CHANDLER:** It is like a guideline to give people guidance.

**Mr WOOD:** No, this is not meant to be a guideline, this is the rules.

**Mr CHANDLER:** Yes, but that is what I am saying. If you do not put it in there, you are not specifying that people need to ensure what they do does not negatively impact on their neighbours. I guarantee you, member for Nelson, if we did not have that in there you would complain because it was not there.

**Mr WOOD:** No, I would complain if you put it in, you need to make it so people can have the right to say no. Down the back of my block - I have always expected it to be a single dwelling block and free of people looking over my fence. All of a sudden, I have a dwelling there I cannot do anything about because that has no teeth in it. It is just a statement of be nice to ...

**Mr CHANDLER:** It is a statement of intent that tells people if they want to use this legislation, if they want to put a granny flat on their land, they should, wherever possible, ensure the amenity of their neighbours is not affected.

**Mr WOOD:** All the other rules say you cannot build that within a certain distance - you cannot put it in a flood area, if you do you are in trouble. You cannot put it too close to the fence because you will be in trouble. They are all requirements, and someone can ring up and say, 'Excuse me, this man is putting his house next to my fence', or someone can say, 'This man is building his house in a flood area'. Here, it is a waste of time ringing up to say, 'You just ruined my privacy'. That is the amenity and there is nothing in here that enforces that.

**Mr CHANDLER:** You are talking about a potential consequence taking away the fact that one of the real reasons behind this was to provide other options for people for housing solutions that may offer people cheaper alternatives to find a bed in the Top End ...

**Mr WOOD:** I have not protested about that at all. I said to the Chief Minister yesterday how you are open for business - fair enough - but do not disregard other things that come in with being open for business. A sustainable open for business policy would be at least giving some consideration to our neighbours, and neighbours have some right to object, if they need to, to that building going into that place.

**Mr CHANDLER:** I still think the former system, where you still could not prevent a noisy neighbour ...

**Mr WOOD:** I should not have used the noisy neighbour, because it is not the only thing that affects amenity. An amenity can simply be that your space has been affected, because people like some space. People with larger blocks, rural blocks - it can be Nightcliff blocks - might not want someone sticking a demountable down the back. I understand the reasons for you doing it, but there is a balance between having more accommodation and realising that people already exist in the world ...

**Mr CHANDLER:** I honestly think if there were going to be complaints there would be more from people living in urban environments than the rural environment ...

**Mr WOOD:** I do not want a demountable down the end of my block.

**Mr CHANDLER:** ... where there is more space anyway.

**Mr WOOD:** No, that is not the reason you live in the rural area. You do not want lots of houses. That is why you live on a five-acre block, for the space, not for a neighbour sticking over your fence.

**Mr CHANDLER:** You might want to walk around naked around your block.

**Mr WOOD:** I do not make any comment, minister, what you do is your business.

**Mr CHANDLER:** I did not say I did, I do not have a rural block.

**Mr WOOD:** You visit the rural area a bit. I know we are short on time, so that is it, thank you.

**Madam CHAIR:** That concludes consideration of Output 5.4. I acknowledge and welcome former Chief Minister, Steve Hatton, into the gallery this afternoon.

The committee will now consider Output 5.5, Heritage Conservation. Are there any questions?

**Mr VOWLES:** Sorry, I think I have just missed one question if that is okay. I was running through ...

**Madam CHAIR:** It is in the hands of the minister.

**Mr VOWLES:** Is that okay, mate?

**Mr CHANDLER:** Is it 'mate' now?

**Mr VOWLES:** I only said we are not mates when we have suits on.

**Mr CHANDLER:** Fine. Yes, fine, that is okay.

**Mr VOWLES:** My dad said, 'Never trust a man in a tie or a suit, because he will tell you how to do his job or sack you'.

Where is the government with the moratorium on compliant dwellings, considering it finishes on 30 June, because there are over 1000 premises that will be effected? If you can answer that question it would be great.

**Mr CHANDLER:** The moratorium will be extended. At the moment, we are working on the fact that we have a framework where people can get compliance. There will be three levels of compliance introduced. The issue we had before, as did the previous government, is there was a lack of ability or no mechanism for people who did not have properties or buildings that complied to get a compliance certificate unless they could find an engineer to rewrite the plans, submit them, and so forth.

To encourage owners to achieve certification on existing buildings, a moratorium was placed on prosecution action in April 2009, under the previous government, for all building control areas. At the time of the moratorium's announcement, there were in the order of 36 000 building permits that did not have a corresponding occupancy permit. This included government and non-government buildings.

In recognition of owners in regional and remote areas incurring additional costs for private building certification services due to travel, a subsidy is also available.

The moratorium was due to end on 30 June 2014. However, government has recently extended the time frame to 30 June 2015.

Given the level of incomplete certification, there was a need to review the regulation regime in the Northern Territory to ensure it is appropriate and relevant for the circumstances in the Northern Territory. Accordingly, government developed a post-moratorium policy which was released for public comment over an eight-week period ending on 4 April 2014. The department is now putting together a report to government incorporating the submissions received.

The key areas of reform are three tiers of building certification. An occupancy permit retained is the highest order of certification for new buildings, and there is the ability for building certifiers to issue occupancy permits for expired building permits. A certificate of substantial compliance is the second level of compliance for buildings with minor variations from approved building permits. That might be where a house which had an original occupancy certificate might have had a room extended, but they have never got around to having a permit for that area. A certificate of existence is for buildings constructed with no building permit which meet minimum standards of health and safety.

Those three areas were introduced simply, member for Johnston, because, for many people, there was no way they could ever have a structure they had certified in any way. So, it prevented the sale or affected the

sale price of a building. You might have a building, a house in the rural area with a shed which never had a certificate ...

**Mr WOOD:** No, we cannot, that is impossible.

**Mr CHANDLER:** It could have happened. Then, when you go to sell that property and cannot get an engineer, and the building certified, that will affect your ability to sell that property at a premium rate.

There may be even banks that will not lend against that part of the structure. You may have a house that might be worth \$800 000 - your shed might be worth \$50 000 - but they will not lend against it because there is no certificate.

We have worked to find a way of introducing a framework which provides a level of certification. This is the way forward because, now, for the first time, we have the ability for people to have a level of certification. I expect, now this is being rolled out, to see, for many of those permits out there which are still in existence, slowly but surely, people will get certification because there is now a mechanism to have them certified. Up to now there was no mechanism, therefore, not many people were complying because they could not. What do you do? Do you keep extending the moratorium, or do you draw the line in the sand and say let us build a mechanism and give people the opportunity to certify at different levels. Then, of course, we will not need to keep extending that moratorium.

**Mr VOWLES:** Two things - thank you for accepting the question, and for the answer.

#### **Output 5.5 - Heritage Conservation**

**Madam CHAIR:** The committee will now consider Output 5.5, Heritage Conservation. Were there any questions on 5.5 in the end?

**Mr WOOD:** Heritage?

**Madam CHAIR:** Yes.

**Mr WOOD:** It is a simple question, but the answer might not be. The 17½ Mile Army camp ...

**Mr CHANDLER:** It is not 17½ Mile, we had it certified.

**Mr WOOD:** Hang on, let me finish the question. Is it now going to be the 16 Mile, where it should have been, we think, all the time?

**Mr CHANDLER:** Is it really 16 miles?

**Mr WOOD:** There are many people in the rural area who reckon you cannot measure. Anyway, the 15 Mile Aboriginal community is just across the road. We do not think it is two-and-a-half miles away. Has there been a move to change the name of the 17½ Mile to the 16 Mile because we think the names are wrong on the highway?

**Mr CHANDLER:** Would you formally write to me about that, member for Nelson?

**Mr WOOD:** It has been around since the previous government.

**Mr CHANDLER:** Yes, I know.

**Mr WOOD:** I was told it was going to change.

**Mr CHANDLER:** Would you formally write to me about that?

**Mr WOOD:** There is enough correspondence to government about that from many people, not just me. It has been around for ages, and I understood the Heritage Advisory Group wrote to the government and asked that those signs be changed because it was inaccurate. I thought you were going to – the reason I thought the answer was going to be swift was because you would say you were changing it.

**Mr CHANDLER:** It is the supplementary which has got me, though.



**Mr HIGGINS:** Twenty-five kilometre.

**Mr CHANDLER:** Twenty-five kilometre. I will have the Heritage Branch look into that. I know it has been brought up before, but even an e-mail or something, member for Nelson.

**Mr WOOD:** They have asked me to raise it, and we thought it was fixed. That is all.

**Madam CHAIR:** That concludes consideration of Output 5.5 and Output Group 5.0.

**OUTPUT GROUP 6.0 – STATUTORY BODIES**  
**Output 6.1 – NT Environment Protection Authority**

**Madam CHAIR:** The committee will now proceed to Output Group 6.0, Statutory Bodies, Output 6.1, NT Environment Protection Authority. Are there any questions?

**Mr CHANDLER:** I will move it on because we do not have a lot of time. I introduce Dr Bill Freeland from the Environmental Protection Authority. If anyone tries to tell me we do not have an independent EPA, you have never met Bill because he does not listen to me.

**Madam CHAIR:** Proudly it looks like.

**Dr FREELAND:** If you smile nice.

**Mr CHANDLER:** Yes, you smile nice. We will not do an opening statement.

**Ms WALKER:** Thanks, minister. We only have 15 minutes left so I am going to have to slash through the questions I have here. We submitted a written question No 181 to you, and I am seeking the answer to that. It was to do with grants.

**Mr CHANDLER:** We will table those.

**Ms WALKER:** Table those? Thanks, minister, that is really helpful.

The 2014-15 budget for the EPA has been significantly reduced by \$3m. Where have you cut costs apart from funding to NGOs such as the Environment Centre and the Arid Lands Environment Centre? Where are those cuts coming from? Cuts to water and energy efficiency programs like Alice Solar City and Alice Water Smart we know have ended, disappointingly. Can you advise where the \$3m of cuts have gone?

**Mr CHANDLER:** First, this government is putting, and has put, a lot of money into environmental initiatives. Whilst there have been some savings measures applied to the EPA this year, it is in recognition of a couple of things. In the first year when the EPA was setting up, there were additional costs involved in setting up a new agency. The department has found some efficiencies this year. There has been a change of policy around what we provide. As you know, and it has been quite public, we are no longer going to fund the Arid Land Environment Centre or the Environment Centre NT for operational activities. However, they welcome the fact we have put \$1m into environmental grants they have access to.

Whilst there is some level of change in the budget for the EPA from a whole-of-government approach to the environment, including last year spending over \$4m just to keep the cash for cans scheme going, there has been a big commitment from this government on environmental initiatives. Dr Freeland.

**Dr FREELAND:** I point out that \$2.111m of that was purely Container Deposit Scheme from that emergency we had.

**Ms WALKER:** Thanks, Dr Freeland. Minister, these cuts to the likes of Arid Lands Environment Centre and NT Environment Centre will, obviously, make it very difficult for them to survive. I recognise they are able to access funding for projects. Were these cuts directed by you?

**Dr FREELAND:** I prefer ...

**Ms WALKER:** Is your microphone on, Dr Freeland?

**Dr FREELAND:** Is that better?

**Ms WALKER:** That is better.

**Mr FREELAND:** My apologies. It was an EPA decision made by me. I would have done it three days after I started the job on 4 September 2012. I reviewed the situation very carefully and found there were contracts extending for three years on operational funding. We have seen the contracts out one by one. We have given notice to the affected organisations this year that it will not continue. It was not a random or stupid move, it was carefully considered. It was made by me. I did not consult my minister.

**Mr CHANDLER:** I am telling you, he is independent.

**Dr FREELAND:** It was not his job. He was informed after the decision had been made and the letters had been sent. I take full responsibility with no blemish or blush.

It is a very important step. Given the current economic circumstance I do not see that program growing beyond \$1m or \$990 000 or whatever it is, in the near future. I believe it is very important that the grants program remains the grants program for the community. That means there needs to be, in some sense, more equitable funding available to people and to increase the number of groups that can access it.

If you look at the distribution of funding in the 2013-14 program, the one for this current financial year, there are approximately - if I remember correctly - 47 groups funded. That is all the grants put together – sorry, approximately 47 grants to 41 groups. The tragedy is 31% of it went to six groups only, and that is the operational funding, say a third of your funding. It means some groups, without having to compete with other groups for funding, are given preferential treatment.

I do not believe that is appropriate. I am not criticising Stuart or anything like that, I am just saying preferential treatment is inappropriate. Everything has to be competitive. The only way to maximise spread and equity is to have the same conditions for all - same outputs and let us go for it. We need those kids in the program. It will prove more and more important.

We have the draft storm water strategy out. A major initiative will have to happen under that once we have finalised it. We are waiting for the conclusion of the consultation. There will be major things the community group and schools can get involved in.

We have the waste management strategy for the Northern Territory, hopefully, coming up at the end of the year, and that will have a similar outcome.

**Ms WALKER:** My only comment would be, Dr Freeland, and the minister as well, is there is a certain level of community expectation about having NGOs which offer expert advice without fear or favour, regardless of which political party is government of the day, in holding governments to account. It is around openness and transparency.

**Dr FREELAND:** I do not think I am precluding Stuart, or anyone else, from doing his beat-ups and making his negative comments and, sometimes, his positive comments. I have no problem with that. The issue is purely equity. There are many groups we do not fund which are just as noisy as the Northern Territory Environment Centre. It is not likely to stop dissent and I, to be in the front line, would be appalled if it did.

**Ms WALKER:** Thank you. We will move on from that. Obviously there are some very topical environmental issues in the Northern Territory at this moment in time. Muckaty and storage of waste from uranium is one of them. The Chief Minister has been described as an ardent supporter of the proposed nuclear waste facility at Muckaty. Dr Freeland, have you provided advice to the minister on this?

**Dr FREELAND:** Absolutely not. Anything to do with nuclear is verboten to our *raison d'être*. It is a Commonwealth set of land under the Land Rights Act. It is also a Commonwealth government responsibility. Anything nuclear that crops up in any of our EISs or under our *Waste Management and Pollution Control Act* is a Commonwealth prerogative not ours. I have enough on my plate without trying to usurp something as complex and dynamic as that.

**Ms WALKER:** Even though we are talking about a significant parcel of land in the Northern Territory jurisdiction which is such a hot issue at the moment, and given the EPA's responsibility around development that is environmentally sustained?

**Dr FREELAND:** Member for Nhulunbuy, I do not have time to spend on issues that have nothing to do with my responsibilities.

**Ms WALKER:** Thank you, Dr Freeland. Minister, do you support your Chief Minister? Are you also an ardent supporter of Muckatj and have you met with TOs in this regard?

**Mr CHANDLER:** Member for Nhulunbuy, this question was put to me last week at the Environmental Forum at the wharf. My personal view on this is Australia has a responsibility to have a waste receptacle for nuclear waste - whether that is low, medium or high, if we had high-level waste. Where that should be based is where science tells us to put it. If that happens to be in the Northern Territory, then that is the place. If it is New South Wales, South Australia or wherever else, we have a responsibility to have a place where we can safely store this material away from people, but it should be based on science.

**Ms WALKER:** Thanks, minister. Water - in particular, water allocation - is another very important environmental issue receiving a lot of attention in the Northern Territory at the moment. From last year's estimates, Dr Freeland, you explained it is outside of your purview.

**Dr FREELAND:** It is land resource management.

**Ms WALKER:** But, you said at the time, in regard to conducting an inquiry, you would have to talk to your lawyers.

**Dr FREELAND:** I have not because ...

**Ms WALKER:** You have had a whole year.

**Dr FREELAND:** ... to be perfectly honest, it slipped my brain. Before we took that step, I would also need to consult with my board - the EPA, the group of six people including me. I do not see it as a high priority compared to things like the fracking inquiry and so forth.

**Ms WALKER:** Thanks, Dr Freeland, and I understand you have an awful lot on your plate.

Minister, there is a level concern among stakeholders across the broad sectors of the community in the Northern Territory around a lack of transparency about the way water licences have been issued. Again, I understand this sits with the member for Katherine in his purview. However, it is difficult for people to have confidence when we see large volumes of water allocated against scientific advice - and over-allocated, if we look at the Ooloo aquifer.

To regain public confidence in water management, would you, as minister for the Environment, support an inquiry under the *Inquiries Act* into the granting of water licences since September 2012?

**Mr CHANDLER:** That is a question for the minister responsible, and I ask that you put the question to him.

**Ms WALKER:** You are passing that on, and do not have a view on that matter? Thank you.

Fracking is another very topical issue for the environment currently. Dr Freeland, did the EPA submit a submission on fracking?

**Dr FREELAND:** No, I regard us as the recipients of the beneficial information that would come from it. We need a direction. There are serious difficulties. It is not only here regarding how it should be regulated, the best regulatory scheme, and the timing of particular elements of a regulatory scheme. It is not entirely simple, and we are hoping to get very good results.

**Mr CHANDLER:** I will add to that, member for Nhulunbuy. That was another huge environmental cost as far as a commitment from this government to take on this inquiry goes. I am trying not to play politics here, but you guys had nearly 12 years in government. You professed to be environmental warriors. Fracking occurred in that time whilst you were in government but, at no time, did you ever conduct an inquiry. It is a double-edged sword for this government, because we are a proactive government, we want to develop the Territory, but we have to do this in a sustainable way.

To take on Dr Hawke in this way - and he has come with full recommendations as the best person to do this job - we put that at risk because we do not know what the recommendations will be from that inquiry. We would be damned as a government not to follow those recommendations. I put it to you that it is a double-edged sword. If we are to support fracking, we need to have the best regulations around that to ensure our environment is protected.

**Ms WALKER:** Did you think it strange, Dr Freeland, given submissions have now closed, that there are no public hearings associated with the fracking inquiry led by Dr Hawke?

**Dr FREELAND:** You would have to talk to Dr Hawke, he is a very personable chap. Send him an e-mail. He is not - I cannot answer on his behalf ...

**Mr CHANDLER:** I will also say it really is not up to me to tell Dr Hawke how to conduct his inquiry. It is his inquiry. If I was to intervene and say, 'You should be doing it this way', I would be accused of intervening in an inquiry.

**Ms WALKER:** It seems to me that for such an important inquiry does have its limitations, and I will contact Dr Hawke ...

**Dr FREELAND:** My understanding is he will be having community meetings up and down the track.

**Ms WALKER:** I look forward to that. I will take up the suggestion to make direct contact with him.

Last question, Dr Freeland. I have been on your website and looked at various media releases. It is good to see members of the EPA move around the Northern Territory for on-site visits at ERA's uranium site, the Ranger Three Deeps project, and the Power and Water sewerage treatment plant at Ludmilla.

In your planned activities for this year, are you planning a visit to Nhulunbuy? Obviously, there are significant issues going on over there with the curtailment of the refinery.

**Dr FREELAND:** I am very aware of that. It is on our list, but it keeps being knocked off. We have some serious issues at the McArthur River mine. It has been called in for an EAS with new developments, and is the No 1 priority we have at the moment. The EPA will fly down in July, at its July meeting, to have an inspection.

**Ms WALKER:** Okay. I would urge you, knowing you have a very busy schedule, to get to Nhulunbuy when you can.

**Dr FREELAND:** I personally want to go there, because we have had waste discharge licences there for quite some time, going fine. The reporting is good, they behave themselves. Doing business with some companies is actually pretty good - some companies are not. When they are good they are very good, and when they are bad, they are very bad. You love them when they do, but I would still like to go and check.

**Ms WALKER:** Very much so. It is important the independent EPA, as opposed to Department of Mines and Energy, looks at what is going on.

**Dr FREELAND:** We would love to, and it is on the list, as I said. Getting to some of these places and back is tricky. The highlight was the sewerage treatment plants in Darwin.

**Ms WALKER:** You can get to Nhulunbuy - in and out - in a day.

**Madam CHAIR:** Sorry to interrupt, but we are a minute over time. I thank the minister, the Department of Lands, Planning and the Environment, and all officials who came today. The committee will now move on to consider outputs relating to Housing. I propose a 10-minute break, as we have been going for three hours solid. We will come back at 4.10 pm.

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The committee suspended

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## MINISTER CONLAN'S PORTFOLIOS

### DEPARTMENT OF HOUSING

**Madam CHAIR:** I called a 10-minute break, but you are all here staring at me waiting for the session to happen so I succumb to pressure and we can start.

I welcome you, minister, thank you for coming this afternoon, and invite you to introduce the officials accompanying you today.

**Mr CONLAN:** Thank you, Madam Chair, it is fantastic to be here this afternoon. I will make a very brief opening statement. I introduce the public officials here today from the Department of Housing who will assist me and the committee throughout today's proceedings. We have Mrs Anne Bradford, the Chief Executive Officer of the Department of Housing. Also in attendance with me today is Mr Ken Tinkham, the Chief Financial Officer for the Department of Housing ...

**Madam CHAIR:** Thank you, minister. Before you go on, I will just do my bit first. Is that all right? I do not know why I did that, it is not part of my script. I apologise.

For the record, we have the member for Namatjira, the member for Nhulunbuy, the member for Fannie Bay, me, the member for Drysdale, the member for Daly, and the member for Blain. I apologise, minister, it has been a long three days.

Minister, I invite you to make an opening statement of no more than five minutes. You may also choose to table answers to written questions. I will then call for questions relating to the statement. The committee will then consider any whole-of-government budget and fiscal strategy-related questions before moving onto output-specific questions and, finally, non-output-specific budget-related questions. I will invite the shadow minister to ask their questions first, followed by committee members. Finally, other participating members may ask questions. The committee has agreed that other members may join in on a line of questioning pursued by the shadow, rather than waiting for the end of the shadow's questioning on the output.

Minister, would you like to make your opening statement?

**Mr CONLAN:** Thank you, Madam Chair. No more than five minutes - mine is about 30 seconds and I probably have 10 left. I may call on the services of Mr Bruce Michael, Deputy Chief Executive of the Department of Housing and Mr Ken Bone, General Manager Strategic Governance and Supply.

Madam Chair, I thank the committee for this opportunity to address them and I welcome questions with regard to the Department of Housing.

**Madam CHAIR:** Thank you, minister. The committee will now proceed to consider the estimates of proposed expenditure contained in the Appropriation Bill 2014-15 as they relate to the Department of Housing.

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

**Madam CHAIR:** Are there any agency-related whole-of-government questions on budget and fiscal strategies?

**Ms WALKER:** Thanks, Chair, I have a few. Minister, thanks to you and officers from your agency appearing this afternoon. Are you able to circulate the answer to written question No 131 that would have been sent through on 30 May in relation to public housing?

**Mr CONLAN:** Would you like me to answer that question or just table it?

**Ms WALKER:** If you could table it that would save us some time, minister.

**Mr CONLAN:** Happy to table that, Madam Chair.

**Madam CHAIR:** Thank you, minister.

**Ms WALKER:** Thanks very much. Minister, can you advise how many staff the department has, both FTE and actual staff numbers, including those on extended leave, what their classifications are, and the separations at each level in the last 12 months, as well as how many are vacant?

**Mr CONLAN:** I can. Let us start with this. The Department of Housing has full-time equivalent, FTE, staff in total of 393.7 as of 31 March 2014. This compares to 424 FTEs as of 31 March 2013, the same time last year ...

**Ms WALKER:** Sorry minister, what was that one?

**Mr CONLAN:** It was 424 - a reduction of 30 FTEs. When employee flexible working arrangements and part-time working hours from home arrangements are taken into account, the Department of Housing has a total staffing of 439 employees - or a head count if you like. This is a reduction of 33 employees from 472 as reported on 31 March 2013.

**Ms WALKER:** Okay. Can we have ...

**Mr CONLAN:** You want the breakdown too?

**Ms WALKER:** Yes.

**Mr CONLAN:** The classifications: Adult Apprentice - 2.0 in Darwin; Apprentice - one in Darwin and one in the Arnhem region; Graduate - we have three in the Darwin region; Physical 3 - in the Central Australian region we have five; Administrative Officer 2 - we have 0.9 in the Central Australian region, 15.9 in the Darwin region, and two in the Big Rivers region; Administrative Officer 3 - we have 6.3 in the Central Australian region, 23.2 in the Darwin region, 1.5 in the Big Rivers region, one in the Arnhem region, and one in the Barkly region; Administration Officer 4 - 7.9 in the Central Australian region, 41.2 in the Darwin region, six in the Big Rivers region, four in the Arnhem region, and four in the Barkly region; Administration Officer 5 - 12.4 in the Central Australian region, 54.4 in the Darwin region, 6.7 in the Big Rivers region, five in the Arnhem region, and 1.9 in the Barkly region; Administration Officer 6 - four in the Central Australian region, 27.8 in the Darwin region, four in the Big Rivers region, 0.8 in the Arnhem region, and one in the Barkly region; Administrative Officer 7 - 5.5 in the Central Australian region, 35.2 in the Darwin region, two in the Big Rivers region, two in the Arnhem region, and one in Barkly; Senior Administration Officer 1 - three in the Central Australian region, 25.8 in the Darwin region, and one in the Barkly region; Senior Administrative Officer 2 - 20 in the Darwin region and one in Big Rivers; Technical Level 5 - six in the Central Australian region, 10.5 in the Darwin region, 6.9 in the Big Rivers, four in the Arnhem region, and three in the Barkly; Technical Officer Level 6 - two in the Darwin region and one in the Arnhem region; Executive Officer 2 - one in the Darwin region and one in the Arnhem region; ECO 1 - eight in the Darwin region; ECO 2 - 4.9 in the Darwin regional; ECO 3 - two in the Darwin region; ECO 4 - one in the Darwin region; and ECO 5 - one in the Darwin region. The total is 393.7.

**Ms WALKER:** Thanks very much for that, minister. How many positions are currently vacant?

**Mr CONLAN:** How many positions do we have vacant? The Department of Housing has 24 vacancies as of 31 March. This represents an increase of seven vacancies across the department when compared with the previous year. Reported vacancies as of 31 March 2013 were 17. On 31 March 2014, the Department of Housing had a total number of 24 vacancies in the agencies - 18 of the vacancies were in different stages of the recruiting process and, therefore, were not classified as filled.

From the advertised date of recruitment, the average number of days it took the department to select an applicant was 49.3 days during the reporting period up to 31 March 2014. This represents an increase of five days from the previous reporting period to 31 March 2013, where the average number of days it took the department to select an applicant was 44.3 days.

**Ms WALKER:** Can you confirm whether any ministerial staff have sat on selection committees for public servant positions within your agency?

**Mr CONLAN:** No, absolutely none.

**Ms WALKER:** You are absolutely sure about that, because the Chief Minister told the committee yesterday that the answer was no, then he had to correct the record to say there had been instances where ministerial staff from his office had been involved in staff selection processes. It is a categorical no for Housing?

**Mr CONLAN:** So was he talking about the Department of Housing?

**Ms WALKER:** No, he was referring to the Department of the Chief Minister.

**Mr CONLAN:** Okay, well, in the Department of Housing, no.

**Ms WALKER:** Thanks for that. Minister, I understand Housing has been through a restructure recently, and that there is no longer a demarcation between remote and urban housing. Is that the case?

**Mr CONLAN:** Yes, it is.

**Ms WALKER:** The rationale for that, minister?

**Mr CONLAN:** Okay. Essentially, the Department of Housing has, as you say, undergone a functional alignment to deliver services more effectively by enabling staff with like functions to work together. The new management structure of the Department of Housing was launched in March this year, and it provides a stronger focus on service delivery, well supported by all areas of the department, with no division between urban and remote. Functions will be aligned to provide an integrated service for all tenants, improved strategic planning, governance and reporting, and a commitment to increase housing supply through long-term planning, innovation and industry partnerships.

In consultation with staff and managers, work has begun to implement the functional alignment. The department's current executive structure has been redesigned to strengthen the strategic direction of the department. The redesign has resulted in a reduction of Executive Contract Officer levels. Three positions at the ECO 3 level have been reduced to ECO 2 level. All staff in the department are included in the new structure. This has been undertaken by matching positions in the old structure to best fit within the new structure. As of November 2013 there were 51 Executive Contract Officer or director positions. As of 1 April 2014, there are 44 Executive Contract Officer or director positions in the new structure.

I can compare the old and the new if you like, member for Nhulunbuy.

**Ms WALKER:** If it is brief, yes.

**Mr CONLAN:** This is compared from 1 November 2013 to 1 April 2014. There remains one ECO5 and one ECO4; we have gone from four ECO3s to one ECO3; six ECO2s to seven ECO2s; three EO2s to zero EO2s; 14 ECO1s to 10 ECO1s; 22 SAO2s to 24 SAO2s; which is a total of 51. As a result of the restructure, we are now at 44.

**Ms WALKER:** Minister, what are the costs associated with this restructure?

**Mr CONLAN:** There are none.

**Ms WALKER:** From having listened to you rattle through those positions, would I be right in saying there are cost savings there in officer positions, with a reorganisation at levels?

**Mr CONLAN:** Yes, there are.

**Ms WALKER:** Obviously, I understand the importance of trying to always strive for continuous improvement in efficient service delivery. What will be the KPIs to indicate that a restructure such as this is effective and delivering best service for clients?

**Mr CONLAN:** It will be effective service delivery in all areas of housing.

**Ms WALKER:** Presumably, at estimates next year we will look at the measure of how ...

**Mr CONLAN:** That is where we will be judged, because this is a new process. It, effectively, kicks in as of 1 July. We will be judged by our performance over the next 12 months.

**Ms WALKER:** In service delivery, obviously, we still have staff – physically and logistically – in urban and remote locations. Is decision-making still at those levels, or is it more centralised through Darwin or Alice Springs? Is there a change in that area?

**Mr CONLAN:** There is a small change. The CEO might be able to expand on that for you, with regard to the detail of how that structure works. However, I draw your attention to Budget Paper No 3, page 249. You will see some of those key deliverables in the budget paper, which are, essentially, the KPIs for the department.

**Ms WALKER:** Okay, thanks for that.

**Mr CONLAN:** Maybe the CEO can expand on some of that.

**Ms BRADFORD:** Anne Bradford, Chief Executive Officer. We have deliberately looked at trying to devolve some of those responsibilities. We have put an ECO2 in at Alice Springs to specifically run the Central region, which is Big Rivers, Barkly and Alice Springs, and the person who is running Arafura, Arnhem and Darwin – actually, the ECO2 will sit in Darwin, but we are retaining senior staff in each of Arafura, Arnhem and Darwin as well.

**Ms WALKER:** Okay, thanks for that, Ms Bradford. Minister, I move next to advertising. Can you please provide details and costs of all government advertising, marketing, and communications since August 2012 which have been undertaken by your agency, including production costs?

**Mr CONLAN:** Yes, we can find that figure for you.

As of 31 March 2014, total advertising expenditure for the Department of Housing was \$16 221. As of 31 March 2014, total advertising expenditure for the home ownership scheme was \$9075. The department has reduced its advertising expenditure by almost 75% since 2012-13, which is a direct result of the reduced size and number of communications campaigns being run by the department.

Print advertising expenditure for 2013-14 was \$10 226, and radio advertising expenditure for 2013-14 was \$5995. Advertising expenditure will increase in 2014-15, with the sale of remote housing initiative and the extension of the HomeBuild Access scheme.

**Ms WALKER:** Thanks, minister, that is helpful. I quickly go back to staffing. What was the reason for the reduction in 30 positions, given there was an election commitment from the CLP in the lead-up to the election there would be no cuts and public servants were told their jobs were safe?

**Mr CONLAN:** None of these people were sacked from their jobs, it was a result of natural attrition.

**Ms WALKER:** Are we talking about redundancies amongst the natural attrition numbers?

**Mr CONLAN:** No. They were, essentially, purely natural attrition – no redundancies there.

**Ms WALKER:** Thanks, minister. I move on to the First Home Owners Grant. Does that fit here under whole-of-agency?

**Mr CONLAN:** It is a separate output NT Home Ownership - you will find there.

**Ms WALKER:** That is Output Group 3.0. I will come back to that. Can I just ask about budget cuts in Budget Paper No 2 on page 38? \$1.128m has been identified as agency savings for the department. What programs have been cut? Does it include loss of staff positions or staff made redundant?

**Mr CONLAN:** I will find you that.

**Ms WALKER:** Thank you.

**Mr CONLAN:** The Department of Housing is committed to realising savings of \$1.128m for the 2014-15 financial year. The major savings measures are discontinued funding for the Visitor Park in Alice Springs of \$674 000; the transfer of management/ownership of Stuart Lodge, \$297 000; asset management strategy for multifunction devices is \$30 000; and NT government air travel services of \$127 000. The \$1.128m represents the value of savings for the year 2014-15. The full year effect of the above savings measures equates to about \$2.091m.

If we look at some of those areas, the current funding agreement of the operation of the Visitor Park with Aboriginal Hostels Ltd expires on 30 June 2014. Discontinuation of funding equates to a saving of \$674 000 for the year 2014-15 ...



**Ms WALKER:** Can I ask you a question about that, minister?

**Mr CONLAN:** Yes.

**Ms WALKER:** With the discontinuation of funding of the Visitor Park in Alice Springs, more than \$0.5m, \$674 000, how is that Visitor Park going to operate?

**Mr CONLAN:** There are negotiations with a private provider now to take over the running and operation of that park.

**Ms WALKER:** What sort of arrangements are you looking at? Is it going out to public tender?

**Mr CONLAN:** It will go out to tender. We expect the service that is being delivered by the NT government will not change. It is likely to enhance the service of the Visitor Park.

**Ms WALKER:** Okay. The continued operation of the Visitor Park is not under threat? It is a really important asset for people in Central Australia to come into when they are visiting Alice Springs. To those who utilise the park services, it will be seamless? They will not see any difference?

**Mr CONLAN:** It is the government's intention to ensure that continues providing the service it does to the Central Australian region.

**Ms WALKER:** That is all, thank you.

**Mr CONLAN:** We have covered off on the park.

Stuart Lodge is a managed short-term accommodation facility owner/operated by the Department of Housing. It has 33 rooms with up to 68 beds and experiences a current occupancy rate of approximately 70%. The facility has a number of pre-booked rooms to government and non-government organisations including the Alice Springs Hospital and Imanpa Health.

The government is currently investigating options for alternative management and ownership of the site to ensure sustainability of the operations into the future. These options include transfer of management and ownership of the facility to a non-government provider to operate the facility. There are savings of about \$297 000 expected as a result of that.

As I said, also the multifunction devices and the Northern Territory government air travel services. The government, to realise these savings, will establish arrangements with commercial airline operators to provide discounted air fares for Territory domestic and international travel, establish an across-government panel contract for travel booking services, and panel contact for air charter services. The estimated saving there is about \$127 000 ...

**Ms WALKER:** Sorry, minister, is that for staff who are travelling associated with their work with the Department of Housing?

**Mr CONLAN:** Yes.

**Ms WALKER:** What will the savings be there?

**Mr CONLAN:** \$127 000.

**Ms WALKER:** It is looking for efficiencies; it is not reducing employees' capacity to travel?

**Mr CONLAN:** It is not preventing people from travelling; it is just finding a better way to do it.

**Ms WALKER:** Sure, I understand that. As you would appreciate, in remote areas it is so important that officers are able to visit the regions and do the work they need to. Ideally, we would have them living in the regions if we could and on communities.

**Mr CONLAN:** Certainly.

**Ms WALKER:** Okay, thank you. In this whole-of-agency part, is this where I can ask you questions about continued Commonwealth funding under partnership agreements? The national affordable housing specific purpose payments?

**Mr CONLAN:** I have been advised that comes under the next one - Strategic Governance and Supply with regard to Commonwealth funding and programs there.

**Ms WALKER:** I will finish there and go to the next output group.

**Madam CHAIR:** That concludes considerations of agency-related on whole-of-government questions on budget and fiscal strategies. The committee will now proceed to output group ...

**Ms Anderson** interjecting.

**Madam CHAIR:** Your microphone, member for Namatjira. Do you have an agency-related whole-of-government questions?

**Ms ANDERSON:** Yes thank you, Madam Chair.

Minister, can you table the questions we asked. We asked 10 questions: 114, 115, 116, 117, 118, 119, 120, 121, 122 and 123?

**Mr CONLAN:** I can read those out for you. They relate to this output group.

**Ms ANDERSON:** Yes, minister.

**Mr CONLAN:** Some do. I will read them out as they relate to this output group.

I have been advised that in all the questions received from you, member for Namatjira, there are no whole-of-government questions, they are all agency specific.

**Ms ANDERSON:** Okay.

**Madam CHAIR:** I will close agency-related whole-of-government.

### **OUTPUT GROUP 1.0 – TERRITORY HOUSING SERVICES** **Output 1.1 – Housing Strategic Governance and Supply**

**Madam CHAIR:** We will proceed to Output 1.0, Territory Housing Services, Output 1.1, Housing Strategic Governance and Supply. Are there any questions?

**Ms WALKER:** Thank you, Madam Chair. I will go to the Commonwealth funding arrangements to start with, then I would like to move to remote housing.

Budget Paper No 3 indicates a reduction of \$6.223m in national affordable housing specific purpose payments from the Commonwealth. There is also a reduction of \$14.882m for remote Indigenous housing, and a reduction of \$5.035m for homelessness from the Commonwealth. What are you doing, in your capacity as minister of the Crown in the Northern Territory looking after housing, to ensure the Commonwealth provides adequate support for housing and homelessness in the Territory, noting one of your strategic issues is in reducing homelessness?

**Mr CONLAN:** I might ask the CFO to respond to that. I will say the Northern Territory government puts \$10m - or has in the previous year 2013-14 - into non-government homelessness initiatives. It is an enormous amount of money, \$10m, to address that very serious problem of homelessness. We will be doing it again in 2014-15 to the tune of \$10m.

The Commonwealth is a big investor and stakeholder into the Northern Territory on a number of portfolios, namely Housing in particular. We are always at the table with the Commonwealth - the previous Commonwealth government and the current Commonwealth government. We have a friend of the Territory in the form of Senator Nigel Scullion, who happens to also be the federal minister for Indigenous Affairs. He is acutely across the issues with regard to housing in the Territory and, specifically, the issues you just raised, member for Nhulunbuy. To go a little more specifically into some of those figures I will now hand over to Ken Tinkham, CFO of the department. On advice, the CEO will take some of that up.

**Ms BRADFORD:** Thank you. In this instance, we have not been advised by the Commonwealth what money is going to be made available for homelessness funding for next year. At this stage, we are currently undergoing negotiations to clarify precisely what that funding will be.

**Ms WALKER:** That is a bit of a concern. I bet you say yes, minister.

**Mr CONLAN:** As I said, we put \$10m into initiatives this year through non-government organisations to support homelessness. We are very confident we will be able to deliver the same programs and initiatives in 2014-15. The Commonwealth has also inherited a tight fiscal position, but we are confident discussions with the Commonwealth will deliver similar outcomes in 2014-15 that we have seen 2013-14.

**Ms WALKER:** Minister, with regard to the \$10m you have committed to in 2013-14 - and you said it will be in the next budget as well - can you give some details around this \$10m for homelessness?

**Mr CONLAN:** Yes, I can. It is another output group, but seeing we are ...

**Ms WALKER:** Oh, okay.

**Mr CONLAN:** That is okay, I am happy to provide it to you now, we will just find it. It is quite a list.

**Ms WALKER:** Thanks, minister, for being flexible.

**Mr CONLAN:** The National Partnership Agreement on Homelessness Services consists of crisis and short-term accommodation and support, managed and supported accommodation that offers transitional accommodation for up to 12 months, and tenancy support programs for people in public housing.

Under the one-year agreement, the Northern Territory government provided \$5.16m and the Commonwealth government provided a matching \$5.16m to deliver specialist homelessness services, including tenancy support programs for existing and potential public housing tenants.

The Department of Housing administers the majority of funding received under the NPA on homelessness which is approximately \$9.2m. The Departments of Children and Families, Health, and Correctional Services receive a portion of funding under the agreement as well, to the tune of \$1.1m which they administer holding separate contracts with service providers.

Attachment A provides a detailed overview of homelessness services funded under the current National Partnership Agreement on Homelessness. The current National Partnership Agreement on Homelessness is due to cease on 30 June this year. As of 31 March this year, the Commonwealth minister for Social Services, Hon Kevin Andrews, announced a 2014-15 National Partnership Agreement on Homelessness to commence on 1 July. Under this agreement, the Commonwealth will provide an amount yet to be agreed on. As I said, that is where we are at with that.

Let me read through some of those as you asked for a bit more detail on what those services are. We have this listed by organisation, the service, a brief description of what it is, and the amount of the program.

Aboriginal Hostels Ltd manages the South Terrace Managed Accommodation, to the tune of about \$408 000 or, precisely, \$408 949. The Alice Springs Youth Accommodation and Support Service Incorporated is a youth refuge, and its grant program is \$560 815. The Alice Springs Youth Accommodation and Support Service also offers a youth housing advocacy program, and it received \$365 424. Anglicare NT, Katherine Youth Accommodation Support Service, received \$504 875 ...

**Ms WALKER:** Minister, sorry, can I just interrupt you for a moment? It looks like you have several pages there ...

**Mr CONLAN:** There are a few.

**Ms WALKER:** I am getting the sense of where the homelessness spend is going. Would you be prepared to table that document for us?

**Mr CONLAN:** I am happy to table that - that is absolutely no problem.

**Ms WALKER:** Thanks for that, minister. Is there anywhere in that \$10m - one of the things we see in our remote communities is we have, as in my own electorate, places like Galiwinku and Elcho Island. One of

the reasons we see overcrowding, despite new houses which have been built to lessen overcrowding, is, literally, homelessness. People have nowhere else to live, hence we have overcrowded houses.

In these very remote communities, just from the snapshot I heard you read from there, we are addressing homelessness with expenditure through organisations in bigger locations. How is homelessness being addressed in these remote communities?

**Mr CONLAN:** You will see, if you have a look - once you receive that tabled document you will see that I did not read it all out to you ...

**Ms WALKER:** I understand.

**Mr CONLAN:** ... but you will see there are a number of remote programs and initiatives taking place. I will give you a couple quickly here for the argument: Borroloola, \$68 000, and Mission Australia, \$908 000, are offering various remote accommodation homelessness and support services; the Larrakia Nation is also offering support services of about \$379 000. If you go through that - I can read it all through for you, but I think you will get a sense.

**Ms WALKER:** No, that is fine. I get a sense of it.

**Mr CONLAN:** There is substantial effort going into it. It is a very big problem, as you know. It is not a great story, and it is difficult at the best of times, impossible at the worst of times. Governments of all persuasions have tried very hard to do that. We have partnerships with the Commonwealth government and we are doing everything we can to address homelessness.

**Ms WALKER:** I hope so, minister. We heard the Health minister before the Estimates Committee last night talk about the rocky road ahead and the difficulties in working with the Commonwealth. It sounds like there is going to be a rocky road ahead as well for the Housing portfolio. We have big expectations of you in taking up the Territory's case with your Commonwealth colleagues because, of course, it is incredibly important.

On that front, what sort of meetings, correspondence, and negotiations are you having directly with your Commonwealth counterparts to ensure we get housing funding to deliver the key outcomes we need?

**Mr CONLAN:** Without going into detailing my diary day-for-day, I can assure the committee that my department and I are very active in this space when it comes to meetings and correspondence - anything from a telephone call, to a letter, to a face-to-face meeting with the Commonwealth's representatives on the Commonwealth's responsibility in this area.

**Ms WALKER:** Given the very tight time frame around the Commonwealth not knowing beyond 30 June what its commitment is, do you have a time frame as to when you have asked for an answer from them?

**Mr CONLAN:** We would like the answer as soon as possible. You are right, we are running out of time. It is not an ideal situation, but we are on the telephone, on aeroplanes - particularly people from the department - regularly, actively pursuing the Commonwealth.

We have a friend of the Northern Territory in Senator Nigel Scullion. He is federal Indigenous Affairs minister. He is acutely aware of the issues we face in the Territory. I cannot and will not put a date on it. I do not think that would be the right thing to do. However, we are confident of being able to continue to deliver first-class homelessness program initiatives we are performing - if you can call it first-class; it is a bit of an oxymoron in such a dire situation. The government is doing everything it possibly can. Despite the grave situation people find themselves in when they are homeless, the government can be quietly proud of the efforts and the initiatives it is taking to address some of this.

**Ms WALKER:** I invite the member for Namatjira, if she needs to jump on the back of the questions I am asking.

**Ms ANDERSON:** Minister, I have some questions. Where do my 10 questions fit it? Are they in Output 1.1 or 1.2?

**Mr CONLAN:** I will just find that information for you. We have a question for you here. I have these for you, member for Namatjira, and these slot into this output group here. Question No 114 - written question from Ms Alison Anderson MLA:

*In numbers, how many new remote Indigenous houses will be built per each local government area in the upcoming financial year?*

I will read those to you. In the Alice Springs region or the Alice Springs municipality, there will be none; in the Barkly government area there will be five; in the Belyuen government area there are none; in the Central Desert government area, there are three; Coomalie government area, there are none; Darwin municipality, there are none; East Arnhem government area, there are 15; Katherine municipality, there are none; Litchfield government area, there are none; MacDonnell government area, there are 16; Palmerston municipality, there are none; Roper Gulf government area, there are nine; Tiwi government area, there are 15; Victoria Daly government area, none; Wagait government area, there are none; and in the West Arnhem government area there are 32. So, the breakdown of the total number of new remote Indigenous houses built in the local government areas in the Northern Territory in the upcoming financial year is 95.

The other question from the member for Namatjira is written question No 114.5:

*How many new bedrooms will be provided in remote Indigenous communities?*

The answer is the net increase of bedrooms for 2014-15 will be subject to consultation with the communities, which will occur during the project development phase. The final number is subject to negotiation of the 2014-15 funding being confirmed through the National Partnership Agreement on Remote Indigenous Housing, and further scoping of the individual agreed works for 2014-15.

All new houses are to be prioritised so as to replace existing dwellings that are deemed beyond economic repair. The current policy is to replace the same number of bedrooms that will be removed, but as projects are developed some changes may occur as the scope of works is refined in consultation with the community to meet the requirements of that community in bedroom numbers, without losing the housing mix.

In answer to question on notice No 122 - the question was:

*How many houses have been deemed to be beyond economic repair in the Northern Territory since 30 June 2009?*

The answer for 2013-14 financial year as of 31 March is that 359 houses have been deemed to be beyond repair. A dwelling is considered as beyond economic repair if the repair and ongoing costs of the existing dwelling outweigh the replacement and ongoing costs of the proposed dwelling. The critical factors in assessing the repair cost of the dwelling are usually whether there are deficiencies in the structure such as corrosion or termite damage, as well as the amenity such as non-functioning bathroom or kitchen. In an effort to quantify the issues and costs, a structural engineer is often used to confirm the extent and nature of the works required and the anticipated remaining life of the structure.

How many have been demolished and rebuilt? The answer is 93 beyond economic repair dwellings were demolished and 125 dwellings were built.

How many will be demolished and rebuilt? The number of dwellings to be demolished and rebuilt is subject to negotiation of the 2014–15 funding being confirmed through the National Partnership Agreement on Remote Indigenous Housing, and also subject to the further scoping of capital works funded in 2014–15. In addition, the final number is subject to consultation with communities.

How many will not be rebuilt? The number to be rebuilt will depend on the continuation of Commonwealth funding and scoped costs of the remaining houses within the available budget to the end of the National Partnership Agreement on Remote Indigenous Housing in 2018.

How many have been rebuilt by community? For the 2013-14 financial year, as of 31 March 2014, there were 125 new dwellings built to replace the 93 beyond economic repair dwellings as stated earlier.

I might need a bit of assistance with some of the pronunciations here, but I will have a crack: Ali Curung, we have 10 new, eight beyond economic repair; Barunga, there are no new but six beyond economic repair; Beswick, 13 are new and 13 beyond economic repair; Canteen Creek, four new and three beyond economic repair; Imangara, seven new and seven beyond economic repair; Maningrida, 15 are new, nine beyond economic repair; Milingimbi, two new and none beyond economic repair; and a note here saying Milingimbi beyond economic repairs were demolished in financial year 2012-13; Papunya, two new and two

beyond economic repair; Ramingining, 27 new and 12 beyond economic repair; Yirrkala, six new and none beyond economic repair; Yuendumu, 30 new and 24 beyond economic repair; and Ampilatwatja, nine new and nine beyond economic repair. In total, 125 new and 93 beyond economic repair.

How many are occupied by community, member for Namatjira? For the 2013-14 financial year, as of 31 March 2014, there were 171 beyond economic repair dwellings occupied - you really are testing me with some of these pronunciations: Areyonga, two; Binjari, two; Bulman, three; Amanbidji, three; Angurugu, 10; Alpurrurulam, two; and Daguragu, two – they are still going, there is a lot here - Galiwinku, 35; Gunbalanya, one ...

**Ms WALKER:** Alison, do you want to ...

**Ms ANDERSON:** Minister, would you be able to table it?

**Mr CONLAN:** On this occasion, I will because there are many communities. We will table that document.

How many are unoccupied by the community? I will just give you the figure. For the 2013-14 financial year, as of 31 March 2014, there were 95 beyond economic repair dwellings unoccupied. You have asked for that by community, but again, in the interests of pronunciation, we will table that too.

Question 122.9, from the member for Namatjira:

*As a result of SIHIP/NPARIH construction works, what is the net increase of houses fit for occupancy per remote community in the Northern Territory?*

For the 2013-14 financial year, as of 31 March 2014, there was a net increase of 32 houses fit for occupancy. That is all for that output group in that particular one.

As to the questions you supplied, member for Namatjira, they are the ones that sit under this current output.

**Ms ANDERSON:** Thank you, minister. Can I ask a question on the duplexes at Barunga built exactly a year ago last weekend? They are still unoccupied?

**Mr CONLAN:** We will take that on notice for you, member for Namatjira.

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

**Ms ANDERSON:** Minister, would you be able to supply me with an answer to why the new duplexes at Barunga are still unoccupied a year after they were built.

**Madam CHAIR:** Minister; you accept the question?

**Mr CONLAN:** I have just been provided with some advice. Rather than take it on notice, it actually sits with Department of Infrastructure. When the Minister for Infrastructure sits next week that might be a question you could ask him.

**Ms ANDERSON:** Thank you.

**Madam CHAIR:** Thank you.

**Ms WALKER:** Minister, still in Output 1.1, I have a couple of specific questions around Indigenous housing. One of the strategic issues that is listed in Budget Paper No 3 is 'Improving Indigenous housing through functional upgrades and formalised tenancy arrangements'. How many formalised tenancy arrangements have been concluded and how many are outstanding across our remote Indigenous communities?

**Mr CONLAN:** We will get that information for you, member for Nhulunbuy.

**Ms WALKER:** If it is easier to take it on notice, minister ...

**Mr CONLAN:** We are just looking for it, but it does sit in another output group. Now we know you are going to ask it, we will make sure we have the answer, if you want to ask it again.

**Ms WALKER:** Okay, the question was: how many formalised tenancy arrangements have been concluded? I will expand on that as well. How many do you expect to conclude this financial year? Without knowing what the answer is going to be, if there have been delays, what is the cause of delays?

**Mr CONLAN:** Okay, we will endeavour to find that answer when we get to the output group.

**Ms WALKER:** Thank you. Am I in the right output group for asking questions about evictions?

**Mr CONLAN:** I know this is a little tricky, and in no way are we trying to be smart. The output groups have changed a little as a result of our restructure. That is okay, but we will make you aware of where they are and when they come up as we go, if they are not correct.

**Ms WALKER:** Okay, thanks.

**Mr CONLAN:** That sits under Housing Services Delivery.

**Ms WALKER:** Output 1.2. Okay, we will come back to that. Questions around social housing, Real Housing for Growth - is it Output 1.1?

**Mr CONLAN:** Yes, it is.

**Ms WALKER:** Okay. We know there are many key deliverables in this budget. Can you itemise the programs through which the 2000 homes will be funded? That is quite a target you have between now and 2016.

**Mr CONLAN:** It certainly is quite a target, and much needed on the ground in the Territory. The plan supports the attraction and retention of key service industry workers. That is the Real Housing for Growth initiative in the Northern Territory. It will, and does, include affordable home ownership and affordable rental initiatives.

A total of 283 dwellings have been delivered under Real Housing for Growth initiatives since the plan was implemented in October 2012. Under the Venture Housing Company, supporting the establishment of the Northern Territory's first affordable housing rental company through the transfer of Territory government assets and funding, nine dwellings were delivered in Darwin.

Under the home buyer initiative providing opportunities for eligible Territorians to purchase their own home at affordable price points, 65 dwellings were delivered in Darwin, Bellamack, Johnston and Zuccoli.

Through the head lease initiative bringing forward new housing supply by providing opportunities for the private sector to construct new dwellings and head lease them back to the Department of Housing over a 10-year term at guaranteed market rental rates, with the dwellings then rented to key service industry workers at 30% below market rates, 14 dwellings have been delivered in Tennant Creek.

Under the National Rental Affordability Scheme and Northern Territory government funding supporting dwellings made compliant under the National Rental Affordability Scheme, 158 dwellings have been delivered.

Through HomeBuild Access, 27 dwellings have been delivered in the Darwin region and surrounds.

In the redevelopment of urban public housing, identifying, implementing and redevelopment strategies for ageing public housing complexes and ensuring affordable dwellings are made available, we have delivered 10 dwellings.

In 2014-15, we have 756 dwellings scheduled for completion: through Venture Housing, 116; the home buyer initiative, 15; the head lease initiative, 192; the affordability scheme, 354; HomeBuild Access, 34; and the redevelopment of public housing, 45 dwellings.

**Ms WALKER:** Thanks, minister.

**Mr CONLAN:** We are about halfway through.

**Ms WALKER:** If I am correct, you have delivered 283 of the 2000 target?

**Mr CONLAN:** That is right.

**Ms WALKER:** If that particular rate was to be duplicated over the next couple of years you are, obviously, not going to reach your 2016 target. I am wondering why the slowness in the Venture Housing with just nine dwellings in the 2013-14 year, compared to a target of 2014-15? What is the anomaly there that has slowed down the delivery of those under Venture Housing dwellings?

**Mr CONLAN:** You are right, if we maintain that rate we would not get anywhere near the 2000. I can say we have hit that target. In 2013-14, our target was 200 homes in the first year. In the second year, we aim to deliver 400. I outlined that we will deliver 756, so we will be almost double our target in 2014-15 in the second year of the program. In 2015-16, we will have 600 homes delivered in year three of the program. Then, in 2016-17, we will hit 800 homes in year four, which will bring us to the 2000.

**Ms WALKER:** Sure.

**Mr CONLAN:** Obviously, I would not agree and say it is slow. I understand the question. It may appear on paper but, obviously, when you are building these homes there are a number of things you need to go through, particularly when you are starting an initiative. Remember the target was 2000 by 2016-17 and, as I have outlined, we are well ahead of our target of 2013-14, already 283, nearly 30% up on that as it is. In 2014-15, 400 homes delivered next year. Already, we are ahead of that, nearly double that target. I expect us to hit that target well before the 2017 mark.

**Ms WALKER:** There is no doubting the reduced delivery must be disappointing. I am still not certain what the causes of that are. You made reference just then to start-up with new initiatives. Can you be more specific about what the delays have been in delivering on the target?

**Mr CONLAN:** I thank you for the question, member for Nhulunbuy, but I do not accept the premise of the question. I do not accept there has been a delay. We actually set a target of 200, and we are now at 283.

**Ms WALKER:** I am sorry. I am looking at the 2000 target by 2016, which is well behind.

**Mr CONLAN:** No, it is not. No, as I just said, we are well ahead of it. Remember, it is the 2016-17 year to deliver 2000 homes. As I just said, the original target set by the Northern Territory government, when elected, was to deliver 200 homes in 2013-14. We are already ahead of that by 283. Delivering 283 homes is no mean feat, particularly with a brand new program. It has been quite remarkable. We should be thrilled by the fact we have seen 283 new dwellings in the market as a result of that.

Our target for 2014-15 was 400 homes. We will deliver nearly double, 756. Then we have 2015-16, 600 homes, and the balance, 800, to be delivered in 2016-17. So, we are focused on the outcome of 2000 homes in 2016-17. We are ahead of the program.

I understand where you are coming from. I understand the question. I do not accept it because we are well ahead of that program.

**Ms WALKER:** Social housing dwellings, minister. New social housing dwellings are down from 144 in the 2013-14 financial year to 95 in 2014-15, due to NPARIH funding which has decreased. That must be disappointing. Feeling let down by your Commonwealth colleagues?

**Mr CONLAN:** No, it is easy to sit here, in the peanut gallery, and throw stones at someone else. I know you would like me to pick a fight with the Commonwealth government. We are doing everything we can ...

**Ms WALKER:** I would, actually.

**Mr CONLAN:** I have a different view, that we need to work with the Commonwealth government. There is no point in making enemies of the Commonwealth. It has inherited a dreadful fiscal situation, as this government did, and it needs to be looking at measures to improve its bottom line, as we do.

We have a very good friend in the form of Nigel Scullion, who is the federal Indigenous Affairs minister. I know he is always in our corner. It is counterproductive to be picking fights with federal ministers who are responsible for rolling out programs in the Northern Territory. It is my job to work with them, and to understand their problems and their concerns, which I do. We will have a better outcome as a result of that.



A total of 172 public housing dwellings will be delivered in 2013–14. I can break some of that down for you. The total new dwellings program for 2013-14 is 144. We have 15 in the Arafura region, 39 in the Arnhem region, 27 in the Barkly region, 31 in Big Rivers, and 32 in Central Australia. As of March 2014, for the 2013–14 financial year, there were 125 new dwellings delivered, with a net increase of 78 bedrooms. That is the key. I do not think that should be lost on us; bedrooms are very important. There has been an increase of 125 new dwellings with an increase of 78 bedrooms. A further 19 new dwellings are planned to be delivered in remote locations by the end of the financial year.

In the urban regions, there are 28 new dwellings in 2013-14: four in Milner, 10 in Bellamack, seven in Rosebery, four in Moil, three in Stuart Park. As of 31 March 2014, for the 2013-14 financial year, there were 25 new dwellings delivered, with a net increase of 33 bedrooms. A further three new dwellings are planned to be delivered in urban locations, in particular in this case, the Darwin region by the end of the financial year.

In 2014-15, we will have 95 new public housing dwellings planned in remote locations: 47 in Arafura, 15 in Arnhem, eight in Barkly, nine in the Big Rivers region, and 16 in Central Australia. That is a net increase in bedrooms for 2014-15. It will be subject to consultation with the communities. It is very important to understand what they need. There are no new urban public dwellings planned for 2014-15.

**Ms WALKER:** Thanks, minister. As you would be aware, the former government had a 15% target on all new housing developments which would be dedicated to social housing. I am interested to know what your position is on that. At estimates last year, your predecessor, the member for Brennan, when asked about the upgrade to Runge Street, said ‘absolutely’ there would be a 15% dedicated portion at least to social housing. That is not the case, and we know there is affordable housing there. What is the current government’s position on setting a target for ...

**Mr CONLAN:** It is. It still sits at 15%.

**Ms WALKER:** So you maintain that target?

**Mr CONLAN:** Absolutely.

**Ms WALKER:** So why is there no social housing component in Runge Street?

**Mr CONLAN:** Because the 15% does not necessarily have to be allocated to that particular property. It will be incumbent on that developer to provide 15% of their new development, or the equivalent, to social housing. Whether it be another property, or an existing property.

**Ms WALKER:** Thanks, minister.

**Mr CONLAN:** I would like to expand on that because it is an important question. If we talk about, in particular, Runge Street, the renewal of the complex is 15 affordable rental properties allocated to eligible key service industry workers at 30% below the prevailing market rates. – 10 provided for affordable home ownership. The remaining 34 units will be sold to the general public. To answer your question, it is still 15%, but it does not necessarily have to be on-site.

**Ms WALKER:** Okay. Thanks for clarifying that, minister. Is this the output where I ask about the \$4.5m remote Indigenous home purchase strategy initiative?

**Mr CONLAN:** It might be in home ownership. Is that home ownership? Oh no, it can go here.

**Ms WALKER:** Thanks, minister, for accommodating me. I have a number of questions about this strategy announced by a media release from the Chief Minister on 4 June 2014. He stated owner occupiers will be supported with a special incentive grant of \$20 000 to help them upgrade and maintain their home. Can you itemise for us how this \$4.5m will be spent over three years on the remote Indigenous home purchase strategy?

**Mr CONLAN:** I might have more detail than you are requesting, but let me make a start and we will see what we can find for you.

This is a ground-breaking initiative to provide Indigenous people in remote communities a real opportunity to buy their own home. It will begin on 1 July this year. Up to 50% of remote public housing stock will be available for sale ...

**Ms WALKER:** Does that include the new SIHIP houses?

**Mr CONLAN:** My understanding is yes, it does. Locations have been chosen as township leases to facilitate those sales. Properties for sale will be subject to a valuation to establish a transparent comparable and fair sale price. It is envisaged the houses will be in the range of \$80 000 to \$200 000, with the majority around the \$80 000 to \$150 000 range.

A range of Territory and Australian government programs will further reduce the cost to purchasers. They are stamp duty concessions and Indigenous Business Australia assistance with legal fees. A number of programs are offered by the Northern Territory and Australian governments.

Stock will be available to purchase by the existing tenant of the property, and the sale process will be based on expression of interest from tenants. Tenants must have two or more years with a good rent payment and property condition history, undertake a mandatory education package, and have finance, if required, approved by IBA or another private sector lending institution.

Extensive communication marketing information meetings in communities will be conducted. Case managers will be made available to prospective purchasers so people will not be left alone - they will be case managed and taken through the process. We understand it can be very difficult for some people who have never done anything like this before. An amount of \$4.5m has been set aside over the next few years.

**Ms WALKER:** I understand, in broad terms, what is behind the initiative. What about issues like land tenure? Currently, it is only open to residents where there are 99-year township leases?

**Mr CONLAN:** Or 40-year leases too.

**Ms WALKER:** My constituents at Galiwinku in the new SIHIP houses are eligible for this if they can demonstrate good tenancy?

**Mr CONLAN:** If they can demonstrate all the criteria set down, yes. If they have a 40-year lease or a 99-year lease, that community is eligible for the program.

**Ms WALKER:** They would only own that property leasehold not freehold because it is already under lease arrangements? Would that be correct?

**Mr CONLAN:** No, it would be freehold property.

**Ms WALKER:** Even though they are still under a 40-year lease or a 99-year lease?

**Mr CONLAN:** The community owns the property, so it is leased. The idea of the lease was to generate some collateral from the lending institution to provide some certainty around that.

**Ms WALKER:** In devising this scheme, who has government consulted? Has the NLC or the Aboriginal Land Trust been consulted?

**Mr CONLAN:** There has been widespread consultation.

**Ms WALKER:** With whom?

**Mr CONLAN:** The initiative of allowing people to purchase their own home is something I do not really see too many negatives around, member for Nhulunbuy. I see it as an opportunity for people to access and live in their own home. With that, where do we start? What comes with that? There is any number of positive or meaningful life outcomes as a result.

There has been consultation with the CLC, the NLC and, of course, the IBA and various financial lending institutions. I do not want to get too hung up on the consultation - not because we are hiding from it. I have just outlined who we have - we have spoken with the land councils, Indigenous Business Australia and various lending institutions about this opportunity for Aboriginal people.

However, I want to make it clear this is an opportunity for people now in remote communities, they have never had before. I am very proud of the scheme. We are yet to see how it will go. It is bold, new, untested, and untried, but we are going for it.

**Ms WALKER:** Minister, I understand you describe it as 'widespread consultation'. What did these organisations you have consulted with have to say? I have not seen any media releases or public comment from them. I am aware of some of the comments from David Ross of the CLC.

**Mr CONLAN:** In that case, they must be very supportive of it. There is not too much negative around it. They have all been very supportive of it.

**Ms WALKER:** All right. I will test that when I do a phone around after estimates.

**Mr CONLAN:** Please do.

**Ms WALKER:** I understand why your government would want to go down this particular path, but what research have you done in ascertaining how many tenants you think will want to take up this option? What is your forecast on how many people will want to move into this home offer?

**Mr CONLAN:** As I said, it is untested. It is providing an opportunity for Indigenous people to own their own homes. We have initially set a target of 50% of remote housing – made available, I should say. In this case, when it comes to those particular leasing arrangements, 50% of housing in communities for Indigenous people. I would love to see 50% of those houses taken up with the program.

We all know what it is like in the Northern Territory – it is very difficult. There are a lot of hurdles to get through. As I said, there is an education program. People need to have demonstrated two to three years sustainable rent payments. Many people will not be eligible for it but, hopefully, this will provide some aspiration for others. It is very hard to set a target. We would like to see 50%. I would love to see everyone own their own home in remote communities of the Northern Territory. It would be a great burden off the taxpayer, and it would be a wonderful thing for people to own their own home. But, realistically, even 50% is probably shooting too high. I would love to see it.

**Ms WALKER:** Yes, I understand the thinking of conservative governments. As part of that widespread consultation - a key stakeholder like NAAJA was not aware of this scheme when I met with them recently. Obviously, NAAJA provides a considerable civil legal service to tenants who get into difficulties. Its initial reaction was one of surprise that it did not know about it. When we have tenants or homeowners who fall into difficulty around defaulting on mortgage payments or other issues might arise.

I know you have not tested this per se, but I tested it last Thursday when I had an opportunity with elected members of the East Arnhem Regional Council in Nhulunbuy. I asked them what their view was on this scheme. I asked them if would they put their hands up, if any of them were interested in it. I mean no disrespect, minister, but the reaction I got was laughs around the table. Whether it has not been sold to these people - for me, it demonstrates it is something people will be lining up to.

We know in our Indigenous communities the capacity as a homeowner to pick up a telephone and phone a plumber or an electrician to come and fix something is absolutely fraught. You know yourself, as the Housing minister, dealing with contracts for managing remote housing is absolutely fraught.

The \$20 000 grant, as an incentive - I understand it is to address R&M issues. How are you going to audit that \$20 000 for the grant to these owners, should they take it up?

**Mr CONLAN:** It will not be allocated in a lump sum. It will likely be allocated on a needs basis, almost like a progressive payment with regard to identifying a particular need in the property. Whatever the R&M issue is, it will identified by the tenant and the Department of Housing, and that money, up to \$20 000, will be allocated directly to the tradesperson or the contractor to conduct that R&M.

**Ms WALKER:** Thanks, minister. That is all the questions I was going to ask on that particular scheme. Obviously, I have other issues I wanted to get to, and I know the member for Namatjira does as well. Is this the output where I could ask about housing on RAAF Base Darwin?

**Mr CONLAN:** Let me just find out. That is the next one.

**Ms WALKER:** That is all the questions I have for Output 1.1, unless the member for Namatjira has some?

**Ms ANDERSON:** Minister, where would the rest of my ...

**Mr CONLAN:** Your other questions? In the next output.

**Ms ANDERSON:** Okay, thank you.

**Madam CHAIR:** In that case that concludes consideration of Output 1.1.

### **Output 1.2 – Housing Services Delivery**

**Madam CHAIR:** The committee will now consider Output 1.2, Housing Services Delivery. Are there any questions?

**Ms WALKER:** Minister, I want to ask you briefly about the commitment the member for Solomon, Ms Griggs, made. She made very bold commitments at two elections about delivering commitments around housing which never materialised. Very recently, she has taken credit for 80 new homes to be built at RAAF Base Darwin. Yet, before the federal election, Labor's plan was to build 100 new homes there. Are you surprised the member for Solomon continues to confuse and even mislead Territorians over her broken promises?

**Mr CONLAN:** This is a committee set up to discuss the Appropriation Bill of 2014-15. I am not here to give an opinion on the member for Solomon.

**Ms WALKER:** So, you do not agree with her?

**Mr CONLAN:** I did not say that, I just said I am not here to provide an opinion on the member for Solomon.

**Ms WALKER:** Thank you, minister. That is all I have on that output - sorry, no it is not. We are in Output 1.2 aren't we?

**Madam CHAIR:** Yes.

**Ms WALKER:** Sorry, my notes are all over the place as I have tried to work out where I am supposed to be asking questions. This is where I can ask about evictions?

**Madam CHAIR:** Yes.

**Ms WALKER:** Minister, can you advise how many evictions and lease terminations have occurred this financial year? Can you break that down to include the number of evictions in remote Indigenous housing?

**Mr CONLAN:** Let us set this up. As you know, when living in public housing, a tenant agrees to terms and conditions via the tenancy agreement. Should a tenant fail to comply with the agreed conditions the Department of Housing can initiate proceedings to recover a public housing dwelling. Recovery can occur through a notice of termination or a notice of possession being issued to the tenant, either by the department or through a court order. Alternatively, a tenant may relinquish the dwelling voluntarily or by abandonment.

In the financial year 2013-14, as of 31 March this year, there have been 53 evictions, compared to 61 in 2012-13. There has been a reduction of evictions due to rental arrears, abandonment, and those who are no longer eligible for public housing. There has been an increase in evictions for antisocial behaviour and failure to maintain a dwelling.

The Department of Housing provides individual case management to clients struggling with maintaining their tenancy, in a bid to ensure the tenancy can remain viable and sustainable.

**Ms WALKER:** Sorry, minister ...

**Mr CONLAN:** The answer was 53 for this year, compared to 61 last year.

**Ms WALKER:** Of the 53 evictions, how many of those, if any, relate to tenants in remote Indigenous housing?

**Mr CONLAN:** None, member for Nhulunbuy. It is all urban.

**Ms WALKER:** None. Minister, you mentioned the various reasons why tenants may find themselves evicted, and one of them is for antisocial behaviour. Does that go through a court process, or is it on the

hearsay of repeated complaints from neighbours, for instance? What is the test of antisocial? I am not defending people for antisocial behaviour.

**Mr CONLAN:** I understand it needs to be a bit stronger than just hearsay, but I will find you a bit more detail on what exactly will cause someone to be evicted, or what the trigger is.

**Ms WALKER:** Yes, that is what I was looking for.

**Mr CONLAN:** Essentially, all of it goes through the Commissioner of Tenancies or the court.

**Ms WALKER:** The Commissioner of Tenancies or the court. I understand a court process is lengthier and more costly but, in fairness and equity, what determines a particular tenant's case - going through the commissioner or the court?

**Mr CONLAN:** Let me articulate some of this for you, it might clear it up. The Department of Housing has adopted a fully integrated public housing safety strategy aimed at addressing antisocial behaviour in public housing by adopting a mix of preventative strategies and sanctions with cross-agency collaboration. They include public housing safety officers, improved lighting, a three-strikes policy, which is very important, and tenancy support programs.

The three-strikes policy allows the department to work closely with tenants who regularly or seriously partake in antisocial behaviour, and implement strategies and actions to reduce antisocial behaviour and create sustainable tenancies. Strikes are issued to tenants when the number of confirmed incidents or complaints reach the thresholds stipulated by a policy. A case management approach to formulate an individual response to the situation may include the coordination of tenancy support services, interaction with referral to other agencies and support services, and a more targeted response from public housing safety officers.

**Ms WALKER:** I have further questions on termination of tenancy arrangements or evictions. Can you please advise how many periodic tenancies have been terminated by Territory Housing in Central Australia under section 89 of RTA in each month of 2014 to date and each month of 2013? I am happy if you wanted to take that as a question on notice.

**Mr CONLAN:** We will. Yes, please.

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#### Question on Notice No 7.1

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

**Ms WALKER:** Minister, would you please advise how many periodic tenancies have been terminated by Territory Housing in Central Australia under section 89 of the *Residential Tenancies Act* in each month of 2014 to date, and each month of 2013?

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

**Mr CONLAN:** Yes, I do, thank you.

**Madam CHAIR:** The question asked by the member for Nhulunbuy is No 7.1.

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#### Question on Notice No 7.2

**Ms WALKER:** Minister, this next question is in a similar vein, so you may want to take this on notice as well. Could you please advise how many eviction notices have been issued by Territory Housing in Central Australia under section 89 of the *Residential Tenancies Act* in each month of 2014 to date, and each month of 2013.

**Mr CONLAN:** I will take that on notice too, Madam Chair.

**Madam CHAIR:** Yes, that is question No 7.2.

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**Question on Notice No 7.3**

**Ms WALKER:** Madam Chair and minister, it may be the same again with this next question. Would you please advise the reasons for Territory Housing terminating periodic tenancies in 2013 in Central Australia under section 89 of the *Residential Tenancies Act*?

**Mr CONLAN:** We will take on that notice too, thank you, Madam Chair.

**Madam CHAIR:** Thank you, that third question from the member for Nhulunbuy is No 7.3.

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**Ms WALKER:** My next question is around tenants who may damage properties, either by neglect or wilful damage. How many bills for repairs to properties have been issued to tenants who have caused damage to a property? Let us say, during this financial year up to 31 March.

**Mr CONLAN:** I will have a look.

**Ms WALKER:** While you are looking at that, if you could advise the highest bill to date, and from which location. Obviously, we not want to know the tenant.

**Mr CONLAN:** We do not have a breakdown of that level of detail. I can give you an overall synopsis. As of 31 March 2014, total urban public housing tenant debt owed to the department for maintenance-related damage was \$7.93m compared to \$7.73m as of 31 March 2013.

The debt is classified into current tenant maintenance debt and ceased tenant maintenance debt. Both current tenants and ceased tenants are asked to either enter into an agreement to pay the debt through regular instalments. The current tenant debt is \$161 000 - that is tenant responsibility maintenance that is due from current tenants.

The ceased tenant debt is \$7.77m. Most damage to dwellings identified as being the responsibility of tenants is recorded at the cessation of tenancies when outgoing property condition reports are completed. Recovery of ceased maintenance debt is more difficult, obviously, because after tenants vacate their dwellings the consequence of eviction is no longer a concern of the tenants. Limited financial capacity of clients often makes expenditure on debt recovery through legal action uneconomical, and ceased tenants who have not provided a forwarding address are often difficult to locate.

As you can see ...

**Ms WALKER:** That is huge.

**Mr CONLAN:** ... the government carries an enormous amount of debt with regard to this type of damage to properties.

**Ms WALKER:** Thanks, minister. That is, obviously, a debt of in excess of \$7m that is outstanding.

**Mr CONLAN:** Just under \$8m, actually.

**Ms WALKER:** Can you advise how many particular tenancy arrangements we are talking about cumulatively? Does that make sense?

**Mr CONLAN:** Sorry, how many are ...

**Ms WALKER:** Just under \$8m worth of debt is in relation to how many tenancies?

**Mr CONLAN:** No. I will see if we have that, otherwise we should be able to find it for you. We will take that on notice.

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**Question on Notice No 7.4**

**Madam CHAIR:** Member for Nhulunbuy, can you please restate the question for the record.

**Ms WALKER:** Minister, in relation to the just under \$8m worth of outstanding debt, are you able to advise exactly how many tenancies that is in relation to?

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

**Mr CONLAN:** Yes, I do.

**Madam CHAIR:** Thank you. That question is No 7.4.

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**Ms WALKER:** Minister, I wonder if you will take this as a question on notice or if you could answer it now? Are you able to identify the single largest outstanding bill from any one tenancy and the location?

**Mr CONLAN:** We can try. The department does not correlate everything. We will try to get that information for you. We will take it on notice, yes.

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#### **Question on Notice No 7.5**

**Madam CHAIR:** Member for Nhulunbuy, could you please restate the question for the record.

**Ms WALKER:** Minister, could advise the largest outstanding bill for a tenant to date and at which location that tenancy is?

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

**Mr CONLAN:** I do. We will attempt to get that information.

**Madam CHAIR:** Thank you. The question asked by the member for Nhulunbuy is No 7.5.

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**Ms WALKER:** Minister, is Output 1.2 where I can ask you about rent arrears?

**Mr CONLAN:** Yes, it is.

**Ms WALKER:** Could you advise the total value of all outstanding rent arrears? I think your estimate is 3% per year. Have I seen that somewhere in the budget papers?

**Mr CONLAN:** It can be a bit complex - everything in housing. There are so many layers to it; it is not really cut and dried.

As of 31 March, the total urban public housing tenant debt owed to the Department of Housing was \$11.25m. That is an increase of 4.1% compared to 31 March 2013. The debt is classified into current tenant debt and ceased tenant debt, as stated before. That may be damaged properties, rent arrears, or it could be any number of things. For the year 2013-14 to date, total urban public housing debt was \$2.662m, maintenance debt was \$7.928m, making the total \$11.25m.

**Ms WALKER:** Minister, can you clarify for me, out of that \$11.25m in rent arrears, did you say \$2.62m is urban?

**Mr CONLAN:** This is total urban public housing debt, yes. The total for urban public housing debt for rent arrears or rental debt is \$2.662m.

**Ms WALKER:** The remainder is remote?

**Mr CONLAN:** No, the remainder is maintenance - as I said, damage to properties. The tenant owes the department for damage to properties.

**Ms WALKER:** Okay, thank you for that. Are you aware of a report by Deloitte that apparently was commissioned by your department in late 2012 concerning rental arrears? Has there been such a report commissioned by Deloitte about recovering these rent arrears?

**Mr CONLAN:** It was before my time so I will find the answer to that. There was a report done in 2012, so you are correct, but I point out it does not sit in this financial year. The answer your question is yes, but there is nothing else I can say on it.

**Ms WALKER:** So, you cannot confirm that ...

**Mr CONLAN:** A report was done, yes.

**Ms WALKER:** Is that report publicly available? What were the recommendations of the report? What was the finding?

**Mr CONLAN:** This is a committee set up to answer questions with regard to the Appropriation Bill of 2014-15. If we want to talk about a report that was commissioned in 2012, I am more than happy to provide you with a briefing regarding that, member for Nhulunbuy. As I said, it was before my time. I am unaware of any details in that report. I am happy to go back to the table and have a look at it, then maybe you and I can get together and have a briefing on it. For the sake of the Estimates Committee, I will focus on the Appropriation Bill.

**Ms WALKER:** I understand that but, often in estimates, we request data for previous years which, by and large, ministers are happy to provide. If I need to seek a briefing through your office, then that is the path I will take.

With regard to rents, just before your time when the member for Brennan had responsibility, there was a review of public housing tenants and those who were identified or thought to be over entitlement with a view to try to keep people within entitlement. I understand that. As a result, we saw increases in rents. In my own electorate, for people who were above entitlement and living in social housing in a three-bedroom house, for instance in Nhulunbuy, the rent doubled.

Can you please confirm for me how much additional revenue has been generated by over-entitlement tenants in public housing? If you need to take that on notice, that is fine with me.

**Mr CONLAN:** We will take that on notice, to provide you with an accurate answer, rather than a ballpark.

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#### Question on Notice No 7.6

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

**Ms WALKER:** Minister, can you please advise how much additional revenue has been generated as a result of increased rents from 1 July 2013 for tenants in public housing who were identified as over entitlement and, as a result, are paying additional rent?

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

**Mr CONLAN:** Yes, I do.

**Madam CHAIR:** The question asked by the member for Nhulunbuy is No 7.6.

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**Ms WALKER:** You might need to take this one on notice as well. On how many occasions were the individual personal circumstances of elderly, sick, or disabled tenants considered before rents were increased? Further to that, on how many occasions have rent increases been decreased or revoked?

**Mr CONLAN:** Again, it is a detailed question so we will do what we can to find that information for you. I am happy to take that on notice as well.

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#### Question on Notice No 7.7

**Madam CHAIR:** Member for Nhulunbuy, could you please repeat that for the record?



**Ms WALKER:** On how many occasions were the individual personal circumstances of elderly and sick tenants considered before rents were increased? On how many occasions have the rent increases been decreased or revoked?

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

**Mr CONLAN:** Yes I do.

**Madam CHAIR:** That question is No 7.7.

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**Ms WALKER:** You might need to take this one on notice as well.

**Madam CHAIR:** In that case, just ask it exactly how you would like it for the record.

**Ms WALKER:** Minister, is this increased rent reinvested into housing or retained by Treasury?

**Mr CONLAN:** No, I can answer that. It goes straight back into the department.

**Ms WALKER:** Thanks minister, that is excellent news.

**Mr CONLAN:** The remainder of the member for Namatjira's questions, Madam Chair, relate to this output group, and we will start here at No 114.1. The question I have here is:

*How much money is going to be spent on remote housing repairs and maintenance in this budget allocation compared to 2013-14 and 2014-15?*

The budget allocation for remote housing repairs and maintenance is \$32.2m, member for Namatjira, and the end of the year of budget estimate is \$30.5m. Expenditure at 31 March 2014 was \$16.6m. The budget allocation was \$19.5m.

*What was the total revenue for remote housing derived from rent?*

In the 2013-14 financial year, as of 31 March, the total revenue derived from remote housing rent and maintenance levy between 1 July 2013 and 31 March 2014 for remote public housing was \$14.3m.

*What percentage of housing repair and maintenance funding is derived from rent, and what percentage is from government subsidy?*

The answer is, in 2013-14 as of 31 March, total repairs and maintenance and tenancy management funding derived from rent payment is approximately 61%.

**Ms BRADFORD:** You have answered that one.

**Mr CONLAN:** Oh, we did too, 114, thank you. The blue ones we have, that is right.

*How many tenants were evicted from public housing premises in 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15?*

I will not go back to 2009-10, 2010-11, 2011-12. We will focus on the previous year and this year, this coming financial year. For the financial year 2013-14, 53 tenants have been evicted from public housing premises.

*Of these evictions, for what reasons were the tenants evicted?*

They were antisocial behaviour, rent arrears, uninhabitable dwelling, and expiry of fixed-term tenancy.

Question 3:

*How many public housing dwellings were relinquished by tenants ...*

In the years I have just mentioned. Again, we will focus on 2012-13, 2013-14. For the financial year 2013-14, there were 216 public housing premises relinquished voluntarily by tenants.

*Of these tenants, by region, how many are Aboriginal or Torres Strait Islander?*

Of the 216 public housing tenants who voluntarily relinquished their tenancies, 88 identified as Aboriginal or Torres Strait Islander. As you would be aware and appreciate, we only have that data if people identify.

*What is the value of rent arrears owed by public housing tenants in the Northern Territory?*

I have just answered that, member for Namatjira.

*What proportion attributed to remote housing and what proportion of urban housing?*

We answered the urban housing one. Again, it is all urban housing, there was nothing in remote housing.

*How many houses did Territory Housing lease as public housing per region in the following years: 2009 through to 2014.*

We will go from 2013-14 to 2014-15. In the 2013-14 financial year, as at 31 March this year, the number of public housing dwellings per region was: in the Central region, Big Rivers – 1806, Barkly – 496, Central Australia – 2207; in the northern region, Arafura – 2047, Arnhem – 939, Darwin and surrounds – 3624. That is a total of 10 119 public housing dwellings.

*How many were unoccupied, and why were these houses unoccupied?*

In 2013-14 financial year, as of 31 March, the following public housing dwellings per region were unoccupied: in the Big Red Rivers region, 91; in Barkly, 45; in Central Australia, 220; in the northern regions, Arafura 36; Arnhem, 25; and Darwin and surrounds, 215. The reason these public housing dwellings were unoccupied include going through allocation, undergoing maintenance, being used as transitional accommodation to facilitate major works on other houses, or demolition of a house to rebuild, being refurbished or upgraded, vacant for sorry business, undergoing a property assessment, or undergoing consideration for disposal.

*How many houses have been taken out of public stock over this time period?*

As of 2013-14 financial year, as of 31 March, 16 public housing dwellings were taken out of stock.

*How many people, including tenants, residents and children, have been evicted under the three-strikes policy? Of these tenants, what percentage are Aboriginal or Torres Strait Islander by region?*

The three-strikes policy only applies to urban public housing tenancies. For this current financial year, as of 31 March, the total number of urban public housing tenancies was 4686. In the current financial year, as of 31 March, eight tenancies, or 0.2% of all urban public housing tenancies, were terminated to the three-strikes policy. This action affected 16 people.

Six of these tenancies identified as Aboriginal or Torres Strait Islander - 0.4% of Aboriginal or Torres Strait Islander tenancies. They are: the Big Rivers Region, number of tenancies, one; number of tenants residing including children, five; the number of children under 18, three; identified as Aboriginal or Torres Strait Islander, one.

In the Barkly there are none.

In Central Australia, the number of tenancies is four; the number of tenants, including children, equals six; the number of children, one; identifying as Aboriginal or Torres Strait Islander, three.

In Arafura there are none and in Arnhem there are none.

Darwin and surrounds: number of tenancies, three; the number of tenants residing, including children, equals five; the number of children under the age of 18, one; tenancies identified as Aboriginal or Torres Strait Islander, two.

**Ms ANDERSON:** Minister, due to your portfolio being so exciting, and that we are running out of time, I am wondering if you can table those documents, because the shadow still has a few questions to ask of you. You can see that your shadow for Tourism is sitting there ready ...

**Mr CONLAN:** He is hopping to ask.

**Ms ANDERSON:** ... to ask you in the best portfolio ever.

**Mr CONLAN:** I am not inclined to comply. We have five hours to ask questions. Member for Namatjira, you have provided these questions for me to put on the record, and I said I will put them on the record orally. You can ask them if you like and I will answer them, but you do not get five hours and 100-odd questions. I can keep going, or we stop and move over to the member for Nhulunbuy.

**Ms WALKER:** Thanks, member for Namatjira.

**Mr CONLAN:** We can have a briefing and discuss it further, if you like, with the department.

**Ms WALKER:** Minister, I have a question – it would not surprise you - around asset sales from the sale of public housing. The proceeds from public housing asset sales are up by \$9m - \$13.45m up to \$22.45m. Can you detail your plans for the sale of public housing dwellings by region? How many properties will be sold? What plans do you have for the investment of the funds generated back into public housing stock? Will it be reinvested?

**Mr CONLAN:** Member for Nhulunbuy, that was the previous output group.

**Ms WALKER:** In 1.1?

**Mr CONLAN:** Just been advised.

**Ms WALKER:** You are not prepared to take it in this output, minister?

**Mr CONLAN:** No. We have a bit to get through, as you said.

**Ms WALKER:** I can assume, then, maybe it is not going to be reinvested back into public housing, otherwise you would be happy to answer it.

**Mr CONLAN:** I will say that the office and the department are always available to brief. This is information we are not hiding. We are proud of what we are doing in housing. We are making some incredible inroads with regard to public housing, our urban space, our remote space, affordable housing, and social housing. If you find tonight you are not receiving information you would like, I have an open invitation for anyone from the opposition, or the Independents, to undertake a briefing from the department.

**Ms WALKER:** Thanks, minister. I will definitely take you up on that briefing. Do questions around wait list and times sit in Output 1.2?

**Mr CONLAN:** Yes.

**Ms WALKER:** They do. Lucky me! Minister, can you please confirm the current number of public housing applications and waiting times by dwelling type and region?

**Mr CONLAN:** This, sadly, is not a great story. As of 31 March 2014, there were 3036 applicants waiting for urban public housing across the Northern Territory, including priority applicants, general applicants, and those seeking to transfer property. This is a net increase of 641 from 3095 as of 31 March 2013. Of these, 683 are priority housing applicants. This is a net decrease from 711 as of 31 March 2013.

The average wait time for general public housing applicants varies across the Northern Territory, from 57 months in Katherine up to 135 months in Nhulunbuy. Wait times for ...

**Ms WALKER:** How much in Nhulunbuy, sorry?

**Mr CONLAN:** That was 135. Wait times for general public housing applicants have increased, on average, from 64 months in 2013-14 to 73 months in 2014-15. That reflects decanting of tenants from ageing public housing complexes where redevelopment is proposed - for example, Kurringal.

As you can see, member for Nhulunbuy, it is a pretty ordinary story and something no one is proud of. However, the issue with public housing wait times - there is, however, some good news.

Allocations of homes has increased. The wait times are still pretty much the same, but there are now more properties available for those tenants. Our allocations have gone from 467 to 493. There is a small improvement but, nevertheless, it is heading in the right direction. I do not have any great news for you with that question.

**Ms WALKER:** I understand that, minister. You talked about average wait times across all dwelling types. The question was more specific than that. I am happy for you to take it on notice because I had asked by dwelling type and region. If you want to table it, that would be fine.

**Mr CONLAN:** Sorry, what was the question?

**Ms WALKER:** The original question was could you confirm the current number of public housing applications and wait times by dwelling type and region.

**Mr CONLAN:** I will not table it because it is important to get it on the record. There is a bit here, but I will not read it all out. Let us have a go and, if it gets too much, I will table it.

Urban public housing wait list and wait times as of 31 March this year: in Alice Springs for a one-bedroom non-pensioner there are 115 applicants, the average wait time is 85 months; for a pensioner, 134 applicants and 71 months; a two-bedroom, 117 applicants and 69 months; a three-bedroom, 148 applicants and 72 months - and the list goes on.

For your interest, member for Nhulunbuy, in Nhulunbuy a one-bedroom non-pensioner dwelling there are 10 applicants and the wait time is 146 months; for a two-bedroom there are five applicants and they will be waiting 127 months; for a three-bedroom there are 12 applicants and they will be waiting 130 months. There is also the Tennant Creek, Katherine, Palmerston, Casuarina, and Darwin region as well. We are happy to table that information.

**Ms WALKER:** Was it a question on notice, or is there a document there you could table?

**Mr CONLAN:** Yes, it might be easier to table this information for you. As I said, it is not a fabulous story. We are doing everything we possibly can. We are seeing more allocations. With the government initiatives in affordable housing and the Real Housing for Growth, we will see a shift in this space eventually. But, we are a victim of our circumstance in the Northern Territory, as you know.

It is very difficult. We are sitting on a \$75m depreciating asset base. Housing is a hard business, particularly providing social housing to some of our most vulnerable of Territorians. We are heading in the right direction but, to be honest, I do not know if we are a hell of a lot better off than the previous government.

It is a problem in the Territory, as I said, largely due to being a victim of our own circumstances. But, we are having an absolute red hot crack at it, I can tell you.

**Ms WALKER:** How funny that you would be sitting on that side of the table and me here, because I have sat through estimates for the last four years, and seen the previous government beaten up every year for bad news stories. There you have it! There you are now, the Housing minister ...

**Mr CONLAN:** There is one for you.

**Ms WALKER:** Welcome to government. What are you doing? If you could name three things you are doing to reduce these disastrous waiting lists that, essentially, feeds in to homelessness, I am keen to hear.

**Mr CONLAN:** I can give you four things. We have embarked on a four-pronged approach. We are not just sitting back and admitting it is a problem, and putting it in the too-hard basket. Previous governments have, essentially, done that. People's intentions are to try to solve the problem, but we have ...

**Ms WALKER:** Funny we never got credit for it.

**Mr CONLAN:** ... a four-pronged approach. The government is accelerating land release - as you would have heard from the minister for Lands and Planning today - to promote construction activity in homeownership across the Northern Territory. The provision of new supply is the single best way to alleviate housing pressures across the Northern Territory. Land release is being accelerated in Palmerston East, with Stages 3 to 5 of Zuccoli, Palmerston North to facilitate release of land for residential and

commercial development around the new hospital, Berrimah Farm, Katherine East Stage 2, Kalkarindji, Mataranka, Timber Creek, Pine Creek, Tennant Creek, Ti Tree, Kilgariff, and Larapinta Valley.

The second prong of the government's approach is the Real Housing for Growth initiative, which I outlined before. It will provide 2000 new homes over four years to increase affordable rental and home ownership options for low- to middle-income families across the Northern Territory.

The government is also renewing ageing public housing, with a mix of housing options for all Territorians, including public housing. We are doing that by replacing public housing.

The government is providing a range of housing options for both sale and rental of various price points. The initiative will benefit a wider breadth of renters, homeowners, and investors by giving them access to homes in locations such as Fannie Bay, Kurringal, Alice Springs, and Brainting.

In the fourth prong to our approach, the government is also introducing new ways of managing maintenance contracts to bring properties back into stock as soon as possible. As you know, we have our new tenancy maintenance contracts. This will ensure best value for money and to maximise opportunities for the broadest range of market participants.

So, there is four. It is a four pronged approach to address these wait times within public housing.

**Ms WALKER:** I have no further questions in that output.

**Mr BARRETT:** I would like to ask a question in this area. I was waiting for ages to get a shot. The government is helping people in the bush through the new remote housing repairs and maintenance contracts. Having just taken on the role in business I am doing, it is very interesting to me. I would like to know what we are going to do around helping our Indigenous people get employment through this method.

**Mr CONLAN:** Thank you, member for Blain. I welcome the question because it gives me an opportunity to talk about this issue. I know it has caused some consternation amongst our rural and bush members.

During the 2013-14 period, the department established new procurement and contract arrangements for delivery of remote property and tenancy management services. The new remote property management service delivery model, which was introduced in March this year, provides improved tenant services, better response times, local employment opportunities, and cost efficiencies.

The new model comprises three integrated components. One is housing maintenance coordination services; that is, locally based handymen who will service and undertake maintenance jobs that do not require skilled trades professionals. The contract replaces part of the previous high-cost delivery system that relied heavily on trade-qualified subcontractors providing fly-in fly-out services in response to maintenance requests, both larger and minor. So, it has freed that up.

Tenancy management services also forms part of it. Locally-based community housing officers provide tenancy support and advice. That means panel contract for trade-qualified services. Panel works have already commenced in some regions with some very competitive prices and good service quality in response times.

I am happy to report, member for Blain, there has already been some positive tenant feedback about the new system from the service providers. Housing maintenance officers have been able to respond to urgent issues in a timely manner. A total of 120 housing maintenance office work orders were completed in the first five days of the contract. The tenders are for a four-year period in line with the consultation of the National Partnership Agreement on Remote Indigenous Housing, or NPARIH program, in 2018.

The intention, member for Blain, of the new contracts is to encourage local Indigenous business enterprises to be involved in services under this contract which enable sustainable local employment. We believe this will go a long way to providing employment in the bush.

Contracts were awarded to 66 local businesses for work in 73 remote communities. Over five years, \$26m a year will allow these small business enterprises to expand and employ more locals, stopping situations where plumbers are flown into remote communities from Darwin to replace washers for \$1000. That is exactly what has been happening.

This is exactly what the government's new remote housing tenancy and property contracts are doing. Under new contracts, housing maintenance service coordinators are based on the ground in local communities. These handymen can undertake basic non-trade qualified repairs and maintenance on the spot. Examples are fixing a door handle, unblocking a kitchen sink, replacing a shower head and washers. They can do all of it in the one visit.

The aim of these changes to the contracts is to deliver a quicker response time and a more efficient service to tenants in remote houses. This government wants to give tenants in remote housing the same rights to access services as those public housing tenants who live in the city. They might not always have exactly the same, but we want it to be as close as possible.

There are some case studies - and I have been through these in the House in Question Time – of which I want to, for the record, provide an example.

In the Barkly, it has been an unbelievable success. An example of significant savings was when a kitchen sink was unblocked for the cost of \$65 – it previously cost up to \$900 - with the significantly improved response time. It was not just cheaper, it was quicker. That person had their sink unblocked in a quicker time frame than previously, and also at a far reduced cost.

While attending the house, it was not just the sink. The housing maintenance officer identified and rectified other issues including unblocking the laundry sink, fixing two door handles, replacing a shower head and identifying an issue with the stove that was referred for a trade-qualified response. In some cases, you need to have a tradesman on board, but to fix a door handle or unblock a sink, you do not. The overall cost of the works was \$310. That person had most of their issues fixed for \$310.

We also have similar case studies throughout Arafura, Arnhem, and Central Australia in the Barkly. I have deliberately picked opposition and Independent electorates to show you these are real-life case studies, real examples of this new initiative that works. I thank you for the question. We can all, as Territorians, be very proud of this initiative. It is working and we will see a much more efficient and effective service in the future.

**Madam CHAIR:** Thank you, minister. I am just going to call a three-minute break. We have been going for just over two hours so a short refreshment break is required. Thank you.

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The committee suspended

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**Madam CHAIR:** Thank you, minister. We are still in Output 1.2.

**Ms ANDERSON:** A follow-up from the dorothy dixer the member for Blain asked, minister. I have just come from the electorate of Namatjira and all the complaints I heard were about the lack of maintenance being done on the houses under this scheme. I am wondering how many Aboriginal people are employed in Central Australia under that scheme.

They are saying the 0800 number that communities are asked to call to report maintenance issues on these houses is not being picked up and answered. It has taken days and three or four people to answer the calls. I had the same complaints at Barunga last weekend.

**Mr CONLAN:** Thank you for the question, member for Namatjira. I am unaware of any inherent problems in the Central Australian region. All I have is a number of success stories with regard to what is happening across the Territory, including Central Australia. I can provide instances.

My suggestion is if you have some issues with this scheme and the way it is working, I encourage you to bring it to my attention or to the Department of Housing, because we are keen to see this succeed. We think it is a much better approach than the past, not because it is our approach but because we think it is a much more efficient and effective way to deliver services to those most vulnerable Territorians who are living in remote parts of the Northern Territory and do not have access to largely efficient and effective services.

The breakdown of – I think the question was how many Aboriginal people have been in employment in the Centre? Just in the Centre or overall?

**Ms ANDERSON:** Just in the Centre.

**Mr CONLAN:** These contracts provide housing maintenance and tenancy management services to 1074 remote public housing and government employee housing dwellings. There is a lot of them. Housing maintenance coordination service providers include: Ingkerreke Commercial, Mutitjulu Community Aboriginal Corporation, and Tangentyere Construction. The tenancy management service provider in all communities is Zodiac Business Services. The panel contract for trade-qualified services has been awarded to include 15 businesses.

The appointment of housing maintenance officers –another name for local handymen in communities – has been very positive, with local trainees being employed. The local handymen on-site have already identified savings to the repairs and maintenance budgets in Central Australia. Examples include a saving of \$650 for an unblocked drain in Yuendumu, and \$1300 for repairs to a water main and shower at Laramba. Department of Housing regional offices work closely with new service providers.

You were looking for how many were employed. We have four local Indigenous people employed in Namatjira. There are six employees, four of whom are Indigenous. We have gone from 80 to 129, so there has been an increase. I am sorry, I have to work my way through this graph. In total six to 16 in tenancy management services. There has been an increase of Aboriginal employment in the electorate of Namatjira – clearly, an enormous part of Central Australia - by 10.

**Ms ANDERSON:** Are they employed through the subbies you have for Ingkerreke? Are they numbers from the corporations?

**Mr CONLAN:** It does not break it down for me, member for Namatjira, in exactly how I would like to provide it to you. I might take on notice to provide you with more – we will be going back and forth here. I will find as detailed information with regard to that as I can.

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#### Question on Notice No 7.8

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

**Ms ANDERSON:** Minister, would you be able to provide me with the numbers of Indigenous employment coming out Ingkerreke - whether the Indigenous employment you are counting comes out of the subcontractor that Ingkerreke has, or from the person doing the repairs and maintenance contract, which is ...

**Mr CONLAN:** Zodiac.

**Ms ANDERSON:** Zodiac.

**Mr CONLAN:** Okay. Yes, we can. I will take on that on notice. Thank you.

**Madam CHAIR:** Thank you, minister. That question is No 7.8.

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**Madam CHAIR:** Are there any further questions on Output 1.2? That concludes consideration of Output 1.2 and Output Group 1.0.

#### OUTPUT GROUP 2.0 – CORPORATE AND GOVERNANCE Output 2.1 - Corporate and Governance

**Madam CHAIR:** The committee will now proceed to Output Group 2.0, Corporate and Governance, Output 2.1, Corporate and Governance. Are there any questions?

**Ms WALKER:** No.

**Madam CHAIR:** That concludes consideration of Output 2.1.

### **Output 2.2 – Shared Services Provided**

**Madam CHAIR:** The committee will now call for questions on Output 2.2, Shared Services Provided. Are there any questions?

**Ms WALKER:** No.

**Madam CHAIR:** That concludes consideration of Output 2.2 and Output Group 2.0.

### **Non-Output Group Specific Budget-Related Questions**

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

**Ms WALKER:** This is for 3.0?

**Madam CHAIR:** I do not have a 3.0. Sorry, 3.0 is NT Home Ownership. Yes, that is another output.

**Ms WALKER:** I am just waiting for that.

**Madam CHAIR:** That concludes considerations of outputs relating to the Department of Housing. On behalf of the committee, I thank the departmental officers who attended and assisted the minister today.

### **OUTPUT GROUP 3.0 - NT HOME OWNERSHIP BUSINESS LINE**

**Madam CHAIR:** The committee will now move on to consider the NT Home Ownership Business Line.

**Ms WALKER:** Same people.

**Mr CONLAN:** Same people.

**Madam CHAIR:** Minister, we have Ken Tinkham and Anne Bradford here, the same as before. Would you like to do an opening statement on NT Home Ownership?

**Mr CONLAN:** No, we will just move straight into the questions.

**Madam CHAIR:** Yes. Are there any questions?

**Ms WALKER:** Thank you, Madam Chair, I just have one, possibly two.

Minister, under your government's restrictions recently put in place on First Home Owner Grants, it is now restricted to construction or purchase of a new home starting next year, which means there will be many Territorians who will not be eligible for the grant because they will not be able to purchase existing properties. That, coupled with changes last year to stamp duty exemptions, is going to make it even harder for Territorians to get into home ownership.

Having scrapped the first homeowners stamp duty concession that had saved first homeowners up to \$26 730 on the purchase of a property worth up to \$540 000, how many families are you forecasting have lost the opportunity to buy their home because of the increased costs that has been passed on to purchases?

**Mr CONLAN:** Member for Nhulunbuy, I can talk broadly about some of the incentive programs for first home ownership through the Department of Housing ...

**Ms WALKER:** Yes, I am looking particularly at the decline and restrictions under the revisions to the scheme.

**Mr CONLAN:** I am unable to comment on that because that falls squarely in the lap of the Department of Treasury and Finance. I can outline with regard to ...

**Ms WALKER:** Are you able to respond, or is this Treasury as well to this? How many First Home Owner Grants were issued in 2012-13 and 2013-14?

**Mr CONLAN:** That is a Department of Treasury and Finance as well. They collate all that information.



**Ms WALKER:** Can I ask one other question? The budget paper indicates a reduction in the First Home Owners Grant and, on Tuesday, your colleague, the Treasurer, agreed there has been a reduction in the number of first homeowners entering the market. What savings are forecast for future years from these changes? Has there been any modelling done for the number of First Home Owner Grants in 2014-15?

**Mr CONLAN:** It is difficult for us to forecast savings, member for Nhulunbuy. I am not sure whether I can go into any more detail in answer to your question, except that much of this will sit with the Department of Treasury. The Treasurer has already appeared, so you might seek a briefing from Treasury on all this detailed information, or perhaps ask a question in the House. It is very difficult for us to forecast savings in that area.

**Ms WALKER:** Thank you.

**Mr WOOD:** You can tell me if I am in the wrong area - Indigenous home ownership.

**Mr CONLAN:** We have ...

**Mr WOOD:** Been done?

**Mr CONLAN:** Yes.

**Mr WOOD:** That is all right. Okay. Thank you.

**Ms WALKER:** No more questions from me.

**Madam CHAIR:** That concludes the consideration of the Northern Territory Home Ownership (Business Line). I thank the officials who assisted the minister today. The committee will now move on to consider Tourism NT so that requires a changeover. I will just be a minute or two.

**Ms WALKER:** My thanks to the minister and your officials for all of your cooperation today.

**Mr CONLAN:** Thank you very much.

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The committee suspended

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## TOURISM NT

**Madam CHAIR:** Thank you, minister. I again welcome you, this time as Minister for Tourism, and invite you to introduce the officials accompanying you and, if you wish, to make an opening statement regarding Tourism.

**Mr CONLAN:** Thank you, Madam Chair. I wish to make a brief opening statement in my capacity as Minister for Tourism. Before I do, I introduce the officials. We have Mr Tony Mayell, the Chief Executive Officer of Tourism NT - he will be here any moment, and Noelene Biddell, Chief Financial Officer.

Currently, Madam Chair, the visitor economy is worth some \$1.6bn in overnight visitor expenditure in the Northern Territory. This government aims to grow the visitor economy in the Northern Territory to \$2.2bn by 2020 as measured by overnight visitor expenditure. We have a plan to achieve this which is called Tourism Vision 2020. It was developed in consultation with industry and is being implemented in partnership with industry. It is being overseen by the board of commissioners of Tourism NT.

Last September, we took the first major step to turn around the 11 years of decline suffered by the industry at the hands of the previous government. We launched a national campaign urging the people to Do the NT, and developed two new advertisements to support it, one for the Top End and the other for Central Australia.

We have implemented a whole suite of initiatives. We have sharpened our focus on eastern growth markets with our China market activation plan, and I have seen for myself the relationships we are building there. We have launched a business events ambassador program, which I am proud to say the Chief Minister is the patron of. We expanded our sporting sponsorships to include the Melbourne Demons and Adelaide United. We have issued more than \$620 000 in grants overall to 221 local businesses as part of

our highly-successful digital activation program, including vignettes. We negotiated a landmark \$7m cooperative agreement with Qantas to promote the Northern Territory within Australia and on the international stage. We licensed our Territory Discoveries, starting with a call for expressions of interest. Territory Discoveries has now fully transitioned to operation under the AOT Group. A stringent set of performance measures were put in place and it looks like AOT will outperform these.

Our campaign activity with high-profile trade partners such as Flight Centre, Wotif, helloworld, and the airlines has been extensive, and all are reporting significant increases year on year in actual bookings, which our industry will see coming through on their books, if they have not already.

It is all about conversion and opening up the channels between the consumer and the Territory product - a complete change from the way business was conducted under the old regime. These are just some of the highlights, Madam Chair.

Of course, the year has not all been plain sailing. Transport changes which are the result of commercial decisions also impact tourism in varying degrees. Tigerair announced it will withdraw services from the east coast to Alice Springs on 22 July 2014. We worked hard to drive demand for those services and Tigerair has admitted its decision was based on being unable to obtain its desired yield from these routes, not due to lack of demand. However, Tigerair has introduced a new service from Brisbane to Darwin, which will add some 130 000 visitor seats a year on this route and, be assured, will be driving regional disbursal.

We continue to build the case for Virgin Australia to consider reintroduction of capacity between Central Australia and both the Top End and the Barrier Reef gateway to Cairns, which is desperately being called for by Virgin's international partner airlines.

Jetstar has relocated three of its A320 Airbus aircrafts from Darwin to Adelaide where it sees better network growth, and suspended its services from Darwin to Manila and Tokyo. Although the Philippines is not a core inbound market for the Northern Territory, these changes serve to illustrate the type of challenges that face the tourism industry.

Over the past year, we have seen Malaysia Airlines introduce new services to Darwin, connecting through to our key markets in Europe. We have also seen increased frequency from Silk Air and an extra plane per week on the Darwin and Singapore route starting this month.

Arresting the industry's decline after so many years of neglect is a bit like turning the *Queen Mary* around. It is achievable but slow but, as you will see, majestic. In fact, if we took Japan - which is struggling overall as an Australian source inbound market - out of the equation, our overall visitation is trending as we would like.

We are working with the federal government to bring the attractiveness and profile of both Kakadu and Uluru-Kata Tjuta National Parks back to where they should be. Both these parks should be wonderful assets for the Northern Territory Tourism, but have suffered from reduced access to the attractions they contain. It is critical we increase investment in the industry which is so important to our plans to develop northern Australia. Last year, we provided an additional \$8m in funding for international marketing and there are signs we now have not just halted the decline in tourism numbers but, in some markets, have turned them around.

As a result of our commitment, we are better placed than many of our competitors to leverage off our relationship with Tourism Australia and international partners more than ever before. Providing an additional \$8m again this year will help build that momentum. The new \$500 000 Tourism Infrastructure and Product Development Grant program that is part of that will help grow tourism in our regions in 2014. There is so much more to talk about in tourism, but I am happy to take any questions.

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

**Mr VATSKALIS:** No, I just wanted to ask questions on the whole-of-department.

**Madam CHAIR:** No problem.

**Mr VATSKALIS:** Madam Chair, I have no questions on the statement. For the record, the previous government was the Terry Mills CLP government.

**Mr CONLAN:** Right.

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

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

**Mr VATSKALIS:** Yes, Madam Chair. Minister, tourism is, indeed, one of the biggest industries in the Northern Territory. Unfortunately, tourism has very little to do with politics but a lot to do with economics. Anything about tourism has to do with economics, not only in the Northern Territory, but internationally and nationally. You are well aware of that. Things are not as good as you say in tourism. I am not saying that as a politician in opposition; tourism operators have said that.

Tour Tub operator and owner, Robert Marchant, said the March quarter was the worst he had in 25 years, so something must not be very good in tourism. He attributes that to the cut prices to fly to Bali or Singapore, no marketing programs by Tourism NT, especially for the Wet Season, and the lack of accommodation. I saw you the other day on television with the person who manages SOHO. What struck me was 500 rooms are to come online and only a quarter of them are available for tourists. Obviously, we have a problem. What is your government doing to overcome these problems?

**Mr CONLAN:** I am sorry, there was a lot in there. Which particular problems? You talked about airlines ...

**Mr VATSKALIS:** What is your government doing to overcome the problem of the airlines? What is your government doing to overcome the problem with lack of accommodation? What is your government doing to promote the Wet Season so the operators in the Northern Territory do not have a feast and famine situation but an even operation throughout the year?

**Mr CONLAN:** With regard to airlines, as I alluded to, we are in constant negotiation and talks with our airline partners. We have embarked on the \$7m cooperative agreement with Qantas. It was an historical three-year agreement with Qantas we signed on 1 July last year. The Northern Territory's cash contribution over the three years is \$1.2m per year allocated from core international marketing funds. This is very important to us.

Activity highlights include a refresh of the Alice Springs/Uluru inflight welcome program and destination guide. Darwin and Kakadu will be refreshed in the new financial year. Two Australian campaigns ran in September last year and this March, including sales, fares, and digital radio advertising. The September campaign resulted in 2225 flights sold. Qantas is yet to release its March results.

The United Kingdom campaign is currently under way, running from February to July, with major travel partners Trailfinders and Qantas. This includes print and digital promotion of special air fares to the Northern Territory in the *Telegraph* and the Hampton Court Flower Show, one of the biggest events globally.

In Japan, a significant campaign saw the promotion of Qantas flights, including code share Jetstar connections to the Northern Territory and Queensland. Qantas has not yet provided results for the February/March campaign. However, 62 billboards in Shin Ju Ku Station, 53 million digital banner impressions, and distribution of a dedicated guide book amongst 200 travel agencies have been deemed a success by our cooperative partners.

Qantas Contra air tickets for travel trade, media, and business events to the value of \$185 000 have been 100% utilised. This includes some major platforms for Tourism NT, including 52 travel trade famille itineraries which showcased NT Tourism products to 364 delegates. Two examples of the major familles include NT Roundup, which saw 38 travel agents participate in the Alice Springs showcase, an inbound Northern Territory event with 49 international product buyers from 40 trade organisations undertaking a workshop in Darwin.

Qantas business events Contra, was utilised for the Alice Stampede, with 30 business professionals. Results of that include the Association of Superannuation Trustees which will see 350 delegates, and Nova Systems Annual Conference with about 300 delegates.

You mentioned airlines, member for Casuarina. In 2013-14, the aviation marketing budget for international airline projects was \$850 000, in addition to the budget committed to Qantas. We have partnered with SilkAir to the tune of \$350 000. In 2013-14, Tourism NT negotiated its first joint Singapore Airlines and SilkAir cooperative marketing agreement which resulted in cooperative marketing in Germany, the United

Kingdom, Italy, and Singapore. Highlights of that partnership include hosting the famous Singaporean Lady Iron Chef and *Vanity Fair* page 7 article to be published in July, with an equivalent advertising value of about \$600 000. An Italian media trip resulted in 30 articles and a value of \$1.1m.

Tourism NT partnered with SilkAir on tactical campaigns running from May to August 2013 and March to May 2014. These campaigns promoted Darwin as the gateway from Singapore in all markets with integrated print, digital, and outdoor advertising. The airline is yet to provide results; however, it has indicated its interest in running the campaign again.

In the United Kingdom a cooperative partnership with the airline and online travel agent Expedia occurred in January to February this year, with the airline claiming an 11% increase in Darwin flight sales year on year.

In Germany, Singapore Airlines and SilkAir partnered with the lead airline in a campaign built around a 20-page *Dreamtime Now* insert that went to 573 000 readers. The material was linked to special NT packages and the trade partner, Meyer Welstron reported a 36% increase year on year. The Singapore Airlines/SilkAir partnership is extremely important to the Northern Territory, as I am sure you would agree. It positions itself with Darwin as a gateway to northern Australia.

We have partnered with AirAsia to the tune of \$100 000. AirAsia promotion was limited to joint consumer digital promotion around the airline returning to Darwin. It is not expected that Tourism NT will partner with AirAsia in 2014-15, as they are primarily focused on domestic traffic flying outbound to Bali.

We contributed \$200 000 to a one-year agreement between Tourism Australia and Malaysia Airlines valued at \$800 000 which expires next month. Unfortunately, Malaysia Airlines is not in a position to undertake any cooperative marketing in 2014, obviously due to the tragic circumstances surrounding the loss of MH370. Tourism NT, however, stands ready to partner with Malaysian Airlines again as soon as the airline is in a position to commit to cooperative marketing.

We have partnered with Philippine Airlines in a cooperative marketing partnership of about \$100 000. This has been limited in opportunity for the past 12 months, due to the airline's primary focus on moving its residents around the country for work purposes, and promoting its region for inbound holiday Australian travel. However, in recent months, the airline signed an important partnership with STA Travel, the United Kingdom group, to target a lucrative working holidaymaker market. Tourism NT is negotiating to be part of a three-way partnership in 2015.

In a nutshell with regard to what we are doing in aviation, it is important that aviation sits with the Department of Transport.

Marketing, obviously, is critical to any tourism story anywhere, particularly in the Northern Territory where air access is so vital to what it is we have to offer: in 2014-15, Singapore Airlines \$250 000; Philippine Airlines \$100 000; Jetstar \$150 000, Malaysian Airlines \$200 000; new opportunities - we are always looking for new opportunities with airlines - \$100 000 is being set aside for that. That is not including our \$7m cooperative marketing deal with Qantas ...

**Mr VATSKALIS:** Okay, minister, let us have a look at the airlines you brought up. We have an agreement worth \$7m with Qantas.

**Mr CONLAN:** Yes.

**Mr VATSKALIS:** We have seen it pulling them out of Yulara and now negotiating pulling out of Alice Springs. I have learnt today it is very close to an agreement with Airnorth to pull out of Nhulunbuy/Cairns. That is not really a good agreement, is it? You put \$7m in and you are losing three routes. Jetstar left Darwin and went to Adelaide because it had better opportunities there. You have TigerAir flying out.

You have an agreement – and I will give to you; it is a good situation we have an agreement - with Singapore Airlines. But, have you even had a look at what it charges to fly you from Europe to Singapore? I did. I have family in Greece and, every so often, I keep in touch with them. For me, it is cheaper to fly Emirates from Singapore to Athens.

Is partnering with Singapore the best value for money? Would it be better to have an agreement with Emirates, Etihad, or Qatar Air? Yes, they might not be what you think is your market, but a lot of people fly Etihad, Qatar, and Emirates from Germany and England via Dubai or Dhaka to come to Australia, because they are about half the price of what Singapore would charge, even in the best economy price.

**Mr CONLAN:** There was a lot in there. Do you want to have a crack at that one, or should I? I can see you jumping out of the seat. The Chief Executive Officer, Tony Mayell, ladies and gentlemen. He would love to ...

**Mr VATSKALIS:** And we would love to hear him.

**Mr CONLAN:** ... have a chance to answer a question like this, member for Casuarina. It was laced with imputations, speculation, AND false information ...

**Mr VATSKALIS:** Why TigerAir left Alice Springs?

**Mr CONLAN:** ... that somehow Qantas is negotiating to pull out of Alice and ...

**Mr VATSKALIS:** Qantas left Yulara.

**Mr CONLAN:** It is just remarkable that an increase in capacity in Alice Springs is seen by you as a bad thing. Nevertheless, the Chief Executive Officer has done a lot of work with our airline partners. Tony, we can play good cop, bad cop. You have a go.

**Mr MAYELL:** Thank you, minister. Yes, an interesting dynamic around the aviation environment, which I am sure you are aware of. The interesting thing around the last bit of the question, though, or the comment, was in relation to Emirates. Obviously, Emirates and Qantas have a very strong partnership. Part of the agreement and discussions we have with Qantas is how Emirates contributes towards that marketing arrangement offshore. That is still bedding down between those two carriers. The conversations we have with Emirates are around the long haul markets like Europe - you mentioned Athens – in places like Germany and the UK, which are important to us.

Emirates is part of that whole partnership arrangement through Qantas. Qantas is, obviously, the lead entity in the cooperative marketing agreement we have with them. In that cooperative marketing partnership with Qantas, it is very much around looking at the broader network benefit across, not just routes into Central Australia. There has been a lot of speculation around Alice Springs and talk about Qantas' plans there, but we have it on the latest and very good authority that, in fact, that is not on the table at the moment.

Airlines are very vulnerable beasts in how they manage their equipment. There are \$30m or \$40m aircraft. It can come down to 1¢ per seat kilometre more and they are going to get on another route. That will force them to make that decision as to where they put that piece of metal.

At the moment, we enjoy a great relationship with Qantas. It is about how they feed from Sydney and Melbourne, the major gateways, particularly in relation to the international market, and how they service the frequency between those major source domestic markets and the southern states as well.

It is fair to say regarding the other carriers, Singapore Airlines had been fairly dormant until last year. It was only through the intervention of a number of meetings I held with the minister in Europe last year with Singapore management that they understood they needed to become far more active in supporting the SilkAir service between Darwin and Singapore. Unfortunately I cannot see us getting back to the old days. I am not suggesting we are not trying this because, ideally for me, I would love to see a wide-bodied aircraft back on that route. The way the airline environment is structured at the moment, the way partnerships are working, where they commit their metal is something the airlines have the final call on, as I said before.

Singapore Airlines has upped the ante in its activity in markets like Germany, France, and the UK. We have seen pretty good gains on SilkAir, particularly the back end of the aircraft. SilkAir was always doing pretty well at the front end of the aircraft by being able to push Singapore into some of the campaigns the minister mentioned before. We have been able to generate pretty good levels of leisure traffic into the back end of the aircraft as well.

You have a situation where a destination like Darwin has become probably a bit off the radar in the last five or six years in the international marketplace. Now, we are turning it back on again. We are making people aware that these opportunities are there in capacity. There is a direct correlation between fare levels and volume. Airlines work very hard to keep their aircraft in the air as long as they can, in a number of ways, but it is around making sure that services are sustainable. If we are able to generate more volume for them, then there is a bit more flexibility around fare levels as well.

The other bit of work we have done that is starting to bear some fruit now is with the Virgin brand. We think there are great opportunities for Virgin to take a broader stance within the whole Northern Territory. We have been able to galvanise some of their partners offshore. You mentioned carriers like Etihad and those, who are very important. We do not see the tail here in the Northern Territory, but their ability to feed onto the partner airlines like Virgin is considerable. We have ramped up our conversations with those carriers offshore. They are now putting pressure - not just us – and joining us as partners to talk to Virgin about the opportunity of putting more Virgin tails into the Territory, both in Central Australia as well.

That is where we are hurting at the moment, between Central Australia, in particular, and the Barrier Reef and also Central Australia and the Top End, in not having a competitive tail to the Qantas brand as well. Qantas has done a terrific job, but it would be great for us to be able to provide that air pass-type option to the broader market as well.

We work very hard with the carriers. Jetstar has been a good entrant for us. Ideally, you would love to have a mix of all the brands in the marketplace for sure, because they deal with and suit different markets. Their forward loadings for the services that are about to start to Yulara out of Melbourne are very good. We have been working very aggressively with Jetstar on some of their new routes, particularly when they came on to the Sydney/Yulara service. That has paid off for them and for the resort. Any conversation we would have with Voyages would suggest they have turned the corner as well. It is all because of the different mix of airline capacity and choice for consumers now.

We never stop playing in this space. It is one thing we are very keen to look at, not just the passenger side of things, but also the broader government perspective in relation to freight because, at the end of the day, that can make up the difference in the economics of an aircraft operation.

**Mr VATSKALIS:** Thanks. You see, minister, he agrees with me. More than one airline and Etihad and Emirates should be in the equation.

A couple of other questions. The Tourism NT website says: 'Tourism NT's overall budget is \$44.7m in 2014-15, compared to an estimate of \$45.9m for 2013-14'. But, last year's budget papers said that budget for Tourism NT in 2013-14 was \$50.6m. Why is there such a discrepancy between what you say in the website and what there was in the books last year?

**Mr CONLAN:** Those variations are to do with the licensing under Territory Discoveries and NT Major Events moving into Department of the Chief Minister.

**Mr VATSKALIS:** That was a \$5m variation, was it?

**Mr CONLAN:** Absolutely. NT Major Events is about \$5m. Let us have a look. Total operating expenses budget for 2013-14 originally was \$54.28m and the final budget estimate for 2013-14 is \$45m, a decrease of \$8.298m. The main reason for the decrease was the transfer of NT Major Events to the Department of the Chief Minister, which is less \$5.75m, and the Department of Sport and Recreation, along with the licensing of Territory Discoveries \$2m.

The amount for Territory Discoveries (TD) was the combination of a small amount of savings achieved from its closure, along with additional reductions associated with consolidating TD's accounts into Tourism NT's - for example, the removal of Territory NT's investment in Territory Discoveries. These reductions were offset by the transfer of staff and the tourism investment function into Tourism NT from the Department of Business. That was about \$418 000.

**Mr VATSKALIS:** Thank you. Madam Chair, we can move to the next output.

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

#### **OUTPUT GROUP 4.0 – TOURISM NT** **Output 4.1 – Marketing**

**Madam CHAIR:** The committee will now proceed to Output Group 4.0, Tourism NT, Output 4.1, Marketing. Are there any questions?

**Mr VATSKALIS:** Minister, you claim to be spending an additional \$7.5m in 2014-15 to market the Territory in the international field. It is actually down from \$15m in 2013-14 to \$13.6m in 2014-15. Can you tell us why there is such a difference?

**Mr CONLAN:** Sorry? The difference in?

**Mr VATSKALIS:** Okay, I will repeat it. You claim you are spending \$7.5m in 2014-15 in international marketing ...

**Mr CONLAN:** It is an additional \$7.5m, not \$7.5m ...

**Mr VATSKALIS:** An additional \$7.5m. But it is actually down from \$15m in 2013-14 to \$13.6m in 2014-15. Can you tell us why there is such a difference?

**Mr CONLAN:** I am not sure, just a moment. I am not sure if that is correct. We might have to get some figures because that is not – yes, we will have that information.

**Mr VATSKALIS:** Happy to take it on notice if you want.

**Mr CONLAN:** It is not down, so I am not sure where your information is from. It is not from the budget paper.

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#### Question on Notice No 7.9

**Madam CHAIR:** Member for Casuarina, would you like to restate the question?

**Mr VATSKALIS:** You claim to be spending an additional \$7.5m in 2014-15 to market the Territory internationally. But, it is actually down from \$15m in 2013-14 to \$13.6m 2014-15. Can you explain to us why there is such a difference?

**Madam SPEAKER:** Minister, do you accept the question?

**Mr CONLAN:** The question is, with great respect, a little misleading because it is not a reduction in marketing per se. But, to provide you with the correct information we will take that question on notice.

**Madam CHAIR:** That question will be No 7.9.

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**Mr VATSKALIS:** Minister, you forecast a sizeable increase in visitor expenditure from \$440m domestic to \$507m, and international from \$306m to \$330m. What are these forecasts based on, considering you are not supporting events like the Arafura Games to attract tourists? How do you establish these forecasts? What do you based this increase in visitor expenditure on?

**Mr CONLAN:** The Arafura Games is not the sole provider of visitation to the Northern Territory. In fact, it is wrong to suggest the Arafura Games brings an enormous amount of money and tourism to the table - it does not. The government considered very carefully the Arafura Games, its impact on tourism and what it did, and we moved to replace the Arafura Games with Festivals NT.

With regard to our forecasts, they are quite ambitious targets. It is set out in consultation with Tourism Australia. All state tourism jurisdictions meet regularly to discuss the increase in visitation to Australia and, in this case the Northern Territory. We have set a pretty ambitious target in our Tourism 2020 Vision. You will see some of those key deliverables in Budget Paper No 3. Many of those targets are set with regard to our marketing spend and what we want to generate from that marketing spend. Let us remember we are putting \$30m worth of marketing into the Northern Territory, marketing the Northern Territory as a preferred holiday destination above all others.

**Mr VATSKALIS:** Minister, you said the Arafura Games does not bring tourists to the Territory. If this is the case, will you cancel the Masters Games in Alice Springs?

**Mr CONLAN:** Absolutely not, but these are questions relating to the Appropriation Bill of 2014-15, so that is ...

**Mr VATSKALIS:** No, this is an issue. I say the Arafura Games brings – and that is visitation - and you say it does not. If this is the case with the games, are you prepared to cancel the Masters Games in Alice Springs? I have the opposite view to you. I support both events because I know they bring visitors into the Territory.

**Mr CONLAN:** When the 2016 election campaign begins you can campaign heavily to bring back the Arafura Games. Go for your life by all means, it is your prerogative. We have a different view. My view is people are terrified we will bring it back. The Arafura Games has run its course. If you are so committed and convinced the Arafura Games is a huge money and visitation spinner to the Northern Territory, by all means make it a key platform for the 2016 election campaign. That is your prerogative. You do what you want. We are doing what we believe is the right thing.

**Mr VATSKALIS:** If the Arafura Games has no impact on bringing people here, how do you attribute the reduction in holiday visitors to the Top End from 441 000 to 389 000?

**Mr CONLAN:** That would be largely due to the lack of resources and marketing money allocated under the previous government. The previous government had 11 years to invest and reinvest into tourism. We took over Tourism NT and it was in a pretty sad state of affairs.

**Mr VATSKALIS:** Minister, this is your prediction for 2014-15. That is not what happened in the past. This is a prediction in your budget books about 2014-15. You are talking about a reduction in visitors for the next financial year. You cannot blame the previous government, including the Mills government, for what will happen next year.

**Mr CONLAN:** Thank you for that statement. Next question?

**Mr VATSKALIS:** Minister, Tourism NT has estimated that in 2012-13 the cruise ship industry generated approximately \$66.8m. That, of course, was one of the failures of the previous government, building a reception centre at the wharf and making sure more cruise ships arrived. What is the estimate for 2013-14 and 2014-15?

**Mr CONLAN:** Sorry, for what?

**Mr VATSKALIS:** For the cruise ship industry. What is the income that would be generated in 2013-14 and 2014-15? What is your estimate?

**Mr CONLAN:** We can provide that for you. We are estimating about 36 747 passengers coming through the Top End. With regard to actual spend and what that will bring to the table, we will take that on notice. Obviously, it will be significant.

**Mr VATSKALIS:** Thank you.

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#### Question on Notice No 7.10

**Madam CHAIR:** Member for Casuarina, can you restate the question for the record.

**Mr VATSKALIS:** Tourism NT estimated in 2012-13 the cruise ship industry generated approximately \$66.8m. What is the estimate for 2013-14 and 2014-15?

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

**Mr CONLAN:** Yes.

**Madam CHAIR:** That question is No 7.10.

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**Mr VATSKALIS:** One thing that nobody would doubt is that fishing brings a many tourists to the Territory ...

**Mr CONLAN:** What does, fishing?

**Mr VATSKALIS:** Recreational fishing. What plans does the government have to promote recreational fishing opportunities to bring more visitors to the Territory?



**Mr CONLAN:** Government has continued quite aggressively with recreational fishing. It is a key part of our lifestyle and our product in the Northern Territory. Recreational fishing actually sits with the Minister for Primary Industry and Fisheries, but I will expand a little when it comes to tourism.

We have identified the need to refresh data on the tourism fishing sector in order to assess the economic value of the sector to the visitor economy. Our aim is to identify and evaluate the two niche markets within fishing - day and half-day fishing tours and extended fishing holidays - as separate from the overall recreational fishing data provided by the Department of Primary Industry and Fisheries.

This Northern Territory government data includes the economic value of recreational fishing from local residents, as well as those who may be visiting the regions specifically for fishing experiences, but it does not distinguish between the two. This will enable us to make evidence-based decisions on the ways to support and add value for fishing tourism operators in the Northern Territory.

Fishing is just one of the many of the great experiences you have identified, member for Casuarina, tourists can have while they are in the Northern Territory, just as bush walking and canoeing. We promote these types of experiences as part of a wide range of available things to do in the Northern Territory. It is all about doing things in the Northern Territory. Our Do the NT campaign shows you just how you can do a great fishing holiday. I direct you to the website [travelnt.com](http://travelnt.com).

**Mr VATSKALIS:** AFANT keeps telling us how many millions of dollars recreational fishermen spend every year coming here for recreational fishing. Are you worried with the news that there is possibility of damming the Daly and other rivers? Are you worried about the allocation of water that might impact these rivers? We have already heard arguments from AFANT and other bodies. As the Minister for Tourism, are you worried about something that may have a negative impact on people visiting the Territory?

**Mr CONLAN:** This is with regard to the 2014-15 Appropriation Bill for Tourism NT. If you have questions with regard to your other portfolio of Primary Industries, I suggest you ...

**Mr VATSKALIS:** I do not have Primary Industries, minister. I also have the shadow portfolio for Tourism. I am asking you something that might affect the things that bring tourists here. Are you worried about the impact it will have on people visiting the Territory?

**Mr CONLAN:** This is about Appropriation Bill for 2014-15 for Tourism NT. I do not see how that has any relation to the Appropriation Bill for Tourism NT.

**Mr VATSKALIS:** You claim you have \$500 000 for tourism infrastructure in product development. That is a grant program you have. What proportion of this is allocated to East Arnhem?

**Mr CONLAN:** It is a grant program, so nothing has been allocated. Those who would like to access the grant can, whether they be in East Arnhem, West Arnhem, Central Australia, the Barkly, or Tiwi. It is open to anyone who wishes to apply.

**Mr HIGGINS:** Can I just butt in on that, because I have a question on that, minister? Can you outline a bit more. You know I have an interest in all of this?

**Mr VATSKALIS:** A vested interest?

**Mr HIGGINS:** A vested interest. I presume this grant program is around one of the problems that tourism always has developing new tours and so forth. I presume it is directed at that. Can you give us a bit more information on how this grant program is working?

**Mr CONLAN:** I can, and I thank you for the opportunity, member for Daly. A significant investment of \$500 000 in funding has been allocated for a tourism infrastructure grant program for the tourism industry. It demonstrates the absolute commitment by the Northern Territory government to get the tourism industry back on its feet.

Since the announcement on budget day last month, Tourism NT has been inundated with inquiries from tourism operators around the Northern Territory – all parts of the Northern Territory - wanting to improve their operations or get new tourism experiences up and running. It has been terrific to see the high level of interest in this new program. It shows that this type of government support is welcomed by the industry.

We have had inquiries from operators wanting to improve existing infrastructure, or looking at developing new concepts to improve the quality of experiences guests could receive by use of the grant money. Operators are looking at how they can use the funding on modern technology such as WiFi infrastructure which is very important these days.

The program has a particular focus on regional and remote areas of the Northern Territory which will help our plans to develop northern Australia. It will also help grow new tourism experiences and businesses, which will help provide more jobs for Indigenous people in the bush.

Very important further examples of possible projects include the implementation of new technology to improve tourism experiences, development of experiences that diversify options in the region such as niche experiences, value adding to existing experiences or infrastructure to access solutions on private land to encourage new markets regarding the connection to essential services, infrastructure to support new markets like education, fishing – again - or mountain biking.

The total grant pool, member for Daly, is \$500 000, which is available with one-off grants between \$25 000 and \$100 000 to successful applicants. It has been very well received. Submissions close tomorrow, 13 June 2014. If you are listening to the broadcast I encourage you to apply if it is something you might see would benefit your tourism business, or any tourism infrastructure program across the Territory.

**Mr VATSKALIS:** Minister, I thank you very much for that. You talked about supporting Indigenous tourism. Can you tell us how you support Indigenous tourism development? Can you provide a regional breakdown of marketing support to areas outside Darwin and Alice Springs, and the number of Indigenous businesses currently operating?

**Mr CONLAN:** We do not discriminate between Indigenous businesses or any particular business. Tourism NT's role is to provide marketing support for any tourism business. The Department of Business and the Department of Community Services provide incredible support to Indigenous start-up businesses. Once that business is up and running then, whether it is an Indigenous business or not, Tourism NT will assist in helping market that business in the marketplace. But, we do not specifically provide assistance to any particular business because of the type of business it is.

That is a question for the Department of Business, which has a range of products available to Indigenous start-up businesses, and also the Department of Community Services. But, once the business is up and running, if it is a tourism business, then Tourism NT will assist with marketing initiatives.

With regard to the other part of the question - breakdown of regional tourism?

**Mr VATSKALIS:** How many Indigenous tourism businesses are currently operating in the Territory?

**Mr CONLAN:** Indigenous tourism businesses?

**Mr VATSKALIS:** Yes.

**Mr CONLAN:** We could probably give you an off-the-top - this is estimates, we need to be a bit more specific. We can take that one on notice for you if you like.

**Madam CHAIR:** Member for Casuarina, please restate the question.

**Mr VATSKALIS:** How many Indigenous tourism businesses currently operate in the Territory?

**Madam CHAIR:** Do you accept the question?

**Mr CONLAN:** Sorry, no. I have just been told I cannot take that up because we do not actually know. That falls under the purview of the Department of Business. They will have all that information. I can give anecdotal, you want specific.

**Madam CHAIR:** Thank you, minister. It is now 7.05 pm. We will break for half an hour for dinner, and will recommence at 7.35 pm.

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The committee suspended

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**Madam CHAIR:** Welcome back everyone after the break. We are here with the Minister for Tourism and still in Output Group 4.1. Are there any further questions?

**Mr WOOD:** Yes, just a couple of questions, minister. Tourism, of course, is important for parks. Over some of the previous years, park visitor numbers have declined - not everywhere, but there is a declining trend. Do you work with Parks and Wildlife to try to promote our parks as part of your tourism marketing – not just the big parks either, there are a lot of little parks that are really important?

**Mr CONLAN:** I cannot begin to tell you how much we work with parks. As you may remember, I was the Parks and Wildlife minister as well when we were first elected. We work very closely with parks. The whole point of putting those three - Parks, Sport and Tourism - together was because they all leverage off each other. Parks and Sport can tell a fantastic tourism story in generating incredible benefits.

Sadly - and honestly due to Cabinet reshuffle - I have lost Parks and Wildlife, but it has been picked up by Bess Price, who is doing a fantastic job.

Yes, I have to say it is not lost on minister Price either and Andrew Bridges, who are doing a fantastic job. I urge you to put that question to the Minister for Parks and Wildlife next week, because Parks has done an incredible amount of work in that space.

The parks master plan is still in draft form so it is not released yet, but it is currently before Cabinet. Without going into too much detail, it is an incredible document. Once released, it will explain exactly what we are doing in the parks space with regard to tourism. We made a conscious decision, as a government, with regard to tapping into the tourism potential of our parks, to focus on the front end. A lot of focus had gone into the back end of parks, but we had to make sure the front end of parks were presented well - the visitor experience or, if you like, the customer or consumer interface – and the amenity of our parks was absolutely pristine, or as best as it possibly could be, because first impressions, as you know, are so vital.

People come to the NT to visit our parks. They are one of our biggest assets, clearly right up there in the visitor experience. We are endlessly working with Parks. Tony Mayell, the CEO, and our team at Tourism NT have a terrific relationship with Parks and Wildlife. As I said, I cannot overstate enough the importance of parks to our whole tourism story. So, absolutely, categorically, the answer is yes.

**Mr WOOD:** I love the parks too. If I can get out of this place, I try to visit parks. I must admit, I went to Limmen National Park last year. Your biggest problem there - and I am not saying it is your problem - was the access on the Savannah Way because there were a lot of mining trucks there. How do you work with other government agencies in relation to say, the Savannah Way?

It is popular road from a tourist point of view, especially with four-wheel drive people. Word went around very quickly, because I was at the caravan park. It was putting people off travelling through that part of the Territory because it was so rough and full of bulldust. All right, it is an adventure, but it was more than an adventure, it was dangerous. There was a man killed on that road at that time, who ran into bulldust and tipped over. Do you work with the Department of Transport on issues like the state of the roads?

**Mr CONLAN:** Absolutely, the Department of Infrastructure, in particular, with regard to the state of our roads. What you said about the Savannah Way is interesting. It is one of many roads or four-wheel drive tracks. You could sit in a room full of tourism operators and talk about these type of experiences and half will say, 'Yes, we should be sealing that road to create greater access for our tourists', and the other half would say, 'No, no, do not touch it because it is all part of the greater four-wheel drive experience'. In any one room there will be 100 different opinions on what you should do.

Yes, it is a critical piece of the Northern Territory experience. This government has made a conscious decision. I am thrilled to be part of this government and that my Cabinet colleagues have taken on tourism. It is a wealth generating industry for the Northern Territory and they all acutely understand how important tourism is to the greater Northern Territory economy, hence the approval of the additional \$8m - ongoing \$7.5m for marketing and this year, \$500 000 has been slated for tourism infrastructure projects.

There is our grants program which we talked about, which will assist those operators wanting to set up an operation in our parks, who may have seen an opportunity in any number of our parks. I cannot tell you, I have not seen the applications. Even if we knew them, we would not disclose who has applied for those grants. I bet London to a brick, there would be a number of operators who would want to set up operations in our parks to enhance our tourism product.

**Mr WOOD:** You also look at micro-tourism. I am not being silly here, but there are things like day tours around Darwin. There are the standard ones like jumping crocodiles, but there are lots of places in Darwin and in my own area people do not know are there, like McMinns Lagoon. How many people visit Knuckey Lagoon? It is a beautiful area for bird watching. That is a park and McMinns is a council area. Also, you get people who do walking trips. If you look on the website you will find people take small groups out walking through the bush. They are a good part of tourism – not the big Litchfield-Kakadu sort of side of it, but the micro side.

Do you work on trying to develop some niches or some - how would you say? - smaller potential tourism sites? Visitors come to Darwin and they only have half a day, and some of them go to jumping crocodiles. Do you try to promote those areas and look for new ideas for people when they come here?

**Mr CONLAN:** Yes, we do. We have a new campaign called Do the NT - not only doing the NT, but how to do the NT, and ways you can do smaller, more niche-type experiences. A lot of that falls squarely with our regional tourism organisations, our RTOs. That is Tourism Top End and Tourism Central Australia, which we fund. Is it about \$1.7m? It is about \$1.7m to run Visitor Information Services. That is the Visitor Information Centres you see across the Northern Territory. Just round the corner here is Tourism Top End. They are primarily responsible for that particular operation, if you like.

Tourism NT's primary role is to promote the Northern Territory as a holiday destination, to market it as a holiday and business events destination. I am trying to use a marketing analogy - push and pull. Tourism NT is there to pull the visitors to the Northern Territory away from visiting other places. The market is so cluttered at the moment; there are a million holiday ideas out there for people. We want to pull them away from that one, and pull them towards the Northern Territory. Then, it is up to the RTOs to push them out to these other experiences.

**Mr WOOD:** Are the RTOs doing anything with, not just Defence, but we now have the US Marines permanently stationed in the Northern Territory. Is there an attempt to let them know what is going on? I was at the Pearl of the North rodeo a couple of weeks ago, and there was a great bunch of Marines there. Again, these are the new things that are happening. We have these people coming on a regular basis, so ...

**Mr CONLAN:** To be specific, you would need to speak to the RTOs about that. Our military history and tourism is very significant. I do not think we have really maximised that potential.

**Mr WOOD:** I agree with you.

**Mr CONLAN:** You see what the Bombing of Darwin has become and the significance of Darwin and the role it played during the war. Obviously, the broader Darwin area, right down through to Adelaide River, and even down to the Centre to a lesser degree – but Darwin in particular - played a significant role. Military tourism, in that sense, is something I do not think we have fully maximised yet.

**Mr WOOD:** I agree. Look at the effort it took - I was part of it, not bragging - to get Strauss Airstrip protected from being part of the Stuart Highway. That is why it goes around ...

**Mr CONLAN:** I remember.

**Mr WOOD:** It is a great place. We have many other airstrips that could also be done up: Fenton, which is worn out a bit, and this long airstrip which is next to Fenton. You do not know it is there because it is in Douglas Daly Station, or Douglas Station. It has hardly been touched since the war.

There are places people would love to come and see because we are so unique. There are no other places in Australia which have physical buildings and airstrips that came from the war.

**Mr CONLAN:** When you start to unpack tourism you see there is so much to it. It is not just lying on a banana lounge and having a week's holiday around the pool. It can be that, and it is that to a lot of people. But, there is also cultural tourism. The cultural experiences that can be offered in the Northern Territory are second to none. There is the military side of things. It is the adventure tourism. We have a pretty high adventure experiences in the Northern Territory you cannot get anywhere else. There is a lot to it.

**Mr WOOD:** I have supported the idea of having a World War II heritage section, like we have with Parks and Wildlife – a small department that has rangers who look after those airstrips, so there are people there to interpret and protect those areas as well.

Thank you for that. One other thing. The government sold NT Discoveries. Is that correct?

**Mr CONLAN:** Leased it.

**Mr WOOD:** Leased it. I am not an expert on these things, but I was told this has been leased to a company which is based in Queensland?

**Mr CONLAN:** Victoria.

**Mr WOOD:** Right. Do they do a lot of work in Queensland?

**Mr CONLAN:** They operate Sunlover Holidays as well.

**Mr WOOD:** The concern that was expressed to me is because they have interests in different states, then they have an internal competition as to where they promote areas that tourists should go. Is that an issue?

**Mr CONLAN:** No, I do not see that as being an issue at all. AOT, which is the organisation, is die-hardedly committed to the Northern Territory. There is a strict set of KPIs around what it needs to achieve during this leasing arrangement. I have just been handed more detailed information on that, which I will read to you.

As a result of leasing Territory Discoveries, we were able to achieve a saving of \$2.542m - bear with me, member for Nelson. The break-up:

AOT Group, which is a commercial-in-confidence organisation: the licensing agreement includes key performance indicators which are monitored on a monthly basis by Tourism NT. KPIs include gross sales, average booking values, contracted NT operators, and call abandonment rates. The contract expires on 1 February 2017 when AOT will have the option to continue as the licensee on a month-by-month basis or extend the licence for another year. This allows Tourism NT to offer the business for sale at any time during the licence period.

Territory Discoveries is on track to improve the 2013-14 budgeted deficit of \$113 000 and, at this stage, looks likely to achieve close to a balanced budget. Territory Discoveries has been consolidated into Tourism NT's 2014-15 budget and, as a result, it is not seen separately in the budget paper. That is more of a financial detail.

With regard to your question, as I have just read, there are some very strict KPIs around that and they are monitored monthly.

**Mr WOOD:** Quickly, what does AOT stand for? It sounds like Any Old Tours.

**Mr CONLAN:** Australian Online Tours.

**Mr MAYELL:** No, Australian Outback Travel.

**Mr CONLAN:** Australian Outback Travel.

**Mr WOOD:** So, it is not Any Old Tours?

**Mr CONLAN:** It is not Any Old Tours, no. This is important, so I will ask Tony, the Chief Executive, who is very close to this and was pretty much instrumental in bringing this to the table to expand on that. I can see how it can be a concern, and this is a good platform to be able to explain that.

**Mr MAYELL:** Thank you, minister. With AOT what was really attractive to us, and what it has already shown, is the capacity to generate business from all over Australia. Its initial business was very much a small tour operation in north Queensland, which brought tours through the gulf into the Territory as well.

Then, the Victorian government incentivised it very heavily to move the operation to Melbourne because it became, if you like, an iconic product for international travellers, particularly out of Europe. The Victorian government wanted to have a high-quality tour operation base in Victoria.

These days, AOT is what is known as Australia's largest inbound tour operator. It manages the affairs of travellers from all over the world, putting together their total itineraries when they come to Australia.

Several years ago, it was also involved in a couple of smaller domestic operations called Travel Marvel and, as result of the owners wanting to expand their domestic business base, it entered into negotiations with Tourism Queensland, as it was then, to take on the Sunlover Holidays brand, which most people would be familiar with. It is a very large Queensland-based holiday program. That augmented the overall mix of product it sells in Australia.

Its ability to negotiate with airlines and get brochures on the racks of all the major agents in Australia was something Territory Discoveries never really had. We, all of a sudden, got into that state with a more critical mass behind the product and behind the Territory product operators.

It was important for us to make sure that, as part of the KPIs the minister referred to, it maintains the level of contracted Northern Territory operators. What spawned Territory Discoveries in the first place was, in all the other wholesale operations in Australia - the Qantas Holidays and those sorts of groups - there was only a very small percentage of the total Northern Territory tour product contracted.

Territory Discoveries came in, changed all that, went from 70 products to about 170 products overnight. AOT, as part of its charter to us is to maintain that level of contract. We are seeing more and more NT product in the market than we have before. One of the stats we saw recently is its average sale, even with Territory Discoveries as it was operated by us, generating sales with an average value of about \$1700. AOT, these days, is churning out bookings with an average value of \$2400. Through its professionalism and ability to maximum its distribution partnerships, we are starting to see some benefits flowing through to our industry pretty quickly.

**Mr HIGGINS:** I have a few questions, minister. The member for Casuarina said personal interest. Yes, I have a personal interest in tourism. I first became involved with tourism with one of the regional tourist associations. One of the things that amused me - it took me ages to work out what it was – was they would talk to me about collateral. I used to think these people ran around killing everyone. Anyway, I have seen one of the brochures.

There is one thing I want to get a bit more information on. People like me, with tourism businesses the size we have, get a bit confused. Earlier this year, we put out the tourism vision statement for 2020 and I would like to know how that is going. I also want to see how that relates to the new program, Do the NT, or the new brand - and we have recently come up with the Mates of the Territory. I want to know about each of those and how they relate to each other. Sometimes, people like me - I understand it now - in the industry get confused with some of this. I know that is a long question, minister, but if you can see where I am coming from that would be good.

**Mr CONLAN:** Thank you. I do, member for Daly. Do the NT is part of our domestic marketing campaign so that might be a good place to start. The 2014 budget - we are talking, essentially, about the appropriation here - is a significant step forward as we continue the government's priority to boost visitor numbers in the Territory.

An amount of \$17.5m has been allocated for domestic marketing activity in 2014. The funding will be used in partnership with tourism retailers, airlines, and other partners highlighting experiences across the Territory which will include: \$8.2m in cooperative activity to drive sales and trade training; \$3m for branding and regional awareness promotions, including corporate sponsorships; and \$650 000 to capture and update imagery of tourism experiences across the regions.

We will be encouraging visitors to stay longer and, of course, spend more. The funding will allow us to broaden our reach inside metropolitan target markets, and will also empower operators to maximum marketing opportunities. We will continue the momentum of converting interest into sales for the Northern Territory tourism industry, and build on the groundwork already completed. Obviously, conversion is what we want. We want people to book a holiday.

We promote how to Do the NT, as he said, by highlighting hotspots and key itineraries across the Northern Territory's multiple destinations, taking some of the effort needed to plan a holiday away from consumers and make it easier for them to book. It is important that not only people decide on a holiday in the Northern Territory, now we can assist them on putting that experience together and show them the sorts of things they can do. In other words, as we have branded, how to Do the NT.

We will continue to work with trade partners and develop effective and motivating cooperative marketing campaigns across every available sales point, and penetrate further into target markets by entering areas such as regional New South Wales, Victoria, southeast Queensland, and Adelaide.

We will improve current research to obtain more information on which to base decisions for each of the regions and sectors, and share this with industry to provide insights on how we develop marketing campaigns for each region.

Cross-government engagement, member for Nelson, with Parks and Wildlife and Parks Australia particularly - Parks Australia, of course, has control of Australia's greatest icon, Uluru – is assisting with website improvements and cross-selling destinations. We will continue with our digital marketing, leveraging our 200 000 social media fans to help sell the destination to consumers considering a visit to the Northern Territory, and also develop digital families for trade.

We will continue to improve our online presence so consumers can access information day and night to find out about the NT. This will also empower operators to maximise all the marketing opportunities available through Tourism NT marketing programs, partnering with Tourism Australia to increase distribution online to large and small operators, sharing branded shell documents, if you like, templates and imagery which expands the visibility of the brand. That is high-level marketing speak but, yes, you can see how important it is and what we are doing in that space.

Tony may want to expand a bit on the Do the NT campaign. Research had shown us the Northern Territory was really seen as a place where you cannot do things - you cannot climb, swim, access parks which are off limits, walk around that spot or drive through that particular area. It really was a problem for us. One of our biggest hurdles was that people were aware of the Northern Territory, they knew what it was about. There have been decades of positioning or branding the Northern Territory as this wonderful destination it is, but it became a bit confusing for the consumer because they were unsure how they could go and experience the Northern Territory. There were many conflicting messages with regard to what you can do in the NT. As I said, it was: cannot swim, cannot fish, cannot climb - all that sort of stuff. It was important to try to turn that around, and that is what we have started to do.

We spent a lot of effort and resources last year creating this brand, Do the NT, and we are starting to see the result of that. Tourism does not happen overnight. It is the old saying, 'There is a long lead time from when someone plans their holiday and actually has it'. People, hopefully, will be planning their holiday for the Northern Territory this time next year. Those who are visiting the Northern Territory now would have planned this holiday probably well before Christmas – at least six months before. It may be three but it probably six, and likely more.

As I said, the marketplace is so cluttered. There are so many inexpensive options to travel. There are so many holiday options; everyone is desperate to compete for the holiday dollar. We have to ensure we stand out, because you may only have that one once-in-a-lifetime family holiday. You may only want to take the kids away on one big family trip before they fly the coup. You might only have one opportunity and we want to be on the radar. We want to be a realistic option for them.

Then, there are the cashed-up baby boomers, the over 55s, which is a huge potential market for us. They might only do a huge trip once in their life, so we need to ensure we are very active in that space, and we are a preferred option when it comes to every other jurisdiction competing.

I believe that answered your question. You touched on the Mates of the Territory and I would like to talk on that because ...

**Mr HIGGINS:** I was going to ask if you could expand on that.

**Mr CONLAN:** Research has shown us that word of mouth is probably the best marketing tool. It does not matter how much you spend - you can spend \$1bn marketing a particular product - if everyone who has it does not like it and they are telling all their friends, you have no hope. We want to be able to spread the word-of-mouth message that the Northern Territory is a great place to visit. It is incumbent on all of us who live in the Northern Territory, when we are travelling around Australia or the world - wherever we go - to sell the Northern Territory. We are all ambassadors for the Northern Territory. It is not limited to the people we have brought on board as mates.

We have some super stars like Lisa Wilkinson, Matty Hayden, Layne Beachley and Lynton Tapp - there are a few here. Here they are. Lauren Bath is Australia's first professional Instagrammer, if that means anything to you. Probably not to you, member for Daly, but anyone under 30 would probably know what I am talking about ...

**Mr HIGGINS:** I have only been there twice – 30 twice.

**Mr CONLAN:** There is also Mark Barretta, and Tahan Lew Fatt, former Big Brother runner-up. These are people who tap into our particular demographics. They are recognisable to our 18 to 35s and our over 55s. The idea is to raise awareness through social media. They are Facebooking, Instagramming, Tweeting. As they are out and about going through their daily lives, they are continually promoting the Northern Territory through social media. Social media is where it is at at the moment. It has only just begun. I am not sure, Tony, if you would like to expand on some of that?

**Mr MAYELL:** Yes, thanks, minister. It is early days for the mates program and we are not limiting to the names the minister went through there. It is a matter of identifying the audiences we think we have a genuine connection to in the product offers we have here, then finding the right spokespeople who become mates for us.

It is a bit similar to the other program we initiated last year of the business ambassadors. That is a group of pretty high-powered professional people at high-level corporate Australia who move in those networks. Their task and responsibility is about driving conference business to the Northern Territory – again, finding the right people to talk to that right audience.

It is early days yet, but with Lisa Wilkinson's announcements in the last week or so, by any measure if you look at the exposure the NT received from that announcement and her involvement in the very first phase of that, it was enormous publicity value. We will continue to build on that.

Minister, you talked of the 2020 Vision. That is something that has been taken on nationally by Tourism Australia, and each state has, basically, followed suit with that. We have taken what we think is a very responsible approach in what we believe we are able to deliver, based on current performance and what we believe the market is going to be doing. We keep track of that and report against that to our board and to our industry as well.

On the other point in relation to how we keep our industry informed, we are becoming far more active than we have been in recent years in relation to providing industry updates. We do that as regularly as we can online, and also via video and that sort of thing. We are also quite active in getting more in front of the industry physically. We have just had a road show throughout the Territory recently headed by a number of our marketing people. That is an opportunity for us to talk one-on-one, but also in small groups with small or large groups of industry, and keep them updated on exactly what we see as the priorities, and for us to learn from them as to where they see opportunities as well.

It is an area I am pretty proud to say we have really lifted our effort in. We understand how important it is. There is a lot going on for the industry, particularly small operators, and it is important that they understand where the opportunity is as it relates to their particular business. We are doing a lot more work in that area.

**Mr HIGGINS:** Given that ...

**Mr WOOD:** We have an hour-and-a-half and we have Museums and Sport.

**Mr HIGGINS:** I just want to get these out of the way, Gerry, on tourism.

**Mr WOOD:** Yes I understand that, but you are in the government and you can always find out. We are not in the government. This is our only means of finding out ...

**Mr BARRETT:** He is on the committee ...

**Mr WOOD:** No, no. The PAC traditionally is the ...

**Mr BARRETT:** Traditional ...

**Mr WOOD:** No. It is that for a reason, because we are questioning the government. That is the reason.

**Mr HIGGINS:** These are interests of mine, minister. You mentioned in your talk before about updating the portfolio of photographs, which I know was around years ago, and people in the industry could get access to it. When we talk about the digital age, are we linking those together? How are we helping people in the industry? When this was originally done, we had an Internet site. I know a lot of that has changed, even from the grey nomads who come through our place. What are we doing in that area to help those people? I am technically ...



**Mr CONLAN:** In the digital space?

**Mr HIGGINS:** Yes, the digital space.

**Mr CONLAN:** All right. I understand, member for Nelson. I will read this. Those who use social media, obviously, member for Daly, understand the power it can have in luring more tourists. As I outlined in the previous answer, money just cannot buy that sort of exposure. The Royal visit and the touring Ashes side last year in Alice Springs would demonstrate that. The power of the exposure the Northern Territory received through digital media for those two particular events alone was unbelievable. We could never, ever try to fathom the price on that. It is priceless, to be perfectly frank.

By boosting the budget by \$8m, it is critical we can ensure we can market the Northern Territory all day, every day. We can do that by social media. It is a key platform of the way we are going to market the Northern Territory.

The increased funding and investment will allow us to do some innovative marketing in the social media space which will, we hope, boost tourists to the Northern Territory. For example, in May, the Northern Territory staged its first ever Instameet at the Mindil Beach Sunset Markets. For those who do not know what that is, it is using popular social media platform, Instagram. Do I need to explain that?

**Mr HIGGINS:** The member for Solomon uses that, I think.

**Mr CONLAN:** Yes, probably. I think she does. Many people do. This is the thing, Instagram is pretty popular. It is extraordinarily popular. As I said, we even have a professional - someone who is making a living out of being an Instagrammer. Using the popular social media platform Instagram and Instameet sees prominent Instagram account users, or Instagrammers, descend on a location, promoting that location to their hundreds of thousands of fans and followers through sending out fantastic images and hash tags.

The Northern Territory's first Instameet saw seven prominent Instagrammers, with a combined following of more than 800 000 fans, promote one of the Top End's iconic attractions to the world - the Mindil Beach Sunset Markets. As I said, it is one of the many ways and many innovative tools we have used to market the Northern Territory. It is a first for the Territory and will reflect the excitement of holidaying in the Northern Territory, particularly to the younger generation, our 18 to 35s.

Using social media is also a key strategy for Tourism NT to spread the Do the NT message - #dotheNT or #NTAustralia. The local Instagram fans are also able to get involved by using the #NTAustralia on photos taken at Mindil Beach.

A quick look through the corporate website will show you, as a tourism operator, exactly what we are doing to assist operators in the digital space. It really is quite remarkable. It is ground-breaking. All the team working for Tourism NT are exceptional, but some of those who work in the digital space are world leaders - absolute pioneers. It is an exciting time to be involved in tourism in the Northern Territory. This is the next big thing ahead of us: digital marketing, digital activation - you name it. If it is the digital word, Tourism NT is involved in it. It is critical to the story we want to tell.

**Mr HIGGINS:** I am not going to ask another question. I point out that I went out to dinner with my grand-daughter for her 18<sup>th</sup> birthday a couple of weeks ago, and I did not feel embarrassed asking her to explain the hashtag to me. So, I understand hashtag.

The other thing is if you want any help twisting the arms of our colleagues to increase the \$500 000 grants program, just give me a hoy.

**Mr CONLAN:** You are right, this will be a test or a trial. What we will see from this is some pretty remarkable projects going ahead as a result of that. Is it a pilot? It is a pilot program, you might say. It is the beginning of what we hope to be a much broader roll-out of infrastructure grant money to our tourism operators. So, you bet!

**Mr HIGGINS:** I have more questions, but I can get them, as the member for Nelson says., I wanted the other things on the record because they affect a lot of people in the tourism industry.

**Mr CONLAN:** Thank you, member for Daly. There are a couple of things I want to clarify, Madam Chair. The member for Casuarina asserted our international visitation has dropped. That is not the case. Our

international marketing has seen a small increase of 2.3% over 2014 - the variation from 2013 to 2014. It is a small increase, but an increase nonetheless.

**Madam CHAIR:** Was that in response to a question on notice, minister?

**Mr CONLAN:** I do not think. It was just an assertion from the member for Casuarina. He said a lot of things in his almost statements rather than questions. He asserted that international visitation has collapsed, but that is not the case. We have arrested the international visitation and, in 2013, stemmed the decline. In this case we have seen, year on year, a 2.3% increase from 258 000 to 264 000 international visitors. That is well down on where we would like it to be. There is an incredible amount of work to go. We want to make sure we do everything we possibly can. We are having a red hot crack to make sure our international visitation continues to increase.

There was also a question on notice about cruise expenditure. Our cruise expenditure – economic impacts of cruise shipping to the Northern Territory, Madam Chair-

**Madam CHAIR:** Is this a response to question No 7.10 which was taken on notice?

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#### **Answer to Question on Notice No 7.10**

**Mr CONLAN:** Is that right? Yes, okay. It is for the year 2012-13, as we do not have the information for 2013-14 yet, and we will not know the projections at this stage. We do not know what the schedules are going to be like for the coming year. To give some indication at least, it is \$116.2m. That is indirect and direct. Direct expenditure is about \$64m, but total economic impact of cruise shipping in the Northern Territory is \$116.2m.

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**Mr HIGGINS:** You talked about Tourism Top End. Years ago we had the Katherine Tourist Association and the Visitor Information Centre in Katherine was handed to the council. Is there any plan to extend that with the new shires? We are talking about cultural tourism. This will be a yes/no answer. Is there any plan to extend that out into the regional areas a bit more?

**Mr CONLAN:** A Visitor Information Centre?

**Mr HIGGINS:** They have one in Adelaide River. There is one at Batchelor.

**Mr CONLAN:** There are no immediate plans to do that. Do you have any thoughts on that, CE?

**Mr MAYELL:** That is correct, minister, but one of the things we would love to see is a greater commitment by local government - shires and councils - into tourism which, unfortunately in the Territory, is not reflected as strongly as it is in other jurisdictions. Councils and shires have a role to play.

**Mr HIGGINS:** When they originally set the shires up, which are now councils, part of their charter was tourism. I do not think any of them have ...

**Mr WOOD:** They do not have the rates to pay for their normal work; I do not think they would have rates to pay for tourism.

**Mr HIGGINS:** That would have been the next question,

**Mr CONLAN:** I will say one more thing. Also, amongst the member for Casuarina's statements and assertions throughout his brief appearance today with regard to tourism, he suggested industry operators are very unhappy with the performance of Tourism NT, or very unhappy with the way things are going.

I can say our Tourism NT Top End - this is the Top End only at this stage - industry sentiment poll for the March quarter 2014 paints quite a different picture. The majority of operators consider their business would be better off in the next 12 months, and believe that conditions would improve for their own business over the next 12 months, with an index of 135. I will not go into what that means. Industry sentiment for the next 12 months for the region was also positive with a score of 121. So, if you take 100 as the benchmark, this is punching quite high.

I direct anyone who is interested including, the member for Casuarina, to have a look at travelnt.com. You can find in this publication a genuine sentiment poll - we do them every quarter. We are seeing a turnaround in the industry sentiment. It what the industry thinks of how Tourism NT is performing, how the market is performing, on on a number of indicators. I ask those who are interested and making accusations about tourism operators to have a look at this because it does paint quite a different picture.

That is not to say everyone is over the moon, because they are not. The tourism industry is not where it should be, and we are doing everything we can to bring it back to where it should be.

**Madam CHAIR:** Thank you, minister. That concludes consideration of Output Group 4.0.

**OUTPUT GROUP 5.0 – CORPORATE AND GOVERNANCE**  
**Output 5.1 – Corporate and Governance**

**Madam CHAIR:** The committee will now consider Output Group 5.0, Corporate and Governance, Output 5.1, Corporate and Governance. Are there any questions?

That concludes consideration of Output Group 5.0.

**Non-Output Specific Budget-Related Questions**

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

That concludes consideration of outputs relating to Tourism NT. On behalf of the committee, I thank the departmental officers who attended this evening.

The committee will now consider outputs relating to the Department of Sport, Recreation and Racing. We will have a couple of minutes for the changeover.

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The committee suspended

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**DEPARTMENT OF SPORT, RECREATION AND RACING**

**Madam CHAIR:** Thank you, minister. I welcome you again, this time as the Minister for Sport, Recreation and Racing, and invite you to introduce the officials accompanying you and to make an opening statement regarding the department.

**Mr CONLAN:** Thank you, Madam Chair. I thank the committee members. I am responsible, as the Minister for Sport, Recreation and Racing, for the output groups before you. I am joined today by Phillip Leslie, Chief Executive Officer of the Department of Sport, Recreation and Racing, and Joanna Frankenfeld, the Chief Financial Officer.

This being the second estimates committee I have appeared before, it is worthwhile looking back on my opening statement from last year - a report card if you like - to see if this government has delivered what it said it would in the Sport, Recreation and Racing portfolio.

I spoke about the introduction of the Sports Vouchers and yes, we have delivered on that. This budget increases both the scope of the vouchers and the amount available.

In last year's statement, I spoke about a \$1.75m increase to all peak sport and recreation organisations and we delivered that increase and kept it in place for 2014-15. I spoke about increases in funding to cover the operating costs of Lake Leanyer Recreation Park and Palmerston Water Park. This was done and both parks continue to operate within budget.

Funding for the facilities outlined has also been delivered: BMX facilities at Jingili and Palmerston have their works nearly completed; Anzac Oval was upgraded and completed in time for the NRL pre-season fixture in February; Alice Springs drags and Alice Springs karts both received their funding for facility upgrades; Hidden Valley funding is also being combined with funding from this year 2014-15 for resurfacing, with upgrades to commence in July.

In events, this government delivered what we said we would: AFL games including the first ever premiership game for points in Alice Springs; NRL games funding for the Hottest 7s; continued funding for the NRL with an excellent agreement with the Parramatta Eels; and a tennis pro tour. The government assisted with funding for the IRB Surf Life Saving Championships, National Polocrosse Championships and the Australian Masters AFL. Of course, we also delivered on the England v Chairman's XI cricket match in Alice Springs, which has assisted us in successfully gaining the quadrangular series in Darwin this year in July.

Finally, this government said it would fund NT teams to compete in interstate leagues, and we did. We funded NT Strike, NT Thunder, NT Storm, NT Stingers and NT Pearls. The budget for 2014-15 will continue to deliver for Territorians. Department expenditure will increase to \$58.196m, and the department has a clear focus to develop the sport, recreation and racing sectors of the Northern Territory.

The first big thing we want to do is get children off the couch and active. We have removed one of the barriers to participation in sport and other activities with the cost imposed on parents by increasing the vouchers from \$75 to \$100, and making the vouchers available twice a year. This means parents will now receive \$200 instead of \$75 to offset the cost of their children's participation. The budget also reinforced the importance of children being taught how to swim, with the vouchers being extended so children aged 0 to 5 who have completed the water safety awareness program can then use the vouchers for learn-to-swim lessons.

Whilst we want as many children as possible reaping the benefits from playing competitive sport we also acknowledge many children have other interests, so the vouchers have been expanded to include recreation and cultural activities such as Scouts and Guides and activities in the YMCA. By having the vouchers distributed through the school network, we are reinforcing the need for children to attend school every day. In remote communities, the department will continue its focus on enhancing the capacity of regional and remote communities to deliver regular organised sporting competitions. There is no reason why regular sporting competitions across a range of sports are not held in communities, and staff will be working with communities and the sports to ensure as many children and adults as possible get a chance to play in a well-organised sporting competition.

The Imparja Cup is one example of where communities who play cricket have a pathway to compete in the community section of this excellent competition. The department will continue to work in this area during 2014-15. There is \$2.3m available to assist sporting programs in these communities. Of course, we need well-governed, financially-sound peak sport and recreation bodies, and this budget delivers some \$5.6m in grant funding to peak sporting bodies and active recreation organisations. A total of \$14.7m will assist the thoroughbred racing industry, and some \$700 000 will assist the greyhound industry to hold meetings at Winnellie Park.

In facilities, \$2.38m will be spent on repairs and maintenance to sporting facilities. Cricket nets will be provided for the Northline Oval. A new scoreboard will be constructed at Larrakeyah Park, which will cost \$80 000 out of a \$780 000 for minor new works for sporting facilities.

Finally, the budget includes our commitment for great partnerships with our key national sporting partners that delivers great games as well as community and development benefits: \$1m is provided for the Parramatta Eels to hold pre-season and premiership games in the Northern Territory; \$1m to bring AFL games to the Territory; and \$150 000 to support Adelaide United bring pre-season fixtures to Alice Springs.

In summary, this budget brings many benefits to the sporting, recreation and racing sectors of the Territory, with an emphasis on upgrading remote community sports facilities, funding peak sport bodies, and continuing our great partnerships with our national sporting teams.

This government is very active in sport, recreation and racing, and we want Territorians to participate and get involved. The staff with me today will assist in answering any questions the committee may have. If necessary, I will, of course, take questions on notice to ensure accurate information is provided.

**Madam CHAIR:** Thank you very much, minister. Are there any questions on the minister's statement?

**Mr VOWLES:** Yes, thanks, minister, for that statement. Minister, what is the total expenditure to date for your department in 2013-14?

**Mr CONLAN:** That will have to be taken on notice. You mean as of today, 12 June 2014? Would that be a grant or total expenditure?

**Mr VOWLES:** A total of your department.

**Mr CONLAN:** All right. The answer I have is up to the 31 March is \$40 886 594, but if you want to ...

**Mr VOWLES:** Take that on notice?

**Mr CONLAN:** We could take the rest on notice.

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**Question on Notice No 7.11**

**Madam CHAIR:** Please restate the question for the record.

**Mr VOWLES:** Could the minister please provide the total expenditure to date for the department in 2013-14?

**Madam CHAIR:** Do you accept the question?

**Mr CONLAN:** Yes, I do.

**Madam SPEAKER:** The question is No 7.11

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**Mr VOWLES:** Minister, what is the capital expenditure plan for the next three years? I am happy for you to table that. What are the priorities and how are they being assessed?

**Mr CONLAN:** Okay. We will have that. I do not think we need to have that on notice. It is quite detailed, so I will wait for that to come. In the interest of time we will continue on while we find that.

**Mr VOWLES:** Yes, in the interest of time, we will crack on. Could you inform me of the total amount of funding for the facilities development grants? Has anyone in Alice Springs received these grants?

**Mr CONLAN:** The answer is yes, Alice Springs has been a recipient of facilities grants. I will just find the exact amount.

**Mr VOWLES:** If you would table who has received them and the amounts. A total bucket of money for the facilities development?

**Mr CONLAN:** Paid as of the – I can read these out for you. I will not go through the lot, but your question was pretty specific. Paid at the 31 March 2014: total facilities grants was \$1 190 012. Let us see – yes, Alice Springs has been a recipient of those grants.

**Mr VOWLES:** Who are they? As I said, I am happy for you to table that if it is an extensive list.

**Mr CONLAN:** No, it is not too much at all. It is: Alice Springs Cycling Club, Alice Springs Support Group, the Girl Guides, Alice Springs Tennis Association, The Central Desert – well that was Namatjira so if we are talking about Alice Springs specifically, NT Cricket, sight screens at Traeger Park, Riding for the Disabled Alice Springs, YMCA in Central Australia and ..

**Mr VOWLES:** Are you happy to table that?

**Mr CONLAN:** I am nearly finished. Here we go: Alice Springs Clay Target, Alice Springs Town Council, and the Alice Springs Gliding Club.

**Mr VOWLES:** That is \$1.1m ...

**Mr CONLAN:** I have the capital works program. The total capital works program is \$5.48m.

**Mr VOWLES:** Can you table the plan?

**Mr CONLAN:** Hang on, that \$5.48m is 2013-14.

**Mr VOWLES:** Over the next three years? Have you done that forward planning, knowing they come up as needed sometimes?

**Mr CONLAN:** You will find the forward years in the budget paper, but for the current year is \$5.48m capital works program, and 2014-15 is \$4.12m for upgrades at Hidden Valley.

**Mr VOWLES:** Is that resurfacing of the track or parts of the track?

**Mr CONLAN:** Yes, it is part of the track. It is upgrades to the toilet, sewerage, and drainage at the complex, and redesign Turn one of the track to make it safer for high-performance drag cars exiting the drag strip at speed, and resurfacing.

**Mr VOWLES:** With that information, knowing how good Phil and Joanna are in preparation, do you have a breakdown by region of the facilities grants, capital works grants, as in Darwin, Katherine, Tennant Creek?

**Mr CONLAN:** Yes, we do.

**Mr VOWLES:** Are you able to table that or provide them to me later?

**Mr CONLAN:** I have that and can make those available to you.

**Mr VOWLES:** You will table them?

**Mr CONLAN:** Yes.

**Mr VOWLES:** Do you still have a discretionary bucket of money? Do you still call that a special assistance grant or is it something ...

**Mr CONLAN:** Quick response grant is what it is called these days.

**Mr VOWLES:** What is the total amount of that discretionary bucket of money you have? Last year, it was about \$762 000.

**Mr CONLAN:** I do not think it was that much. It is about \$300 000-and-something. But, because it is estimates, I will be specific - \$340 000.

**Mr VOWLES:** This year?

**Mr CONLAN:** Yes, for 2013-14, \$340 000.

**Mr VOWLES:** Has the Alice Springs Golf Club received any of this money?

**Mr CONLAN:** I think it may have. It did.

**Mr VOWLES:** Could you please tell me how much?

**Mr CONLAN:** I think it received a couple of thousand dollars for a program in June. I am looking for it to make sure.

**Mr VOWLES:** Was that with Centralian College, or just a come and try event?

**Mr CONLAN:** It was the Paul Pearson Cup, a junior tournament they run which they started a few years ago. It was a grant of \$3000 which went towards prize money. It has become a bit of a national event for the Territory. Golfers from the Top End travel down for it, so I thought it was worth supporting.

**Mr VOWLES:** Are you able to table the list of recipients of your quick response grants?

**Mr CONLAN:** Yes.

**Mr VOWLES:** I would appreciate that.

The opening statement was pretty broad and we are getting to a lack of time. I have a couple of questions about NT representative teams. Are you or the department able to provide me with how many people have represented the Northern Territory in the last year?

**Mr CONLAN:** We might have to take that on notice.

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**Question on Notice No 7.12**

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

**Mr VOWLES:** Can the minister please provide me with how many people have represented the Northern Territory in all sports in the Northern Territory in the last year?

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

**Mr CONLAN:** Yes.

**Madam CHAIR:** That question is No 7.12.

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**Mr VOWLES:** What is the average cost to each participant selected to represent the NT in national championships? Obviously, these prices are quite high with our remoteness in the Territory, wherever you are in the regions to go down south, including the cost of air fares, uniforms, and accommodation for families and individuals. It is quite expensive. I am wondering if the department or you, as the head of that department, has an average cost?

**Mr CONLAN:** No, we do not have an average cost. I am not sure what the benefit would be of calculating the average cost. It would depend on the sport, the type of representation, where they have to travel from - are they representing the Territory or Australia from Katherine, Tennant Creek or Alice Springs. Obviously, the costs would be higher if they were representing from those regions as opposed to Darwin. Also, if they are cycling, a bike is more expensive than maybe some footy gear or whatever it might be. It would be quite wide-ranging ...

**Mr VOWLES:** Yes, school sports are cost neutral - a parent or a guardian of that young athlete pays for whatever that cost is. Considering peak sport and recreation bodies get funding for representative teams, how is that impacting on the end cost? You are a competitor and are picked for the NT team for hockey, pistol shooting, or whatever that is - I am trying to get an average cost. I am sure Mr Leslie would have a fair idea about this. In my experience around cricket, it is always a lot cheaper than for hockey, AFL, or smaller sporting organisations. How do we distribute the funding accordingly?

**Mr CONLAN:** To be honest, the best thing we could do is provide you with who has received funding through the Department of Sport, Recreation and Racing to represent, then you can go through it.

**Mr VOWLES:** What I am trying to get to, minister, is the hockey's representative open team gets a significant amount of funding as Thunder does. How does that generate down into the mums and dads supporting their children chase a dream, to come through and participate? We have many families which are unable to send their children away. I am just trying to see how we can better fund that opportunity for them to do that.

**Mr CONLAN:** We do not have that figure ...

**Mr VOWLES:** I might catch up with you.

**Mr CONLAN:** If you would like to. Yes, sure.

**Mr LESLIE:** Phillip Leslie, Chief Executive for the benefit of Hansard. The other issue is about fair equalisation, member for Johnston. Some sports are very effective in having a national fair equalisation scheme which means a competition that is held in Sydney or Brisbane means all states and territories pay the same fee, which means that no matter where you come from, it is similar and it is not judged on the cost. Some sports are being very good at that and some sports have not instituted it. The information you require varies from sport to sport, but we can do our best to find an average for you.

**Mr VOWLES:** Yes, that would be great. Thank you, minister and thank you, Phil. I was going to call you Mr Leslie then, but I think we have passed that, mate, over the years - my first boss.

Minister, I want to touch on, if I can in this output, the Redtails Right Tracks concept with Bob Clarke in the Central Australia. What discussions have you had with them around the concept? Will there be any funding provided in this budget for the Redtails Right Tracks program?

**Mr CONLAN:** The only funding that was to be provided - in fact, it probably will not be now - is \$100 000 to the Redtails, if they were successful in being granted a licence into the NTFL. So, the answer is no, not at this stage.

**Mr VOWLES:** I have a heap of stuff on the events. You mentioned it your opening statement on it - we will just go into them now?

**Mr CONLAN:** Yes.

**Mr VOWLES:** It is around the Eels because it fits in in Venues and Events, but I will just go into it, if that is all right. We have the AFL deal running out this year, I believe, the five-year deal ...

**Mr CONLAN:** End of the year.

**Mr VOWLES:** End of the year or end of this season. Have you started negotiations? If so, what negotiations and who with around retaining AFL matches in the Territory?

**Mr CONLAN:** Yes, we have. We are just about to finalise it over the next week with the AFL. It will be a two-year agreement. The previous agreement was five years. That was quite ambitious by the previous Labor government.

**Mr VOWLES:** It brought AFL to the Territory.

**Mr CONLAN:** I am not knocking it. In hindsight, as the AFL would now say - I am sure the former Labor minister for Sport would probably agree - five years was quite ambitious. It was a long time and, in the end, it ran out of puff, if you like. That was highlighted by the fixtures we got and who were playing here in the end. That was one of the reasons of a number of reasons we were reluctant to enter into such a long-term agreement. For that reason, I did not think it brought the best to the table. Also, it was an incredibly expensive five-year agreement to commit that sort of money to. Also, the broadcast rights had a lot to play in it. The AFL was reluctant to commit to any agreement with the Northern Territory beyond 2016 because of the pending AFL broadcast rights.

We are about to sign off on a two-year agreement with the AFL to bring two games a year with the option of extending for another two years. It is a two-years agreement to bring two games to the Territory in 2015-16. Optimistically, we aspire to have one of those games in Alice Springs. The Northern Territory proved Traeger Park is quite capable of hosting premiership games, so we have stated our case quite clearly there.

It will be two premiership games, which will not include a pre-season game, as the previous agreement did. Reasons around the future of the pre-season competition are in doubt. I do not think the AFL is sure of where it is going to take that - the NAB Cup, the Regional Challenge or carnival of footy, as it was this year. It is a bit unclear. It was more than happy for us to just secure two premiership games in the Northern Territory. One of those will definitely be in Darwin - maybe two. Hopefully, there will be one in Alice Springs and one in Darwin. That is a \$1m per year plus match costs. There was a commitment from Cabinet to fund that to a \$1m a year for two years, and match day costs will be met by the Department of Sport, Recreation and Racing.

**Mr VOWLES:** The \$2m is the two games, \$1m a year. Is that what you said?

**Mr CONLAN:** That is right.

**Mr VOWLES:** Is that cheaper or more expensive than the deal we have already?

**Mr CONLAN:** It is about the same. In fact, we have a pretty good arrangement. I have to say our partnership with the Melbourne Football Club has assisted in this agreement going forward. It has been very active with us around the table - along with the AFL - to strike up the best deal possible. It wants to



play in the Territory and is committed. It sees what has unfolded in Tasmania with Hawthorn. While it is a long way from that, it recognises there is a potential for a great ...

**Mr VOWLES:** Are you saying we are getting Hawthorn?

**Mr CONLAN:** No ...

**Mr WOOD:** Oh, I woke up then.

**Mr CONLAN:** You never know, we might get Hawthorn to play Melbourne here at one stage. The Port Adelaide/Melbourne concept in Alice Springs has worked beautifully. There is a natural kinship between Adelaide and Alice Springs. Those two communities have a natural affiliation, and there are many Port Power supporters there. We also have last year's premiers, the Dockers, playing up here in a few weeks time, so we will see how the Top End responds to the Dockers/Melbourne concept. If that really kicks off, then maybe we can lock that in as well.

**Mr VOWLES:** I know you have very proud of Alice Springs, and it is a great place to live. I used to live there as well. You had an AFL match there. What was the reported crowd numbers?

**Mr CONLAN:** About 6000.

**Mr VOWLES:** Do you have the official receipts? Who does the official ticket sales? What were ...

**Mr CONLAN:** The AFL did those.

**Mr VOWLES:** How do we get them from you in your negotiations?

**Mr CONLAN:** We did not receive any money. That money all ...

**Mr VOWLES:** You are saying 6000, so I am just after official ticket sales of the day for the match.

**Mr CONLAN:** The actual number?

**Mr VOWLES:** Yes.

**Mr CONLAN:** AFL NT would have that. I think it was just shy of that, at about 5800 or 5900 or something. I rounded it up to 6000, but it was just short of 6000.

**Mr VOWLES:** I think the media said 7000.

**Mr CONLAN:** That is right, let us say 7000 or 8000.

**Mr WOOD:** Charlie King said it was 5900.

**Mr VOWLES:** He is a good judge.

**Mr CONLAN:** AFL CA will have that official number.

**Mr VOWLES:** The Eels' deal. They played a trial match in Alice Springs. What were the crowd numbers for the Eels match?

**Mr CONLAN:** About 3500.

**Mr VOWLES:** Yes, 3500. Official ticket sales? It was a trial match, so would NT Rugby League, the NRL or Central Australian Rugby League run that?

**Mr CONLAN:** The department ran the ticket sales for that trial match, but the corporates were retained by the NRL.

**Mr VOWLES:** What were the ticket sales?

**Mr CONLAN:** \$16 for adults.

**Mr VOWLES:** As in numbers, total numbers.

**Mr CONLAN:** Do we have the absolute final number? We will take it on notice.

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**Question on Notice No 7.13**

**Madam CHAIR:** Please restate the question for the record.

**Mr VOWLES:** Could the minister please provide the official ticket sales numbers for the Parramatta Eels game at Anzac Oval?

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

**Mr CONLAN:** Yes, I do.

**Madam CHAIR:** That is No 7.13.

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**Mr VOWLES:** Minister, a few years back there was a trial match in Alice Springs. Do you know how many people turned up to that game?

**Mr CONLAN:** No. There were a couple of trial matches a few years ago. I know we had one with the Knights and the Panthers.

**Mr VOWLES:** The last game that was played at Anzac Oval.

**Mr CONLAN:** No, I do not have that. Do you have that? No, I do not.

**Mr VOWLES:** There were about 6000 people, I reckon.

**Mr CONLAN:** There may be, I am not sure. I do not know.

**Mr VOWLES:** Which leads me on to the next question. You scrapped the ACT Brumbies trial match in 2012-13, because you said we needed points. It was around \$300 000. You said it was not bang for buck. You have had an NRL trial match in Alice Springs at Anzac Oval and you had \$3500. What is the exact cost of that trial match for the Eels? We have a \$1m deal with the Eels, but how much was paid, specifically for that trial match?

**Mr CONLAN:** Thanks for the question. It is not broken up. It is \$1m for the Eels to play two games in the Northern Territory, plus all their remote and community engagement they provide. I do not want to try to ad lib through it, because some of the work they are doing on the ground there is quite extraordinary. They have squads they are developing in Alice Springs as part of that. It is a direct pathway to play for the Parramatta Eels. As a result, they provide the jumpers, the boots, the socks, and the tracksuit. It is quite extraordinary if you are chosen to play in this NT Eels squad ...

**Mr VOWLES:** Yes, I have been reading it. It has been good.

**Mr CONLAN:** Yes, so you know what I am talking about. It is ...

**Mr VOWLES:** Around the local content of that game in Alice Springs at Anzac Oval, what were the benefits? Were local clubs or the CARL involved in opportunities to raise funds?

**Mr CONLAN:** Yes, they were.

**Mr VOWLES:** Stalls and all that sort of stuff?

**Mr CONLAN:** They were, absolutely.

**Mr VOWLES:** A bit of homegrown funding they could get by themselves?

**Mr CONLAN:** Yes. It was critical. It could not have happened without that local involvement.

**Mr VOWLES:** With the upcoming game with the Eels and the Raiders in Darwin, what involvement does NTRL have? I might have been just off there - just the corporate sales is all they are getting? Is that how that works?

**Mr CONLAN:** It could not have happened without NTRL. They, obviously, had to sanction the game, so they are heavily involved. But, in what financial ...

**Mr VOWLES:** What benefit outside? I know they have, obviously, been dealing and they are an integral and a very good organisation run by a very good operator.

**Mr CONLAN:** Absolutely. The CE might be able to expand on that for you.

**Mr LESLIE:** Phillip Leslie, Chief Executive. We are working closely with NTRL to deliver that match. The corporate sales and all the corporate hospitality is coordinated through NTRL, whereas the match day receipts that come through general admission and grandstand are returned to the department to offset the costs of staging the match.

**Mr VOWLES:** Phillip, I have previously been involved with a former sports adviser around the AFL deal. Involved in the NRL deal, is there a certain number of people who turn up, then the NTRL will gather some of that money? If more than 7000 people turn up, that first person after 7000 - that money goes to NTRL?

**Mr CONLAN:** No, no.

**Mr VOWLES:** It is just the corporates? You are just offsetting the costs?

**Mr CONLAN:** Yes.

**Mr VOWLES:** It is a great thing NRL is coming, and is still here in the Territory.

**Mr CONLAN:** It will be a great relationship with them.

**Mr VOWLES:** Yes. Moving on, I will go to the cricket. What is the total cost of the upcoming triangular series in Darwin and Palmerston, including all the match day costs, the umpires, accommodation and scorers? I know NT Cricket will be providing a lot of it, but what is the total cost?

**Mr CONLAN:** While we are getting that information, I have to say it is minimal. Cricket Australia has been absolutely superb. The cost to the department for the series: supply and install sight screens \$60 000; purchase of a turf cricket pitch roller \$33 000; and installation of potable water irrigation line \$5000.

**Mr VOWLES:** Cricket Australia is taking up all the rest of those costs – the top players' air fares and contracts for million-dollars players?

**Mr CONLAN:** Absolutely. It is so forthcoming with wanting to play cricket in the Northern Territory. The Ashes was the same as well.

**Mr WOOD:** Can the Crocs borrow the roller? Ours is about 500 years old.

**Mr VOWLES:** Where?

**Mr WOOD:** Freds Pass.

**Mr CONLAN:** Why not apply for a grant?

**Mr VOWLES:** You know it is an old Henry and Walker roller?

**Mr WOOD:** We might get to that soon, minister, yes.

**Mr VOWLES:** My dad painted that roller. It is an old Henry and Walker roller.

**Mr WOOD:** That is how old it is, yes.

**Mr VOWLES:** Thanks for that. We have a total cost, Phil?

**Mr CONLAN:** Did you get that \$60 000 for the sight screen?

**Mr VOWLES:** Yes. The drop-in pitch cost?

**Mr CONLAN:** Turf?

**Mr VOWLES:** Coming from Marrara out to Northline? I think it was around \$150 000 or ...

**Mr LESLIE:** Cricket has been provided with \$50 000 to cover the costs of transporting the drop-ins from Marrara to Palmerston. They are really quite heavy, so it needs a huge crane and trucks to do so.

**Mr WOOD:** Can I ask a question, dumb as it might sound? Why are we moving cricket to Palmerston? Do not get too cranky with me, member for Drysdale.

**Mr CONLAN:** No, it is not being moved. It was just an available facility to play the series.

**Mr WOOD:** Why could it not be played at Marrara? Is it the Thunder? What was the reason the cricket could not be played there?

**Mr CONLAN:** No, it was really about trying to take cricket out to Palmerston.

**Madam CHAIR:** Hear, hear!

**Mr WOOD:** It is not that far away.

**Mr VOWLES:** I could probably tell you the reason, but I am not the minister.

**Mr WOOD:** We are not talking about Sydney to Alice Springs.

**Mr VOWLES:** You need a lot of preparation.

**Mr CONLAN:** Absolutely.

**Mr LESLIE:** With indulgence, if I could answer that for you. Perhaps your question is relating to playing at TIO Stadium at Marrara ...

**Mr WOOD:** That is where I meant. The global Marrara I was talking about.

**Mr LESLIE:** There will be games at the MCG, which is cricket's facility at Marrara. Cricket Australia has advised us that because of the changes to the way the international program is scheduled, the chances of the Northern Territory having the full Australia Test Match series we have had before have diminished. The reason we had them before was because of the insistence of the ICC to have home and away seasons which has now diminished, especially involving Zimbabwe and Bangladesh.

In considering the likely crowd numbers we are to have for the A Series, the cost of using TIO is not warranted for (a) the type of cricket we are going to get, which is either A Series or state teams, and (b) for the potential crowd numbers. Cricket Australia is confident in using Gardens, the Marrara Cricket Ground and Palmerston as being suitable for the purpose we are using them for.

**Mr WOOD:** That is fine. I was not being silly, but if it cost \$50 000 to shift a pitch to Palmerston, are you going to leave the pitches out there?

**Mr LESLIE:** Correct.

**Mr WOOD:** That is good. That makes sense.

**Mr VOWLES:** It just sits in a shed normally.

**Mr WOOD:** Will they play home matches there? Will Palmerston cricket move there, or are they staying at Woodroffe?

**Mr VOWLES:** Why are you looking at me, Gerry?

**Mr WOOD:** I am making sure you do not cut me off. If you have cricket pitches at that oval, will you use it for club matches too? It is a lot of money to put a cricket pitch out there in the centre - it is a pretty good facility out there.

**Mr CONLAN:** Yes, it is. My understanding is yes, the club matches will continue to be played there.

**Mr WOOD:** I was probably being a bit cynical trying to get hold of that roller, because if it was only going to be used for a couple of matches a year, it could be used in other places ...

**Mr VOWLES:** I think they have changed from Marrara.

**Mr LAWRIE:** Gerry, the minister said you could put in a grant application.

**Mr WOOD:** I do not want to ...

**Mr CONLAN:** If he did, we might be able to provide you with a roller if you really need one.

**Mr WOOD:** We do not want to waste a good roller. Sorry, Ken.

**Mr VOWLES:** Thanks, Gerry.

**Mr WOOD:** I have known you for a while, Ken. Sorry about your batting.

**Mr VOWLES:** I will move forward quickly. Sadly, after 55 years, I think, minister, NT Rugby League was forced to move out of Richardson Park. One of the main contributors - I think the quote was they were paying up to \$5000 extra for power and water every week. Considering a former member of the CLP promised them a new facility - and the former Labor government was working with NTRL around the concept of a new facility - have you had any further discussions with the NT Rugby League?

**Mr CONLAN:** Most definitely we have, about how to continue rugby league with the NTRL. While power and water costs may have contributed to its decision, it was not the only reason. There are a number of reasons why, I guess, it vacated Richardson Park. The place is, essentially, past its use-by date.

The NTRL offices are now at Boulter Street in Berrimah and the NTRL is in constant discussions with the NT government for funding and support and construction of a new venue at Warren Park. However, no commitment has been given at the moment. I would like to see a standalone rectangular facility at Marrara. We have a first-class facility now in Alice Springs. We put \$3.5m into Anzac Oval. I do not know if you have seen it yet - been down and had a look. I know you were down there recently. It is a state-of-the-art facility.

However, we also clearly need to have one in Darwin. If you have a look at the Marrara sporting complex, there is a state-of-the-art TIO Stadium which looks fantastic, but we do not have anything commensurate for rugby league. I would like to see that get off the ground. No commitment has been made, but we are in discussions with rugby league as to how we might be able to progress a rugby league stadium - if you like, for lack of a better word - for Marrara.

It is a lot of money and I do not know where it is going to come from yet, but it might be able to be done in stages. Warren Park is the next natural home for rugby league.

**Mr VOWLES:** Thanks minister, for that answer. Regarding the cancellation of the Darwin round of the Australian Superbikes, could anything be done to stop this from being cancelled? Did it cost the taxpayers any money whatsoever with the cancellation?

**Mr CONLAN:** My understanding is no. I do not think anything could be done. It was really a commercial decision by them. It was just not generating the interest, at the end of the day. It was nice to have, but it was just one of those things that did not really kick on. They made that decision.

**Mr VOWLES:** Were there any funds given to them spent already in preparation that we have had to write off?

**Mr CONLAN:** It is my understanding from the Department of Sport and Recreation the answer is no. However, Major Events has carriage of the Superbikes. Whether or not there was any I cannot answer.

**Mr VOWLES:** Do you have anything there, Gerry, because I want to skip to NTIS briefly ...

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**Answer to Question on Notice No 7.11**

**Mr CONLAN:** Can I interrupt? I have a question on notice answer. I am not sure which one this is, Russell. This is what the department has spent to date. I do not have 12 June, but I have ...

**Madam CHAIR:** This will be answer to question No 7.11 that was given on notice.

**Mr CONLAN:** How much has the department spent to date? The answer to 11 June 2014 - so we can get as close to yesterday - was \$51.143m.

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**Answer to Question on Notice No 7.12**

**Mr CONLAN:** I have the answer here to No 7.12. The question was, 'How many people have represented the Northern Territory in all Northern Territory sports? The answer is the department does not ask NT sporting organisations to provide updated details of NT representatives ...

**Mr VOWLES:** That has been a generic answer for about 15 years, I reckon.

**Mr CONLAN:** ... as this would be a major administrative burden on NT ...

**Mr VOWLES:** They were copied out of your questions in 2008, I reckon.

**Mr CONLAN:** Maybe it was. ... the NT mainly relies on volunteers - so you know the answer.

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**Mr VOWLES:** I am wondering if somebody was prepared this year. Where are you going?

**Mr WOOD:** I am not going anywhere, I am waiting for you, Ken.

**Madam CHAIR:** We are still on the statement.

**Mr BARRETT:** Where are we up to?

**Madam CHAIR:** Madam Chair. Where are we up to? We are on the statement, member for Blain.

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**Answer to Question on Notice No 7.13**

**Mr CONLAN:** I have another question on notice answer.

**Madam CHAIR:** Do you know what question number it was, minister?

**Mr CONLAN:** This was regarding match receipts for the NRL.

**Madam CHAIR:** That is No 7.13.

**Mr CONLAN:** This is for 2013-14. The combined match receipts for the Alice Springs and Darwin games, from NRL games - the two games was \$94 000.

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**Mr VOWLES:** Thank you, minister, thank you, people in the back room. I will just just finish. I know the member for Nelson has a couple of questions ...

**Mr WOOD:** I will be brief.

**Mr VOWLES:** Brief questions, I have a couple of NTIS questions if I can ask them now, because Gerry might want to go back to somewhere else. How many athletes are involved in the program at the moment? How many reside interstate?

**Mr CONLAN:** Stand by, and I will get you that in exact figures.

**Mr VOWLES:** I have one more on that. How much does it cost per athlete? How much does it cost for each athlete as an NTIS scholarship holder, knowing the different tiers?

**Mr CONLAN:** Okay, that might be easier. The current status of the NTIS is 45 athletes awarded a Northern Territory Institute of Sport scholarship during 2013-14 across the following sports: Australian Rules football, cricket, hockey, netball, rugby league, sailing, squash, swimming, and wheelchair basketball. In addition, more than 150 other athletes have received support from NTIS through specific academy programs that underpin the NTIS scholarship pathway, and more than 230 coaches, teachers, and sports administrators also receive support from NTIS.

Regarding the other questions, as you know, NTIS is in levels. Scholarship numbers by location - oh, it says location of gender!

**Mr VOWLES:** That is another question I was going to ask you.

**Mr CONLAN:** Oh, I see, yes, we have too. Do you ...

**Ms LAWRIE:** Are you able to table it? Is it confidential?

**Mr CONLAN:** No, it is not, but it is pretty easy here. I can just read it out to you. In Darwin, in Level 1 to 3 there are five; Level 4, there are eight; Level 5, there are 23; and there are four Indigenous. In Alice Springs, there are two Level 4s; two Level 5s; and one Indigenous.

The other part of your question was interstate? In Perth, we have three Level 1 to 3s, two Level 4s, and two Indigenous. That brings the total to - then there is male and female breakdown which is probably not necessary unless you really want it - 45.

**Mr VOWLES:** What is the cost of the average Northern Territory Institute of Sport scholarship?

**Mr CONLAN:** I do not think the department has those.

**Mr VOWLES:** I am happy for you to provide that on notice.

**Mr CONLAN:** Take that on notice? Okay.

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#### **Question on Notice No 7.14**

**Madam CHAIR:** If you could just restate the question for the record.

**Mr VOWLES:** Will the minister provide the average cost of an Northern Territory Institute of Sport scholarship?

**Madam CHAIR:** Minister, will you accept the question?

**Mr CONLAN:** We do it by programs, rather than athletes.

**Mr VOWLES:** Or an average cost of an athlete in the Northern Territory Institute of Sport?

**Mr CONLAN:** Okay, we will do what we can. We will see what we can come up with.

**Madam CHAIR:** That will be question No 7.14.

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**Mr VOWLES:** Thank you, minister. I am done.

**Madam CHAIR:** Are there any other questions on the statement?

**Mr WOOD:** Yes, thank you, Madam Chair. Thank you, Ken. Badminton, please, minister.

**Mr CONLAN:** What about them?

**Mr WOOD:** There has been a lot of talk in the past year and petitions, etcetera. They were looking for a home. What is the present status of our badminton?

**Mr CONLAN:** Have we found a solution to badminton? We found them premises in Winnellie, and we are contributing towards the cost of the rent for that facility.

**Mr WOOD:** How long will that ...?

**Mr CONLAN:** It is a five-year lease.

**Mr WOOD:** All right. Quickly then, minister, I know you have given some money, in the last annual report, to polocrosse and quarter horse. Has there been any funding for Freds Pass Reserve?

**Mr CONLAN:** Ah, yes. There is to be some funding for Freds Pass Reserve.

**Mr VOWLES:** They are reinstating it

**Mr WOOD:** They are reinstating it. I hope you put my money in the bank and you are earning interest on it.

**Mr CONLAN:** Let us have a look. This is all this, right? As you know, member for Nelson, about the money – you did not spend it. Right?

**Mr WOOD:** Phil - sorry, I know him well, but I will call him Mr Leslie – has told me that at a meeting we had, yes.

**Mr CONLAN:** Let me read this to you, it is not long. In 2010-11, a capital grant over three years was approved for the upgrade of Freds Pass Reserve: \$980 000 in 2010-11 for Stage 1; \$810 000 2011-12 Stage 2; and for Stage 3, \$500 000.

Funding for Stages 2 and 3 to the value of \$1.31m was withdrawn when the 2012 mini-budget was handed down due to the lack of progress on the project. The funding agreement was originally established through parliamentary agreement with Mr Gerry Wood MLA, member for Nelson, to provide upgrades and new sporting facilities at Freds Pass Reserve.

Interest of \$58 093 earned on Stage 1 payment brought the total available to \$1 038 092. The Department of Sport, Recreation and Racing approved a number of alternative projects throughout the grant with the final projects as follows: soccer ground upgrades; paintball facility; ablution blocks; rugby union fields; new office; rugby league lights; horse stable upgrades; storage sheds for user groups; playground upgrades; and a master plan for 15 years for a total of \$1 038 092.

**Mr WOOD:** I am glad the master plan did not go for 50 years.

**Mr CONLAN:** Pardon?

**Mr WOOD:** I am glad you reversed the 50-year master plan.

**Mr CONLAN:** That was a bit ridiculous. The 15-year master plan was \$21 000 as well. There is still a significant amount of money going into Freds Pass Reserve.

**Mr WOOD:** Is there any in this financial year for Freds Pass?

**Mr CONLAN:** There may be.

**Mr WOOD:** There may be.

**Mr CONLAN:** There may be. I am in discussion, I have to say. We are talking with the members for Daly and Goyder.

**Mr WOOD:** I am closer than the member for Daly by about 200 m.

**Mr CONLAN:** I would not call them formal high-level discussions. This is just as we are tracking towards the end of the year, having some brief discussions. You are more than welcome to be part of it.



**Mr WOOD:** All right. Quickly, this is a broader question but is an important question. You mentioned in your opening statement about promoting sporting activity in the remote areas. One of the concerns that has been around for a while is there have been too many long weekends and kids not getting to school. In your promotion of these carnivals and sporting activities, are you taking into account that there have been issues in relation to kids not turning up for school?

**Mr CONLAN:** Most definitely. In fact, when we agree to these partnerships with high level games, for example the Aussie Rules game in Alice, and games up here with Rugby League, Australian Rules football and cricket. When you bring these high-level games to the big cities or the bright lights, if you like, it attracts people from the communities. We are very conscious of the fact that, if it is during a school term there is a high probability those people will not return to their communities in time for them to start school again on Monday.

We are doing everything we can to make sure those games are scheduled. We have no control over the AFL fixture, for example, but they understand. Our relationship with the Melbourne footy club is much more than just a football partnership, it is a community partnership. It is acutely aware that if we are hosting a high-level AFL football game in the Centre, it needs to be during or as close to a school holiday period for that particular reason.

**Mr WOOD:** Minister, were you referring to that in your statement, or referring to community games such as out in Yuendumu? Is that what you were referring to in your opening statement? That is where the concern has been, that kids are heading off on Friday and not getting back until Tuesday.

**Mr CONLAN:** No, the statement was, essentially, referring to intra-Territory games limiting the amount of travel required by some of these communities. It was not so much about what you are talking about.

**Mr WOOD:** The concern I have had - and it has been said before - is you can have these community football matches and everyone comes in to Yuendumu or Papunya, and kids do not get back to school because it is like a big carnival. That is what I thought you were referring to. I did not know whether you had some concerns about that

**Mr CONLAN:** We do. What I was alluding to in the statement was about encouraging more high-level games – obviously, not an AFL game in Yuendumu, but high-level carnivals in remote parts of the Territory to keep people in their communities so they can stay there and do not have to travel. To enjoy a sporting carnival they do not need to travel to Alice Springs, Tennant Creek, Katherine, or Darwin.

**Mr WOOD:** Okay, I will leave it at that.

**Mr BARRETT:** We have talked about rugby, cricket and football. Something else we are doing at the moment is this partnership with A-League club and Adelaide United, and looking at possibilities of using this to reach out into the Asian region. I was wondering if you could outline what our plans are and what benefits that partnership can bring to the Territory?

**Mr CONLAN:** Adelaide United?

**Mr BARRETT:** Yes.

**Mr CONLAN:** Member for Blain, the 2014 budget will see \$110m allocated to support more major supporting events, sport and recreational facilities, and artistic events across the Territory. Included in this is \$150 000 to support our partnership with A-League side, Adelaide United. The partnership includes the hosting of pre-season games in Alice Springs and community engagement programs.

I am delighted to report that, as a result of this partnership, Adelaide United recently appointed a full-time soccer development manager in Alice Springs. Soccer, as you know, is one of the most popular sports in the Centre. It is fantastic that Adelaide United is further strengthening its ties with Central Australia by establishing a full-time coaching and development manager in Alice Springs. I think they started this week. The new position will result in high-quality programs for young people in Alice Springs who play soccer, will bolster current soccer competitions, and attract greater participation in sport, encouraging more of our children to lead active and healthy lives. Talented young players will be identified and their skills honed so they can get the best out of their abilities. It will improve pathways and opportunities for these players to progress to the elite level of the sport.

The new full-time development manager position is part of the government's two-year agreement with Adelaide United, which also includes trial matches, pre-season fixtures, and Indigenous youth program and training camps in Alice Springs. The pre-season fixture will be another exciting sporting event for the Centre and the broader Northern Territory to enjoy. It is set down for 23 August 2014 when Adelaide United plays Melbourne Heart.

The new youth program run by Adelaide United Football Club in remote Indigenous communities of Central Australia is also a great success of our partnership with the club. The Aboriginal and Torres Strait Islander, or ATSI, program was launched earlier this year. The program is about much more than just soccer; it is about keeping children active and healthy through soccer. It is successfully helping young Indigenous children throughout Central Australia gain a wide range of life skills, knowledge, and experiences that can help them become positive members of the community.

Recently, the program visited Yuendumu to kick-start the eight- to 10-week course for six to 13-year-olds for both boys and girls. It has had a strong focus on the importance of education, with all participants required to have compulsory school attendance over the two months. Traditionally an Aussie Rules heartland, it was fantastic to see Yuendumu embrace the program and the sport of soccer.

At the start of the first season, only six children were present, but it has continued the engagement of local children, and the continuation and commitment by them has been unbelievable, with more than 50 girls and boys involved in soccer games in the town softball oval by the end of the 180-minute session. You can see this sort of stuff really does work.

That is a lot about Alice Springs, I know. Essentially, we signed this agreement with Adelaide United which was keen to play in Alice Springs. It was what it wanted to do, and we tried and tested it with it. The game is to be played in August but we would love to expand that. The club is very keen to try to expand that out to Darwin as well. Maybe, again, we can see this concept of a trial game in Alice Springs and a full-blown A-League game in Darwin, but we have not committed to that yet. We are still in negotiations with Adelaide United.

So, it is a very good news story about Adelaide United. It is more than footy, it is about community engagement.

**Mr BARRETT:** Do you see an inroad into Asia using soccer? Obviously, they are not much into rugby or Australian Rules football sadly, but given their huge interest in soccer, particularly in Timor, I am wondering of a link there?

**Mr CONLAN:** Yes, absolutely. As part of the Festivals NT program, it is the new Asian engagement strategy or Asian engagement program the government is embarking on. Soccer will be key to that. You are absolutely right, soccer is the world game and loved with a passion, particularly in that BIMP-EAGA region, and regions right throughout southeast Asia. There is no doubt about it; it will feed beautifully into that.

**Madam CHAIR:** The committee will now proceed to consider the estimates of expenditure contained in the Appropriation Bill 2014-15 as they relate to the Department of Sport, Recreation and Racing.

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

**Madam CHAIR:** Are there any agency-related whole-of-government questions on budget and fiscal strategies? That concludes considerations – are you done with sport?

**Mr WOOD:** Done with sport. I checked with Ken.

**Madam CHAIR:** All right, skip forward a few pages. That concludes considerations of outputs relating to the Department of Sport, Recreation and Racing. On behalf of the committee, I thank all the officers who assisted the minister this evening.

#### **DEPARTMENT OF ARTS AND MUSEUMS**

**Madam CHAIR:** The committee will now move on to consider the outputs relating to the Department of Arts and Museums. We will have a quick changeover break.

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The committee suspended

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**Madam CHAIR:** Minister, I invite you, as the Minister for Arts and Museums, to introduce the officials accompanying you this evening and make an opening statement on the department if you would like.

**Mr CONLAN:** Thank you. I introduce those at the table with me: the Chief Executive Officer of the Department of Arts and Museums Mr Hugo Leschen, and the Chief Financial Officer Ms Joanna Frankenfeld.

I take the opportunity to thank the staff of the Department of Arts and Museums for their continued commitment, professionalism, and passion they demonstrate daily to ensure the Northern Territory provides a unique cultural experience through its cultural institutions and exciting programs across the arts and cultural sector for both Territorians and visitors alike.

The Department of Arts and Museums is responsible for assisting and facilitating Territorians to tell their stories and understand their history through arts and culture. The department supports, develops, and promotes the creative arts and screen sectors, and is responsible for protecting and providing access to the Territory's major cultural and scientific assets and collections. It also assists the community to care and make best use of these assets for tourism, research, educational, and commercial opportunities.

Within my portfolio responsibilities the department includes the Museum and Art Gallery of the Northern Territory, the Northern Territory Library, the Northern Territory Archive Service, the Araluen Cultural Precinct, Arts NT, and Screen Territory. This department has had some exciting and major developments completed since last estimates, most notably the recent announcement of the Museum and Art Gallery of the Northern Territory becoming a stronger statutory authority from 1 July this year. The Museum and Art Gallery of the Northern Territory, Bullocky Point in Darwin consists of five major permanent galleries, a gallery for touring exhibitions, educational facilities for school groups, a theatre, and the Cornucopia Museum Café.

In Central Australia, MAGNT is made up of the Museum of Central Australia and the Strehlow Research Centre. All contribute to providing a stimulating, entertaining, diverse, and educational experience for the local community and visitors alike.

MAGNT at Bullocky Point in Darwin is visited annually by 200 000 visitors.

MAGNT is also responsible for the management of a number of other key cultural and tourism attractions including the Defence of Darwin Experience at East Point, Lyons Cottage on the Esplanade, Fannie Bay Gaol and, on East Point Road, the Qantas Hangar in Parap and The Residency in Alice Springs. Some of these facilities are operated on a day-to-day basis by third parties under an agreement with the Northern Territory government, including the Defence of Darwin Experience and the Qantas Hangar.

MAGNT has suffered over recent years with ongoing budget pressures, despite significant efforts to reduce staffing levels and operational expenditure. The recent initiative of making MAGNT a stronger statutory authority will strengthen the MAGNT's board functions and powers to ensure the board can effectively and responsibly manage the operations and financial affairs of the MAGNT. This will ensure the board is also positioned to develop other revenue streams and reduce its dependence on government appropriation through increasing philanthropic donations and corporate sponsorship. It will allow the MAGNT to work more effectively with the private and philanthropic sectors to develop partnerships, sponsorships, and support that will enhance exhibitions and public programs.

The Telstra National Aboriginal and Torres Strait Islander Art Award, or NATSIAA, is being presented for the 31<sup>st</sup> year this year in August. Telstra has sponsored the award since 1992, and this support has helped to further enhance the award's profile and prestige. The Telstra NATSIAA opens on 8 August and features 65 works in all media from across Australia. The Telstra NATSIAA is Australia's most prestigious juried Indigenous art award. Each year, the MAGNT receives between 250 and 300 submissions.

This year, a new Youth Award has been created to encourage young Indigenous artists in their early careers. The Telstra NATSIAA opening also coincides with the Darwin Aboriginal Art Fair opening on Friday, 9 August.

The government has continued its support to arts and culture in the Northern Territory by announcing Festivals NT, which will bring together artists and musicians from the region to celebrate the Northern Territory's cultural diversity and build stronger relationships between nations.

In 2014-15, a total of \$44.9m is being provided to help support the Northern Territory arts and cultural institutions: The MAGNT will receive \$7.12m in support to assist in its new governance arrangement as a stronger statutory authority; funding of \$1.5m for the Katherine Regional Cultural Precinct; a cultural centre is being committed from 2012-13 to 2014-15; and \$2.85m is being committed for ongoing repairs and maintenance to the Northern Territory's cultural institutions; and funding of \$1.04m is allocated to upgrade and improve facilities and exhibitions.

The 2013-14 year was a year of strong operational delivery for the Northern Territory Library. The library welcomed over 60 000 visitors, including thousands to events such as the Northern Territory Literary Awards, exhibitions, lectures, and book launches. Over 7000 inquiries were answered as the library supported those researching the Northern Territory's unique history, in particular. The online archive of Digested and Born Digital Heritage materials continues to grow rapidly, and collections expanded to incorporate e-books and e-audio books.

The library continued to provide extensive support to the Northern Territory's network of 32 public and community libraries, Internet access, and training to many other remote communities through remote Indigenous public Internet access programs, and a series of highly-regarded early childhood literacy programs.

The library is currently embarking on a major planning process to ensure it meets the ongoing needs of all Territorians in a rapidly changing information environment.

To date, the 2014 Araluen Art Centre program in Alice Springs has included a stimulating selection of local, national, and international artists, performances, art house cinema screenings and exhibitions, kicking off the year with a special Valentine's Day performance from The Three Chinese Tenors, followed by two sell-out shows featuring the Chooky Dancers from Galiwinku community on Elcho Island.

In 2014, the Araluen Art Centre celebrated its 30<sup>th</sup> anniversary with the focus of celebrations being a black tie gala performance by the Duprada Dance Company, featuring guest dancers from the Australian Ballet.

In April 2014, during the school holidays, the Araluen cultural precinct hosted the event Dinosaurs Alive, an outdoor exhibition featuring robotic dinosaurs. It attracted 2724 visitors.

In July 2014, *Highway of the Lost Hearts*, written by and featuring Darwin's very own Maryanne Butler, will be presented in the Araluen Theatre, with further shows for 2014, including works by Bell Shakespeare and the Bangarra Dance Theatre.

In November 2014, the Portraits of a Senior Territorian, housed in Government House Darwin, will travel to Alice Springs for display in the Araluen galleries, featuring many Central Australian locals.

At the end of the 2013-14 financial year, the Northern Territory arts grants program, Arts NT, will receive over 288 grant applications, with approximately 200 allocated grants totalling approximately \$7.6m. Over \$7m of this funding is provided by the Northern Territory government which supports, develops, and promotes a dynamic and thriving creative arts and cultural sector for the social, cultural, and economic benefit of the Northern Territory.

The Northern Territory government's investment in arts and culture through Arts NT includes funding, advice, and infrastructure support to stimulate and showcase the unique and diverse arts and culture of the Territory, including Indigenous art. It builds partnerships across all sectors and tiers of government to strengthen the sector and facilitate broad community access and participation in arts, creativity, and cultural expression for the benefit of all Territorians, visitors, and partners.

In 2013-14, more than \$3.75m has been allocated to support 21 not-for-profit arts organisations to deliver arts programs, services, festivals, and events across the Northern Territory, including Barkly Regional Arts in Tennant Creek, Katherine Regional Arts in Katherine, Desert, Red Hot Arts Central Australia, Inside Arts, Central Crafts, and Watch this Space in Alice Springs.

The Northern Territory government continues to support the Darwin Festival through this program by committing \$1m in 2014 to this premier multi-arts festival in Darwin and northern Australia, as the gateway

to Asia. Community festivals funding supports both major multi-arts festivals in Darwin and Alice Springs, regional arts festivals including the Beanie Festival, the Palmerston Festival, the Desert Harmony Festival in Tennant Creek, and more than 15 festivals in remote communities such as the Barunga Festival in Katherine, the Jamuluk Festival in West Arnhem, and the Lurr'a Festival in Maningrida. Community festivals provide local artists with showcase opportunities and attract broad community participation from the wider region and, in many instances, are open to tourists to join in and experience celebrations of local community arts and culture.

The Northern Territory Arts Grant program also supports leading national Indigenous arts showcasing events including the National Indigenous Music Awards, the Darwin Aboriginal Art Fair, and the Desert Mob Exhibition and Marketplace that raise the profile of Territory artists' national and international audiences, and also supports employment and income-generating for Indigenous artists.

In 2013-14, Arts NT and the NT Arts Grants program also supported the Chan Contemporary Art Space Exhibition program from July to November 2014. That showcases the delivery and diversity of Northern Territory contemporary art practice from artists across the Territory, and also art sector engagement with Asia, as part of our Festivals NT initiative.

This financial year, Screen Territory, through its grants program, will allocate \$336 000 to more than 40 grants to develop the Territory industry, as well as simulate the Telling of Territory Stories. Territory filmmakers are continuing to develop and make quality feature films, documentaries, and TV programs, including comedy. Eighteen screen projects have received development funding. The Screen Grants program has supported screening events that engage the Territory community, including the Darwin International Film Festival which is entering its fifth year this September. Funding of \$20 000 per year has seen the festival grow to an eight-day event with an audience of over 2000.

Screen Territory funding not only allows Territorians to enjoy events such as the Darwin International Film Festival, but it also makes sure Territorians have the opportunity to view homegrown content on their TV screens.

On 11 November 2013, I was honoured to officially open the Northern Territory Archive Centre, including both the Northern Territory Archive Services and the National Archives of Australia. The opening also included readings from a selection of extracts from archival records from both collections read by Her Honour the Administrator of the Northern Territory, Ms Sally Thomas, Mr Tom Pauling, and Mr Ted Egan.

A public open day was held on 5 April 2014 at the centre which provided an opportunity for more than 300 members of the public to visit and learn about the collections and the services, view records, displays, and a photographic exhibition on the development of Territory history of the pastoral industry, and the changes in housing and building design, and attend talks on these subjects by Dr David Bridgeman and Ms Pearl Ogden.

We are also able to view archives and film of footage of the Bombing of Darwin in 1942, the aftermath of Cyclone Tracy in 1974, A Doorway to the North 1949, hear voices and memories from oral history collections, talk to an archivist about collecting and keeping family archive collections and, of course, viewing and handling archival records on white glove tours of the purpose-built repositories.

As I stated previously, Territorians have a great appreciation for the arts and culture, so much of which is unique to our own Northern Territory. Growing numbers of visitors are appreciating this, and this support and these initiatives will allow this growth to continue by enabling the department to continue to operate efficiently and effectively and focus on its core business.

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

**Madam CHAIR:** It is 10 seconds past.

**Mr WOOD:** Madam Speaker, as it went longer than five minutes, which is your ruling, you should be able to take the extra bit off.

**Madam CHAIR:** There was no point of order. I am in the hands of the minister but, unless there was a point of order calling up the five minutes ...

**Ms LAWRIE:** I would like one question.

**Mr CONLAN:** Sure.

**Madam CHAIR:** Well, it is up to the minister. That is fine.

**Mr CONLAN:** How can I resist?

**Madam CHAIR:** You said one.

**Ms LAWRIE:** Thank you, I appreciate that, minister. In the spirit of getting a question up on arts and museums it would be great to talk about the great things going on at the Museum and Art Gallery of the NT at Araluen. The festivals you mentioned are superb.

You would be very aware, though, there is a great deal of consternation in the community about the \$1.5m cut to local arts organisations. Certainly, Happy Yes has become a very unhappy yes. I think Dan's comments in the media were the government is taking a large amount of money from the arts from one hand, and pushing another amount as a smoke screen out. What everyone wants to know - and I hope you can provide some information tonight - is could you provide a breakdown of the local arts organisations that will have their core funding cut from Arts NT?

**Mr CONLAN:** No, because it is through NT Arts Grants program that this has been cut. There is a reduction in the amount of funding that will be made available to arts organisations. It is impossible to answer that question because those grants are made available to those who successfully apply. By virtue of being an application process, it is impossible to answer that question.

**Ms LAWRIE:** They all have their future up in the air and all want to know to what extent they close their doors, or will they have enough to keep their funding open. I get, through the grants process, some difficult decisions will be made ...

**Mr CONLAN:** There will be.

**Ms LAWRIE:** ... by the people who process the grants. The message loud and clear is, if there is a view to keeping doors open, that is what they really want because diversity in arts is crucial.

**Mr CONLAN:** I agree. With indulgence, Madam Chair, it is never an easy thing to do, but everyone had to make some savings. It is important to emphasise and state that we have preserved the funding to our cultural institutions - our libraries, our entertainment centres, our performing arts complexes, our theatres and, our Museum and Art Gallery. We are embarking on a game-changing new era with the MAGNT. It is a statutory authority as of 1 July 2014. We have a world-class board, and I thought it was critical they are equipped with sufficient funding to go forward. I thought by cutting the MAGNT just as they are embarking on this new era would be counterproductive.

Our cultural institutions have been preserved. It is important to note - and I do not want to be flippant - you cannot write a play if you have nowhere to perform it. There is no point in painting a picture if you have nowhere to hang it. What makes a great civilisation, a great city - and Darwin is one of the world's great cities - are cultural institutions.

I hope this is not ongoing. If we can make these rational savings now, then we are able to continue to invest in the arts sector, particularly in the arts grant sector in the future.

**Madam CHAIR:** Thank you, minister, and thank you for going over time. That concludes consideration of the Department of Arts and Museums. On behalf of the committee, I thank the officials who assisted you this evening. That also concludes ...

**Mr CONLAN:** Madam Chair, I just need to make a clarification about something I said in Housing earlier though. Is that okay to do, to get it on the record?

**Madam CHAIR:** I am sure that would be welcome.

**Mr CONLAN:** It has been brought to my attention that the response I made in the session with Housing may have been incorrect. The question was put to me by the member for Nhulunbuy. She asked if we allocated 15% of new developments to social housing and I confirmed we did.

It remains government policy to allocate 50% of new developments to affordable housing which may be a mix of public housing and affordable housing. It has been suggested Ms Walker may have meant solely public housing. If so, then I just wanted to clarify that comment.

**Madam CHAIR:** Thank you very much, minister. This also concludes consideration of the Alice Springs Transformation Plan which concludes proceedings for today. The 2014 Estimates Committee public hearings will resume next Tuesday, 17 June 2014, at 8.30 am.

Just as a matter of public notice, I let people know, if you have not heard already, there was a large accident on the Stuart Highway this afternoon and the most recent update I can find, which was 49 minutes ago on the *NT News* Facebook page, is that police Superintendent Louise Jorgensen has said that police are about to open the outbound lanes of the Stuart Highway from Woolner, where the fatal crash happened this afternoon, but the inbound lanes will still be closed for at least another half-an-hour. Police needed a crane to lift one of the cars. Inbound traffic on the Stuart Highway has been diverted on the overpass, either left down Bagot Road or right into Snell Street. Our thoughts are with the families this evening. So take care on the road. Good night.

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The committee suspended

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